
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Yuexiu Property Company Limited, you should immediately hand the Prospectus Documents (as defined herein) to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “Letter from the Board — Warning of the Risks of Dealing in the Shares and the nil-paid Rights Shares” in this Prospectus.

A copy of each of the Prospectus Documents, together with copies of the documents specified in “Appendix IV — General Information — Documents Delivered to the Registrar of Companies”, has been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange (as defined herein) and the Securities and Futures Commission in Hong Kong take no responsibility for the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares (as defined herein) in both nil-paid and fully-paid forms on the Stock Exchange and compliance with the stock admission requirements of HKSCC (as defined herein), the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined herein) with effect from their respective commencement dates of dealings on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. You should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

For the entitlement of the PRC Southbound Trading Investors (as defined herein) to participate in the Rights Issue, please refer to “Letter from the Board — Rights Issue — PRC Southbound Trading Investors” in this Prospectus.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus is for informational purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any Rights Shares in their nil-paid form or fully paid form or to take up any entitlements to the Rights Shares in their nil-paid or fully paid form in the United States or in any other jurisdiction in which such an offer or solicitation is unlawful.

The securities described herein have not been and will not be registered under the US Securities Act (as defined herein), or the laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. There is no intention to register any portion of the Rights Shares or any securities described herein in the United States or to conduct a public offering of securities in the United States.



(Incorporated in Hong Kong with limited liability)

(Stock Code: 00123)

RIGHTS ISSUE OF 928,936,826 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$9.00 ON THE BASIS OF 30 RIGHTS SHARES FOR EVERY 100 SHARES HELD ON THE RECORD DATE

Joint Financial Advisors to the Rights Issue



Joint Underwriters to the Rights Issue



CITIC SECURITIES



Morgan Stanley



CICC 中金公司

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Thursday, 25 May 2023. The procedure for acceptance and payment for or transfer of the Rights Shares is set out in “Letter from the Board — Rights Issue — Procedures for Acceptance or Transfer”.

The Rights Issue is on an underwritten basis. It should be noted that the Underwriting Agreement (as defined herein) contains provisions granting the Joint Underwriters the right to terminate the obligations of the Joint Underwriters thereunder at any time before the Latest Time for Termination (as defined herein) on the occurrence of certain events. These certain events are set out in the section headed “Termination of the Underwriting Agreement” in the Letter from the Board on pages 11 to 39 of this Prospectus. If the Underwriting Agreement is terminated by the Joint Underwriters or does not become unconditional, the Rights Issue will not proceed.

Pursuant to the Articles (as defined herein) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as defined herein), there are no requirements for minimum levels of subscription. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

The Shares have been dealt in on an ex-rights basis from Tuesday, 2 May 2023. Dealings in the nil-paid Rights Shares are expected to take place from 9:00 a.m. on Monday, 15 May 2023 to 4:00 p.m. on Monday, 22 May 2023 (both days inclusive). The Rights Issue is conditional upon the fulfilment of the conditions as set out in “Letter from the Board — Rights Issue — Conditions of the Rights Issue”. If any of those conditions is not fulfilled or becomes incapable of fulfilment on or prior to the Latest Time for Termination, the Rights Issue will not proceed. Any dealings in the Shares during the period from the date hereof to the latest time at which all the conditions to which the Rights Issue is subject are fulfilled, which is currently expected to be 4:00 p.m. on Monday, 29 May 2023, or in the Rights Shares during the period in which they may be traded in their nil-paid form, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares during such periods are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares and if they are in doubt about their position, they are recommended to consult their own professional advisors.

11 May 2023

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The Shares have been dealt in on an ex-rights basis from Tuesday, 2 May 2023 and the nil-paid Rights Shares are expected to be dealt from 9:00 a.m. on Monday, 15 May 2023 to 4:00 p.m. on Monday, 22 May 2023 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled.

Any Shareholders or other persons dealing in the Shares up to the latest time at which all the conditions to which the Rights Issue is subject are fulfilled, which is expected to be 4:00 p.m. on Monday, 29 May 2023, and any persons dealing in the nil-paid Rights Shares from 9:00 a.m. on Monday, 15 May 2023 to 4:00 p.m. on Monday, 22 May 2023 (both days inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed and should exercise caution.

Any Shareholder or other person who is in any doubt about his/her/its position is recommended to consult his or her own professional advisor.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he/she/it is aware of the restrictions on offers and sales of nil-paid Rights Shares and/or Rights Shares as described in this Prospectus.

NOTICE TO PRC SOUTHBOUND TRADING INVESTORS

The PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, and the PRC Southbound Trading Investors are not permitted to purchase or transfer any other nil-paid Rights Shares.

The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC in accordance with the CSRC Notices.

NOTICE TO INVESTORS IN THE PRC (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS)

The Rights Shares in nil-paid or fully-paid form shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to the PRC Southbound Trading Investors' rights to participate in the Rights Issue as explained in this Prospectus), or such person or entity has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

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If a Shareholder resident in the PRC wishes to invest in the Rights Shares (both in their nil-paid and fully-paid forms), it shall be responsible for complying with relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and thus, should the Company suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder, the Shareholder shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Rights Shares (both in their nil-paid and fully-paid forms) to any such Shareholder, if the Company, in its absolute discretion, is satisfied that issuing the Rights Shares (both in their nil-paid and fully-paid forms) to such Shareholder does not comply with the relevant laws of the PRC.

NOTICE TO INVESTORS IN AUSTRALIA

This Prospectus does not constitute a prospectus or other disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the “**Australian Corporations Act**”) nor does it constitute a product disclosure statement under Part 7.9 of the Australian Corporations Act. This Prospectus has not been and will not be lodged with the Australian Securities and Investments Commission (“**ASIC**”). Accordingly, this Prospectus may not contain all of the information which would otherwise be required by Australian law to be disclosed in a disclosure document or product disclosure statement prepared in accordance with the Australian Corporations Act and ASIC does not take any responsibility for its contents. This Prospectus is only being made available to existing investors in the Company in reliance on the ASIC Corporations (Foreign Rights Issues) Instrument 2015/356 issued by ASIC (the “**ASIC Instrument**”). As any offer for the issue of the Rights Shares under this Prospectus in Australia will be made pursuant to the ASIC Instrument, section 707(3) of the Australian Corporations Act 2001 will not apply to the offer of those Rights Shares for resale in Australia within 12 months of the date of issue. This Prospectus does not constitute an offer to any other person or to the public generally in Australia. No action has been taken which would permit any public offering of Shares in the Company in Australia. The distribution of this Prospectus in Australia may be restricted by law and any failure to comply with such restrictions may constitute a violation of applicable securities laws. If you are in doubt about the contents of this Prospectus, you should obtain independent professional advice.

The Company is not licensed in Australia to provide financial product advice in respect of the Rights Shares offered by the Company. There is no cooling off period in respect of the Company’s Rights Shares offered.

NOTICE TO INVESTORS IN MACAU

The nil-paid Rights Shares and the Rights Shares are not required to be registered with the Macau Monetary Authority or with any other authority under the laws and regulations of Macau and this Prospectus may be despatched to Overseas Shareholders with registered addresses in Macau without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to Overseas Shareholders with registered addresses in Macau, and such Overseas Shareholders are Qualifying Shareholders.

NOTICE TO INVESTORS IN MALAYSIA

No approval from, or recognition by, the Securities Commission of Malaysia (“**SC**”) has been or will be obtained in relation to the Rights Issue. The Rights Issue is exempted from the requirement

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to obtain approval from, or recognition by, the SC under the Capital Markets and Services Act 2007 as the Rights Issue involves making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase shares of a corporate whose shares are listed on a securities exchange outside Malaysia pursuant to a rights issue. Further, the Rights Issue is an offer or invitation in respect of the securities of a corporation or unit trust scheme that is listed outside Malaysia, and such offer or invitation is made to existing securities holders of such corporation or unit trust scheme by means of a rights issue. In view of this, the Directors have decided to extend the Rights Issue to Overseas Shareholders with registered addresses in Malaysia, and such Overseas Shareholders are Qualifying Shareholders. Accordingly, this Prospectus will be deposited as an information memorandum with the SC.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at: persons who (1) are outside the United Kingdom; (2) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (3) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc); or (4) are persons to whom this Prospectus may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

No Shares have been offered or will be offered pursuant to the Rights Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that the Shares may be offered to the public in the United Kingdom at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Underwriters for any such offer; or
- c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (the “**FSMA**”),

provided that no such offer of the Shares shall require the issuer or any manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

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NOTICE TO INVESTORS IN SINGAPORE

The offer of nil-paid Rights Shares and the Rights Shares by the Company is and will be made only to and directed at, and the nil-paid Rights Shares and Rights Shares are and will be only available to, persons in Singapore who are existing members of the Company as set out in the register of members of the Company pursuant to Section 273(1)(cd) of the Securities and Futures Act, 2001 of Singapore, as modified or amended from time to time (the “SFA”).

Accordingly, the nil-paid Rights Shares and the Rights Shares are or will be offered pursuant to exemptions under the SFA only. Accordingly, the nil-paid Rights Shares and the Rights Shares and the interests therein may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any nil-paid Rights Shares or Rights Shares be issued, circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an existing member of the Company pursuant to Section 273(1)(cd) of the SFA; (b) pursuant to and in accordance with the conditions of, an exemption under Section 274 or Section 275 or, where applicable, Section 276 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Prospectus has been given by the Company to you only, and you may not reproduce, forward, share, distribute or otherwise circulate this Prospectus or any other material in connection with the offer or sale to any other person.

By receipt of this Prospectus you have confirmed that you are entitled to receive such document in accordance with the restrictions set forth above and agree to be bound by the limitations contained herein.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the nil-paid Rights Shares and the Rights Shares are “prescribed capital markets products” (as defined in the CMP Regulations 2018).

REPRESENTATIONS AND WARRANTIES

By accepting delivery of this Prospectus, each purchaser of the nil-paid Rights Shares or subscriber for the Rights Shares will be deemed to have agreed and given each of the following representations and warranties to the Company and to any person acting on their behalf, unless in their sole discretion the Company waives such requirement expressly in writing:

- (i) he/she/it was a Qualifying Shareholder (other than the PRC Southbound Trading Investors) as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the nil-paid Rights Shares, directly or indirectly, from such a person;
- (ii) he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the nil-paid Rights Shares and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;

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- (iii) he/she/it is not located in the United States;
- (iv) he/she/it is not accepting an offer to acquire or take up the nil-paid Rights Shares or the Rights Shares on a non-discretionary basis for a person who is located in the United States at the time the instruction to accept was given;
- (v) he/she/it is not taking up for the account of any person who is located in the United States, unless (a) the instruction to purchase or take up the nil-paid Rights Shares or to subscribe for or accept the Rights Shares was received from a person outside the United States and (b) the person giving such instruction has confirmed that it (1) has the authority to give such instruction and (2) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the nil-paid Rights Shares and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- (vi) he/she/it is acquiring the nil-paid Rights Shares and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- (vii) he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- (viii) he/she/it is not acquiring the nil-paid Rights Shares or the Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such nil-paid Rights Shares or Rights Shares into the United States; and
- (ix) he/she/it understands that neither the nil-paid Rights Shares nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the nil-paid Rights Shares and the Rights Shares are being distributed and offered only outside the United States in reliance on Regulation S. Consequently, he/she/it understands that the nil-paid Rights Shares or the Rights Shares may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, delivered, distributed or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representations and warranties above.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward- looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in

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respect of the Group's business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect many assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Additional Committed Shares”	up to 279,684,983 Rights Shares (being 50% of the difference between (1) the total number of the Rights Shares and (2) the aggregate of (x) the Committed Shares and (y) any Rights Shares which are subject to the Other Irrevocable Undertaking(s) which Yue Xiu has undertaken to apply for, by way of excess application, pursuant to the Rights Issue on the terms and subject to the conditions as set out in the Irrevocable Undertaking. Since no irrevocable undertaking(s) have been given by any Substantial Shareholder(s) (other than Yue Xiu) by the fifth Business Day before the date of the Prospectus Documents agreeing to, among other things, take up for their full entitlement to Rights Shares pursuant to the Rights Issue, there are no Other Irrevocable Undertaking(s) and “Additional Committed Shares” shall be 279,684,983 Rights Shares
“Announcement”	the announcement of the Company dated 20 April 2023 relating to the Rights Issue
“Announcement Date Underwritten Shares”	279,684,986 Rights Shares, being the total number of Rights Shares, less the total number of Committed Shares and the maximum number of Additional Committed Shares
“Articles”	the articles of association of the Company, as amended from time to time
“associate”	has the meaning ascribed to it under the Listing Rules
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors of the Company
“Business Day”	any day (other than a Saturday and Sunday, or a day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks in Hong Kong are open for business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited

DEFINITIONS

“CCASS Investor Participant”	any person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	any person admitted to participate in CCASS as a direct clearing participant, a general clearing participant, a custodian participant, or any CCASS Investor Participant
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Committed Shares”	the total number of Rights Shares (being 369,566,857 Rights Shares) to be provisionally allotted to Yue Xiu, and to which Yue Xiu has undertaken to take up on the terms and subject to the conditions as set out in the Irrevocable Undertaking
“Company”	Yuexiu Property Company Limited (越秀地產股份有限公司), 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)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“CSRC Notices”	the notices of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21) and Interim Measures for the Administration of Overseas Offering of Securities and Listing of Domestic Enterprises (Announcement [2023] No. 43)
“Director(s)”	the director(s) of the Company
“Distribution in Specie”	the distribution of a special dividend by the Company in the form of a distribution in specie of 249,557,640 undivided unit(s) in Yuexiu Real Estate Investment Trust held by the Group to the qualifying shareholders for Distribution in Specie in proportion to their then respective shareholdings in the Company, subject to the financial statements of the Company for the financial year ended 31 December 2022 being laid before the Company at the forthcoming annual general meeting

DEFINITIONS

“EAF(s)”	the form of application for excess Rights Shares to be issued to the Qualifying Shareholders whose Shares are traded on the Stock Exchange
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Final Dividend”	the final cash dividend of HK\$0.307 per Share (equivalent to RMB0.272 per Share) for the financial year ended 31 December 2022 declared by the Board
“Group”	the Company and its subsidiaries taken as a whole
“GZYX”	廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited*), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People’s Government of the PRC and is the ultimate controlling Shareholder of the Company
“GZ Metro”	廣州地鐵集團有限公司 (Guangzhou Metro Group Co., Ltd.*), a limited liability company established under the laws of the PRC and is wholly owned by the Guangzhou Municipal People’s Government of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Irrevocable Undertaking”	an irrevocable undertaking given by Yue Xiu in favour of the Company dated 20 April 2023 in respect of the acceptance and application of the Committed Shares and Additional Committed Shares
“Joint Underwriters”	CLSA Limited, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, DBS Asia Capital Limited and China International Capital Corporation Hong Kong Securities Limited

DEFINITIONS

“Last Trading Day”	Wednesday, 19 April 2023, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Acceptance Date”	Thursday, 25 May 2023, or such later date as the Company and the Joint Underwriters may agree in writing, being the last date for acceptance of and payment for the Rights Shares and excess Rights Shares
“Latest Practicable Date”	5 May 2023, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Monday, 29 May 2023, or such later time and date as may be agreed in writing between the Company and the Joint Underwriters, being the latest time and date on which the Joint Underwriters may terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the PRC
“Material Adverse Change” or “Material Adverse Effect”	a material adverse change or a material adverse effect on the financial condition, prospects, results of operations, business, general affairs or properties of the Company or any other member of the Group, or on the ability of the Company to perform its obligations under the Underwriting Agreement, or any effect (or change, as the case may be) which, in the reasonable opinion of the Joint Underwriters, is or may be material and adverse in the context of the Rights Issue
“Non-Qualifying Shareholder(s)”	those Overseas Shareholders to whom the Directors, after making relevant enquiries, consider it necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the respective laws of the jurisdiction of the addresses of such Overseas Shareholder or the requirements of the relevant regulatory body or stock exchange in such jurisdictions

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“Other Irrevocable Undertaking(s)”	any irrevocable undertaking(s) which may be given by any other Substantial Shareholder(s) by the fifth Business Day before the date of the Prospectus Documents agreeing to, among other things, take up for its full entitlement to Rights Shares pursuant to the Rights Issue. Since no irrevocable undertaking(s) have been given by any Substantial Shareholder(s) (other than Yue Xiu) by the fifth Business Day before the date of the Prospectus Documents agreeing to, among other things, take up for their full entitlement to Rights Shares pursuant to the Rights Issue, there are no Other Irrevocable Undertaking(s)
“Overseas Shareholder(s)”	those Shareholders whose addresses, as shown on the Register of Members as at 5:00 p.m. on the Record Date, are outside Hong Kong, or Beneficial Owners that are known to the Company as being resident outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Shares to be issued to the Qualifying Shareholders whose Shares are traded on the Stock Exchange
“PRC”	the People’s Republic of China and for geographical reference only (unless otherwise stated) excludes Hong Kong, Macau and Taiwan
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect
“Prospectus”	this prospectus issued by the Company for despatch to the Qualifying Shareholders in connection with the Rights Issue and shall include any supplementary prospectus required is published (as the context permits)
“Prospectus Documents”	this Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the Register of Members as at 5:00 p.m. on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	10 May 2023, being the record date to determine entitlements to the Rights Issue (or such other date as the Company and the Joint Underwriters may agree for determining entitlements to the Rights Shares)
“Register of Members”	the register of Shareholders of the Company in Hong Kong maintained by the Registrar

DEFINITIONS

“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the Register of Members of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	Tricor Abacus Limited, the Company’s Hong Kong share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Regulation S”	Regulation S under the US Securities Act
“Rights Issue”	the issue of the Rights Shares by way of rights to Qualifying Shareholders at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	new Shares to be allotted and issued under the Rights Issue in the proportion of 30 Rights Shares for every 100 existing Shares held as at 5:00 p.m. on the Record Date (rounded down to the nearest one share)
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shanghai-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange and China Clear
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shenzhen Stock Exchange and China Clear
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Subscription Price”	the subscription price of HK\$9.00 per Rights Share pursuant to the Rights Issue
“Subsidiaries”	direct and/or indirect wholly-owned subsidiaries

DEFINITIONS

“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs and/or applications which have been lodged accompanied by cheques or other remittances for the full amount payable in respect thereof
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Time of Sale”	7:00 a.m. on the second Business Day following the Latest Acceptance Date or such other time falling within the period commencing on the second Business Day following the Latest Acceptance Date and ending on the third Business Day following the Latest Acceptance Date, as is notified to the Company by the Joint Underwriters as the time of sale with respect to their endeavours to procure subscribers for the Underwritten Shares not taken up
“U.K.” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“Underwriting Agreement”	the underwriting agreement dated 20 April 2023 entered into between the Company and the Joint Underwriters in relation to the Rights Issue
“Underwritten Shares”	Pursuant to the Underwriting Agreement, “Underwritten Shares” shall mean “such number of Rights Shares less (a) the total number of Committed Shares and Additional Committed Shares and (b) any Rights Shares which are subject to any of the Other Irrevocable Undertaking(s)”. Since no irrevocable undertaking(s) have been given by any Substantial Shareholder(s) (other than Yue Xiu) by the fifth Business Day before the date of the Prospectus Documents agreeing to, among other things, take up for their full entitlement to Rights Shares pursuant to the Rights Issue, there are no Other Irrevocable Undertaking(s) and “Underwritten Shares” shall be 279,684,986 Rights Shares
“US Securities Act”	the United States Securities Act of 1933, as amended
“US” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Yue Xiu”	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of GZYX

DEFINITIONS

“Yue Xiu Capital”	Yue Xiu Capital Limited, a company incorporated under the laws of Hong Kong, licensed to conduct Type 6 (advising on corporate finance) regulated activities (as defined under the SFO), and an indirectly wholly-owned subsidiary of Yue Xiu, which is a wholly-owned subsidiary of GZYG, being the ultimate controlling Shareholder of the Company
“Yue Xiu Securities”	Yue Xiu Securities Company Limited, a company incorporated under the laws of Hong Kong, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities (as defined under the SFO), and an indirectly wholly-owned subsidiary of Yue Xiu, which is a wholly-owned subsidiary of GZYG, being the ultimate controlling Shareholder of the Company
“Yuexiu Services”	Yuexiu Services Group Limited (越秀服務集團有限公司) (Stock Code: 6626) (formerly known as Yuexiu Property Management Holding Limited (越秀物業管理股份有限公司)), a limited company incorporated in Hong Kong on 8 October 2020 with its shares listed on the main board of the Stock Exchange and is an indirect non wholly-owned subsidiary of the Company as at the Latest Practicable Date
“%”	per cent.

* *For identification purposes only*

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and *vice versa* and any reference to a gender includes a reference to the other gender and the neuter.

For the purpose of this Prospectus, unless otherwise indicated, conversion of RMB into HK\$ or vice versa have been calculated by using an exchange rate of HK\$1.00 to RMB0.87576. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

If there is any inconsistency between the Chinese names of the entities, companies or legal entities incorporated in the PRC mentioned in this Prospectus and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such entities, companies or legal entities are provided for illustration purposes only.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

Basis of the Rights Issue	:	30 Rights Shares for every 100 existing Shares held on the Record Date
Subscription Price	:	HK\$9.00 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date	:	3,096,456,087 Shares
Number of Rights Shares	:	928,936,826 Rights Shares
Number of Shares in issue upon completion of the Rights Issue	:	4,025,392,913 Shares
Number of Rights Shares undertaken to be subscribed by Yue Xiu	:	Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken that, among other things, it will, or will procure its Subsidiaries or nominees (including the CCASS Participant(s) holding Shares on its/their behalf), to (i) take up in full its/their Committed Shares; and (ii) apply (by way of excess application) for the Additional Committed Shares, at the Subscription Price
Latest time for acceptance:	:	4:00 p.m. on Thursday, 25 May 2023
Amount to be raised by the Rights Issue before expenses	:	Approximately HK\$8,360 million
Joint Underwriters	:	CLSA Limited, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, DBS Asia Capital Limited and China International Capital Corporation Hong Kong Securities Limited

EXPECTED TIMETABLE

EXPECTED TIMETABLE

First day for dealings in nil-paid Rights Shares	Monday, 15 May 2023
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Wednesday, 17 May 2023
Last day for dealings in nil-paid Rights Shares	Monday, 22 May 2023
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Thursday, 25 May 2023
Latest time for the termination of the Underwriting Agreement, and expected time for the Rights Issue to become unconditional	4:00 p.m. on Monday, 29 May 2023
Announcement of results of the Rights Issue	Friday, 2 June 2023
Despatch of certificates for fully paid Rights Shares on or before	Monday, 5 June 2023
Despatch of refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares and excess Rights Shares to be posted on or before	Monday, 5 June 2023
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 6 June 2023

Note: All references to time in this Prospectus are references to Hong Kong time unless otherwise stated.

Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this Prospectus, are indicative only and may be varied by agreement between the Company and the Joint Underwriters. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any changes to the anticipated timetable for the Rights Issue will be announced as appropriate.

LETTER FROM THE BOARD



越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00123)

Executive Directors

Mr. LIN Zhaoyuan (*Chairman*)
Mr. LIN Feng (*Vice Chairman and General Manager*)
Mr. ZHU Huisong (*Co-General Manager*)
Mr. HE Yuping
Ms. CHEN Jing
Ms. LIU Yan

Registered Office

26th Floor
Yue Xiu Building
160 Lockhart Road
Wanchai, Hong Kong

Non-executive Director

Mr. ZHANG Yibing

Independent Non-executive Directors

Mr. YU Lup Fat Joseph
Mr. LEE Ka Lun
Mr. LAU Hon Chuen Ambrose
Mr. CHEUNG Kin Sang

11 May 2023

To the Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE OF 928,936,826 RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$9.00 ON THE BASIS OF 30 RIGHTS
SHARES FOR EVERY 100 SHARES HELD ON THE RECORD DATE**

INTRODUCTION

On 20 April 2023, the Company announced, among other things that it proposes to raise approximately HK\$8,360 million, before expenses (or approximately HK\$8,299 million after expenses) (based on the number of issued Shares as at the date of the Announcement) by way of the Rights Issue of 928,936,826 Rights Shares at the Subscription Price of HK\$9.00 per Rights Share, on the basis of 30 Rights Shares for every 100 existing Shares held on the Record Date.

The Rights Issue is subject to the fulfilment of certain conditions as set out in “Letter from the Board — Rights Issue — Conditions of the Rights Issue” in this Prospectus. If any of such conditions

LETTER FROM THE BOARD

is not fulfilled, or becomes incapable of fulfilment, on or prior to the Latest Time for Termination, the Joint Underwriters have the right to terminate its obligations in occurrence of the events as set out in the section headed “*Termination of the Underwriting Agreement*”. If the Underwriting Agreement is terminated by the Joint Underwriters or does not become unconditional, the Rights Issue will not proceed.

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue, including the procedures for the acceptance of provisional allotments of Rights Shares and certain financial and other information of the Group.

RIGHTS ISSUE

Terms of the Rights Issue

Rights Issue Statistics

Basis of the Rights Issue	: 30 Rights Shares for every 100 existing Shares held on the Record Date
Subscription Price	: HK\$9.00 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date	: 3,096,456,087 Shares
Number of Rights Shares	: 928,936,826 Rights Shares
Number of Shares in issue upon completion of the Rights Issue	: 4,025,392,913 Shares
Number of Rights Shares undertaken to be subscribed by Yue Xiu	: Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken that, among other things, it will, or will procure its Subsidiaries or nominees (including the CCASS Participant(s) holding Shares on its/their behalf), to (i) take up in full its/their Committed Shares; and (ii) apply (by way of excess application) for the Additional Committed Shares, at the Subscription Price
Latest time for acceptance:	: 4:00 p.m. on Thursday, 25 May 2023
Amount to be raised by the Rights Issue before expenses	: Approximately HK\$8,360 million
Joint Underwriters	: CLSA Limited, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, DBS Asia Capital Limited and China International Capital Corporation Hong Kong Securities Limited

LETTER FROM THE BOARD

Assuming no change to the number of issued Shares (other than the issuance and allotment of Rights Shares) on or before the Record Date, the 928,936,826 nil-paid Rights Shares proposed to be provisionally allotted (i) represent approximately 30% of the Company's total number of Shares in issue as at the Latest Practicable Date; and (ii) will represent approximately 23.08% of the Company's total number of Shares in issue immediately upon completion of the Rights Issue.

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants or conversion rights or other similar rights which are convertible or exchangeable into Shares.

Subscription Price

The Subscription Price is HK\$9.00 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 28.3% to the closing price of HK\$12.56 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 30.9% to the average closing price of approximately HK\$13.02 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 29.1% to the average closing price of approximately HK\$12.70 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 23.3% to the theoretical ex-rights price of approximately HK\$11.74 per Share based on the closing price of HK\$12.56 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 47.5% to the audited consolidated net asset value of the Company of approximately HK\$17.15 per Share based on the latest published audited consolidated net asset value attributable to the equity holders of the Company of approximately RMB47,429.62 million as at 31 December 2022 as set out in the announcement of the Company in respect of the financial results for the Company for the year ended 31 December 2022 and total number of issued Shares of 3,096,456,087 Shares as at the Latest Practicable Date;
- (vi) a discount of approximately 12.8% to the closing price of HK\$10.32 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 7.2% of the theoretical diluted price of approximately HK\$12.16 per Share to the benchmarked price of HK\$13.10 per Share (as defined under

LETTER FROM THE BOARD

Rule 7.27B of the Listing Rules, taking into account the higher of the closing price of HK\$12.56 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day of HK\$13.10 per Share).

Each Rights Share has no par value. The estimated net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) (assuming no change to the number of issued Shares (other than the issuance and allotment of Rights Shares) on or before the Record Date) will be approximately HK\$8.93.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Joint Underwriters after taking into account, among other things: (i) the recent historical trading price of the Shares; (ii) the prevailing market conditions and financial position of the Group; (iii) the subscription prices of rights issues relative to their then trading prices in recent years in Hong Kong; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

The Directors (including the independent non-executive Directors) consider that the discount of the Subscription Price would encourage Qualifying Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and Proposed Use of Proceeds" below, the Directors (including the independent non-executive Directors) consider the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Register of Members and must not be a Non-Qualifying Shareholder on the Record Date.

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Thursday, 25 May 2023.

Application for all or any part of the provisional allotment of a Qualifying Shareholder should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for sum payable for the Rights Shares being applied for with the Registrar, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:00 p.m. on the Latest Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

LETTER FROM THE BOARD

Rights of PRC Southbound Trading Investors

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at the Latest Practicable Date, China Clear held 339,616,154 Shares, representing approximately 10.96% of the total number of the issued Shares.

The Board was advised that, the PRC Southbound Trading Investors who hold Shares through China Clear as nominee under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect. In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange until after the Company completes its filing with the CSRC in accordance with the CSRC Notices but are not permitted to purchase or transfer any other nil-paid Rights Shares.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisors for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notices, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

LETTER FROM THE BOARD

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong, the PRC in accordance with the CSRC Notices and Malaysia. In particular, Overseas Shareholders located in the United States are not eligible to take part in the Rights Issue.

According to the Register of Members as at the Record Date, the Company had a total of 46 Overseas Shareholders holding an aggregate of 234,774 Shares with registered addresses in the jurisdictions as follows:

Jurisdiction of the registered address of the Overseas Shareholders	Number of Overseas Shareholders	Aggregate number of Shares held	Approximate percentage of shareholding
Australia	1	2,400	0.0001%
PRC	1	1,560	0.0001%
UK	1	1,200	0.0000%
Macau	6	22,000	0.0007%
Malaysia	2	2,400	0.0001%
Singapore	35	205,214	0.0066%

The Board has made enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders with registered addresses in the jurisdictions set out above.

The Company has obtained advice from legal advisors in the jurisdictions set out above and has been advised that under the applicable legislations in such jurisdictions, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in such jurisdictions. Accordingly, there was no Non-Qualifying Shareholder as shown on the Register of Members on the Record Date.

Since there was no Non-Qualifying Shareholder as shown on the Register of Members on the Record Date, no arrangements will need to be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) to be provisionally allotted to a nominee and to be sold in the market in their nil-paid form.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Shares to any person in, into or from, the United States or any other

LETTER FROM THE BOARD

jurisdiction in which such distribution or transfer is unlawful. If a PAL or an EAF or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent, custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus, a PAL or an EAF in, into or from such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in the United States or in any other jurisdiction in which such an offer or solicitation is unlawful. Accordingly, Overseas Shareholders and Beneficial Owners in such jurisdiction should exercise caution when dealing in the Shares.

Basis of Provisional Allotment

The basis of the provisional allotment shall be 30 Rights Shares for every 100 existing Shares held by the Qualifying Shareholders as at 5:00 p.m. on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Acceptance Date.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholders will need to split his/her/its PAL into the denominations required. Details of how to split PALs will be set out in the Prospectus.

Distribution of this Prospectus and the other Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders.

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional advisor without delay. In particular, this Prospectus and the other Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from the United States or any other jurisdiction in which such distribution or transfer is unlawful. **The Company reserves the right to refuse to permit any Shareholder to take up his/her/its nil-paid Rights Shares or apply for excess Rights Shares where it believes that doing so would violate the Listing Rules or any applicable securities legislation or other laws or regulations of any jurisdiction.**

LETTER FROM THE BOARD

It is the responsibility of any person (including, but not limited to, any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their own professional advisors if in doubt.

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong, the PRC in accordance with the CSRC Notices and Malaysia.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form, including the Final Dividend and the Distribution in Specie as announced by the Company on 15 March 2023 and further elaborated in the Announcement.

Fractions of Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. All fractions of the Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to the Company's nominee, and will be sold by the Company's nominee in the market if a premium (net of expenses) can be obtained, with the Company retaining the proceeds for its own benefit. Any unsold Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders (other than PRC Southbound Trading Investors).

Odd Lot Matching Service of the Shares arising from the Rights Issue

Upon completion of the Rights Issue, the board lots of the Company will remain as 1,000 Shares. In order to facilitate the trading of odd lots of Rights Shares which will arise upon the Rights Issue, the Company has, at its own costs, appointed Yue Xiu Securities to provide matching service for sale and purchase of odd lots of the Rights Shares arising from the Rights Issue, on a best effort basis, to those Qualifying Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their odd lots of the Shares.

Qualifying Shareholders who wish to utilise this service should contact Mr. Franky Shiu of Yue Xiu Securities at Room 17-37, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong, or at the telephone number (852) 3925 9999 during the period from 9:00 a.m. on Tuesday, 6 June 2023 to 4:00 p.m. on Friday, 30 June 2023, both dates inclusive. Holders of odd lots of the Shares should note that successful matching of such sale and purchase is not guaranteed. Any Shareholder who is in any doubt about the odd lot matching service is recommended to consult his/her/its own professional advisors.

LETTER FROM THE BOARD

Certificates of the Rights Shares and Refund Cheques

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or before Monday, 5 June 2023 to the registered addresses of those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments and/or applications for excess Rights Shares (if any) will be refunded to the Qualifying Shareholders or such other person to whom the nil-paid Rights Shares have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques sent by ordinary post on or before Monday, 5 June 2023 to such Qualifying Shareholders or such other person to their registered addresses at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares and excess Rights Shares (if any) are expected to be sent by ordinary post on or before Monday, 5 June 2023 to the applicants to their registered addresses at their own risk.

Procedures for Acceptance or Transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

By accepting delivery of this Prospectus, each purchaser of the nil-paid Rights Shares or subscriber for the Rights Shares will be deemed to have agreed and given each of the following representations and warranties to the Company and to any person acting on its behalf, unless in its sole discretion the Company waives such requirement expressly in writing:

- (i) he/she/it was a Qualifying Shareholder (other than the PRC Southbound Trading Investors) as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the nil-paid Rights Shares, directly or indirectly, from such a person;
- (ii) he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the nil-paid Rights Shares and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- (iii) he/she/it is not located in the United States;
- (iv) he/she/it is not accepting an offer to acquire or take up the nil-paid Rights Shares or the Rights Shares on a non-discretionary basis for a person who is located in the United States at the time the instruction to accept was given;

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- (v) he/she/it is not taking up for the account of any person who is located in the United States, unless (a) the instruction to purchase or take up the nil-paid Rights Shares or to subscribe for or accept the Rights Shares was received from a person outside the United States and (b) the person giving such instruction has confirmed that it (1) has the authority to give such instruction and (2) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the nil-paid Rights Shares and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- (vi) he/she/it is acquiring the nil-paid Rights Shares and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- (vii) he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- (viii) he/she/it is not acquiring the nil-paid Rights Shares or the Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such nil-paid Rights Shares or Rights Shares into the United States; and
- (ix) he/she/it understands that neither the nil-paid Rights Shares nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States, and the nil-paid Rights Shares and the Rights Shares are being distributed and offered only outside the United States in reliance on Regulation S. Consequently he/she/it understands that the nil-paid Rights Shares or the Rights Shares may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, delivered, distributed or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representations and warranties above.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all of the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on the Latest Acceptance Date, i.e. Thursday, 25 May 2023. All remittances must be made by cheques or cashier’s orders in Hong Kong dollars. Cheques must be drawn on a bank account with, or cashier’s orders issued by, a licensed bank in Hong Kong and made payable to “**Yuexiu Property Company Limited — Rights Issue Account**” and crossed “**Account Payee Only**”.

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It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedure to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. Completion and return of a PAL together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other person to whom the nil-paid Rights Shares have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Monday, 5 June 2023. No receipt will be given for such remittance.

Transfers and "Splitting" of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under a PAL or to renounce or transfer his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by not later than 4:30 p.m. on Wednesday, 17 May 2023 to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The Registrar will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at the above address after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given in "*Subscription for all Rights Shares provisionally allotted*" above.

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If a Qualifying Shareholder wishes to renounce or transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the “Form of Transfer and Nomination” (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the “Registration Application Form” (Form C) in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Thursday, 25 May 2023. No receipt will be given for such remittance.

It should be noted that Hong Kong stamp duty is payable by the transferor(s) and the transferee(s) in connection with the transfer of nil-paid Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

For further details of the taking up of the Rights Shares by Yue Xiu, please refer to “*Irrevocable Undertaking*” below.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Owner in respect of your Shares or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in “*Expected Timetable*” and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect. Beneficial Owners resident in the United States or any other jurisdiction from which it is unlawful to participate in the Rights Issue are not permitted to take up their rights under the Rights Issue.

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Action to be taken by Beneficial Owners holding interests in Shares deposited in CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of your nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “*Expected Timetable*” and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial Owners who are CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with. The procedures for acceptance, transfer and/or “Splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS.

Beneficial Owners resident in the United States or any other jurisdiction from which it is unlawful to participate in the Rights Issue are not permitted to take up their rights under the Rights Issue.

Application for Excess Rights Shares

Qualifying Shareholders (other than PRC Southbound Trading Investors) shall be entitled to apply for, by way of excess application:

- (i) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders;
- (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares; and
- (iii) any unsold Rights Shares created by aggregating fractions of the Rights Shares.

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Application may be made only by the Qualifying Shareholders (other than PRC Southbound Trading Investors) by completing an EAF in accordance with the instructions printed on it and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by 4:00 p.m. on Thursday, 25 May 2023 or such later time as may be agreed between the Company and the Joint Underwriters. All remittances in respect of excess application must be made by cheques or cashier's orders in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Yuexiu Property Company Limited — Excess Application Account**" and crossed "**Account Payee Only**". Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Subject to compliance with the requirements under Rule 7.21(3)(b) of the Listing Rules and the applicable laws and regulations of the relevant jurisdictions, the Board will, upon consultation with the Joint Underwriters, allocate the excess Rights Shares being applied for at its discretion and on a fair and equitable basis and on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings;
- (ii) subject to the availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders (other than PRC Southbound Trading Investors) who have applied for excess Rights Shares on a pro rata basis based on the excess Rights Shares applied by them; and
- (iii) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by Yue Xiu (being the controlling Shareholder) or its associates (the "**Relevant Shareholders**"), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

In applying principles (i) and (ii) above, reference will only be made to the number of excess Rights Shares applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by the Qualifying Shareholders.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/ or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder (other than PRC Southbound Trading Investors) who applies for excess Rights Shares in full application.

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Investors whose Shares are held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the Register of Members. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement regarding allocation of excess Rights Shares will not be extended to them individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of an EAF together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions. No receipt will be given for such remittance.

If the Board notes unusual patterns of excess applications and has reason to believe that any excess applications may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Joint Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

Application for Listing

The Company has applied to the Stock Exchange for the listing of, and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. It is expected that dealings in the nil-paid Rights Shares will take place from 9:00 a.m. on Monday, 15 May 2023 to 4:00 p.m. on Monday, 22 May 2023 (both days inclusive).

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable fees and charges in Hong Kong.

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Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisors for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded on the Stock Exchange in the same board lot of 1,000 Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. If the Underwriting Agreement has not become unconditional in accordance with its terms, the Rights Issue will not proceed.

Taxation

Shareholders are advised to consult their professional advisors if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

IRREVOCABLE UNDERTAKING

As at the date of this Prospectus, Yue Xiu beneficially owns 1,231,889,530 Shares (the “Existing Shares”), which represents approximately 39.78% of the Company’s total number of Shares in issue. Pursuant to the Irrevocable Undertaking, Yue Xiu has provided an irrevocable undertaking to the Company that, among other things:

- (a) it shall not, and shall procure its Subsidiaries or nominees (including the CCASS Participant(s) holding Existing Shares on its/their behalf) not to, within the period

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commencing from the date of the Announcement and ending at 4:00 p.m. on Monday, 29 May 2023 (being the Latest Time for Termination), transfer or otherwise dispose of or create any rights, interest, preference or any other encumbrance in respect of any of the Existing Shares or dispose of, directly or indirectly, any interest in any company or entity (including its relevant Subsidiaries) which is beneficially interested in any Existing Share;

- (b) subject to the Company despatching the Prospectus Documents to the Qualifying Shareholders, it shall or shall procure its Subsidiaries or nominees (including the CCASS Participant(s) holding Existing Shares on its/their behalf) to:
- (i) take up in full its/their Rights Shares to be provisionally allotted to it/them (i.e. the Committed Shares) in respect of the Existing Shares pursuant to the Rights Issue at or before 4:00 p.m. on the Latest Acceptance Date in accordance with the terms of the Prospectus Documents;
 - (ii) apply (by way of excess application) for such number of the Rights Shares (i.e. the Additional Committed Shares) representing the product of (A) 50% and (B) the difference between (1) the total number of the Rights Shares and (2) the aggregate of (x) the Committed Shares and (y) any Rights Shares which are subject to the irrevocable undertaking given by any other Substantial Shareholder(s), which were given by the fifth Business Day before the date of this Prospectus; and
 - (iii) deliver the PAL(s) (without the same having been split or renounced) in respect of the Committed Shares and the EAF(s) in respect of the Additional Committed Shares to the Company or the Registrar, each accompanied by the remittance for the full amount payable for such Committed Shares allotted to its relevant Subsidiaries and/or the Additional Committed Shares applied by its relevant Subsidiaries (as the case may be).

The Board considers that Yue Xiu's unwavering support for the development of the Company is demonstrated through the Irrevocable Undertaking, which creates a legally binding obligation on the part of Yue Xiu to take up or apply for the Committed Shares and Additional Committed Shares (as the case may be). Subject to the Underwriting Agreement becoming unconditional by the Latest Time for Termination, the combined effect of the commitment provided by Yue Xiu under the Irrevocable Undertaking in respect of the Committed Shares and the Additional Committed Shares and by the Joint Underwriters under the Underwriting Agreement in respect of the Underwritten Shares will effectively have the same effect as the Rights Issue being fully underwritten since the size of the Rights Issue will not be reduced in the event of under-subscription of the Rights Issue.

Save for the Irrevocable Undertaking, the Company has not received any irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

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UNDERWRITING AGREEMENT

On 20 April 2023, the Company and the Joint Underwriters entered into the Underwriting Agreement in respect of the Rights Issue, pursuant to which the Underwritten Shares will be fully underwritten by the Joint Underwriters. The principal terms of the Underwriting Agreement are as follows:

Date	:	20 April 2023
Joint Underwriters	:	CLSA Limited, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, DBS Asia Capital Limited and China International Capital Corporation Hong Kong Securities Limited
Number of Rights Shares being underwritten by the Joint Underwriters	:	279,684,986 Rights Shares, being the total number of Rights Shares less (a) the number of Committed Shares and Additional Committed Shares and (b) any Rights Shares which are subject to any of the Other Irrevocable Undertaking(s)
Commission	:	an underwriting commission of 2% of an amount which is equal to the Subscription Price multiplied by the number of Announcement Date Underwritten Shares

CLSA Limited is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. Goldman Sachs (Asia) L.L.C. is a company organised under the laws of the State of Delaware with limited liability and a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. Morgan Stanley Asia Limited is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. DBS Asia Capital Limited is a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, whose ordinary course of business includes underwriting of securities. China International Capital Corporation Hong Kong Securities Limited is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Joint Underwriters and their ultimate beneficial owners are independent of the Company and its connected persons. Each of the Joint Underwriters confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

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The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiations between the Company and the Joint Underwriters with reference to the existing financial position of the Group, the size of the Rights Issue, the current and expected market condition, subscription prices of rights issues relative to their then trading prices in recent years in Hong Kong and the prevailing underwriting commission rate range for the market.

The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions of the Joint Underwriters' Obligations

The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (a) Listing approval (subject only to allotment and despatch of the appropriate documents of title) having been obtained by no later than: (i) (in the case of the nil-paid Rights Shares) the Business Day before the commencement of trading of the nil-paid Rights Shares on the Stock Exchange; and (ii) (in the case of the fully-paid Rights Shares) the Latest Time for Termination, and, in each case, such permission not being withdrawn or amended before the Latest Time for Termination;
- (b) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Business Day before the date of this Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing) and, following registration of the Prospectus as referred to in paragraph (c) below, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the date of this Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (c) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Business Day before the date of this Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing), and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Business Day before the date of this Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (d) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS being satisfied on or before the Business Day before the commencement of trading of the nil-paid Rights Shares and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;

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- (e) (i) compliance by Yue Xiu with its obligations under the Irrevocable Undertaking by the times specified, and the Irrevocable Undertaking remaining to be legal, valid, binding and enforceable and not having been terminated and, if applicable, (ii) compliance by the Substantial Shareholder(s) with its/their respective obligations under the relevant Other Irrevocable Undertaking(s) by the times specified therein, and such Other Irrevocable Undertaking(s) remaining to be legal, valid, binding and enforceable and not having been terminated;
- (f) in respect of the representations and warranties and the undertakings referred to in the Underwriting Agreement:
 - (i) such representations and warranties being true and accurate and not misleading in any respect and no such undertakings being breached on and as of the date of the Underwriting Agreement and at any time before the Latest Time for Termination, as though they had been given and made at such time by reference to the facts and circumstances then subsisting; and
 - (ii) no matter having arisen which has given rise to, or would reasonably be expected to give rise to, any breach of such warranties, representations or undertakings or claim or action in respect of such warranties, representations or undertakings on and as of the date of the Underwriting Agreement or at any time before the Latest Time for Termination;
- (g) compliance by the Company with its obligations under the Underwriting Agreement, including, without limitation:
 - (i) to publish the Announcement in accordance with the Underwriting Agreement by the time specified therein;
 - (ii) to provisionally allot the Rights Shares in accordance with the Underwriting Agreement by the time specified therein;
 - (iii) to despatch the Prospectus Documents to the Qualifying Shareholders in accordance with the Underwriting Agreement by the time specified therein; and
 - (iv) to deliver to the Joint Underwriters the documents as set out in the Underwriting Agreement in accordance with the timing set out therein;
- (h) all relevant consents, approvals, permits, authorisations or clearances (as the case may be) required to be obtained by the Company or any member of the Group under applicable laws, regulations or rules for the Rights Issue and the transactions contemplated hereunder have been obtained (including but not limited to all authorisations from the Stock Exchange under the Listing Rules and the State-owned Assets Supervision and Administration Commission of the State Council), and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to the Latest Time for Termination;

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- (i) the Shares remaining listed on the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended or limited (other than the pending publication of the Announcement or any other announcements relating to the Rights Issue) for a consecutive period of more than five trading days (or such longer period as the Company and the Joint Underwriters may agree) and no indication having been received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

In relation to condition (e) above, no irrevocable undertaking(s) have been given by any Substantial Shareholder(s) (other than Yue Xiu) by the fifth Business Day before the date of the Prospectus Documents agreeing to, among other things, take up for their full entitlement to Rights Shares pursuant to the Rights Issue and there are no Other Irrevocable Undertaking(s).

The Joint Underwriters may at any time in writing waive any of the above conditions (except conditions (a) to (d), (h) and (i)) or extend the time or date for fulfilment of any of the conditions (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Joint Underwriters.

If any of the above conditions (which has not previously been waived by the Joint Underwriters if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or before the relevant time and date specified in the Underwriting Agreement or, if no such date is so specified or referred to, is not fulfilled on or before the Latest Time for Termination (or such later date or dates as the Joint Underwriters may agree with the Company in writing), the Underwriting Agreement ((i) save for any breach of the Company to use its best endeavours to procure the fulfilment of each of the conditions pursuant to the Underwriting Agreement; (ii) save for certain customary clauses set out in the Underwriting Agreement which shall remain in full force and effect; and (iii) save further that the Company shall pay the fees and expenses provided in the Underwriting Agreement) shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring before such termination.

Restrictions on Dealings

The Company undertakes to the Joint Underwriters that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days after the listing date of the Rights Shares, it shall not (except for the Rights Shares):

- (a) undertake any consolidation or subdivision of any Shares, allot, issue, sell, accept subscription for, or offer to allot, issue or sell, or contract or agree to allot, issue or sell, or grant or sell any option, right or warrant to subscribe for or purchase (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for any Shares or interest in Shares, save for any Shares issued as scrip dividend of the Company;

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- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (a) above; or
- (c) announce any intention to enter into or effect any such transaction described in paragraphs (a) or (b) above,

unless with the prior written consent of the Joint Underwriters; provided that the above restrictions shall cease to apply if the Underwriting Agreement (i) does not become unconditional and is terminated; or (ii) is terminated by the Joint Underwriters pursuant to any of the termination events set out in the section headed “Termination of the Underwriting Agreement” below.

Termination of the Underwriting Agreement

The Joint Underwriters may by notice in writing to the Company, served before the Latest Time for Termination, rescind or terminate the Underwriting Agreement, if at any time before the Latest Time for Termination:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the section headed “*Conditions of the Joint Underwriters’ Obligations*” above is not satisfied, or has become incapable of satisfaction, as at the required time;
- (b) the fact that any of the representations, warranties or undertakings contained in the Underwriting Agreement is untrue, inaccurate or misleading or has been breached in any respect comes to the knowledge of the Joint Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement;
- (c) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given pursuant to the Underwriting Agreement would have rendered, or would reasonably be expected to render, any of those representations or warranties untrue, inaccurate, incomplete or misleading or any of those undertakings being breached in any respect;
- (d) the fact that any of the representations, warranties or undertakings contained in the Irrevocable Undertaking is untrue, inaccurate or misleading or has been breached in any respect comes to the knowledge of the Joint Underwriters, or there has been a breach on the part of Yue Xiu of any other provision of the Irrevocable Undertaking;
- (e) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given pursuant to the Irrevocable Undertaking would have rendered, or would reasonably be expected to render, any of those representations or warranties untrue, inaccurate, incomplete or misleading or any of those undertakings being breached in any respect;
- (f) any statement contained in the Announcement or a Prospectus Document has become or been discovered to be untrue, inaccurate, incomplete in any material respects or misleading in any respect, or any matter arises or is discovered which would, if the Announcement or the relevant Prospectus Document was or to be issued at the time, constitute a material omission therefrom;

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- (g) there is a Material Adverse Change;
- (h) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement; or
- (i) (i) there shall have occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable): (i) a moratorium, trading halt, suspension, restriction or limitation in trading in securities generally, or the establishment of minimum prices, on the New York Stock Exchange, the London Stock Exchange plc, the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a trading halt, suspension or limitation in dealings in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded (other than pending publication of the Announcement or any other announcement relating to the Rights Issue) for a consecutive period of more than five trading days (or such longer period as the Company and the Joint Underwriters may agree); (iii) a declaration of a general moratorium or a disruption in commercial banking activities in the United States, Hong Kong, the European Union (or any member thereof) or the United Kingdom or a disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the European Union (or any member thereof) or the United Kingdom; or (iv) a change or development involving a prospective change in or affecting taxation or exchange or currency control (or the implementation of any exchange or currency control) or currency exchange rates affecting the Company, the Group and the Rights Shares;
- (ii) there shall have occurred any event or circumstance or series of events or circumstances (including without limitation the occurrence of any local, national or international outbreak or escalation of disaster or hostilities (whether or not war is or has been declared), riot, earthquake, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease, calamity, crisis, strike, lock-out, insurrection, armed conflict, act of terrorism (whether or not responsibility has been claimed), act of God or epidemic);
- (iii) there shall have occurred any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in or affecting Hong Kong, the United States, the European Union (or any member thereof) or the United Kingdom;
- (iv) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgements, decrees or rulings of any governmental authority (the "**Laws**") are implemented or there are any changes or developments involving prospective changes in existing Laws or in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other place in which any member of the Group conducts or carries on business;

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- (v) the Company publishes or is required to publish any supplementary prospectus in accordance with Rule 11.13 of the Listing Rules, as a result of a significant change affecting any matter contained in the Prospectus Documents or a significant new matter having arisen the inclusion of information in respect of which would have been required in the Prospectus Documents if it had arisen before the date thereof, or otherwise, unless the Company has obtained the prior consent from the Joint Underwriters for such publication; or
- (vi) an authority or a political body or organisation in any relevant jurisdiction commences any investigation or other action, or announces an intention to investigate or take other action, against any Director,

which, individually or in the aggregate, in the sole opinion of the Joint Underwriters:

- (i) is or will be, or is likely to be, materially adverse to, or prejudicially affects or would prejudicially affect, the results of operation, general affairs, management, business, properties, financial, trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
- (ii) has or will have or is likely to have a material adverse impact on, or prejudicially affects or would prejudicially affect, the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (iii) makes or may make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents.

In the event the Joint Underwriters exercise the right to terminate the Underwriting Agreement upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the parties under the Underwriting Agreement shall cease and terminate immediately and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach).

If the Joint Underwriters exercise such right, the Rights Issue will not proceed.

Warning of the Risks of Dealing in the Shares and the nil-paid Rights Shares

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

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The Shares have been dealt in on an ex-rights basis commencing from Tuesday, 2 May 2023 on the Stock Exchange. Dealings in the Rights Shares in their nil-paid form are expected to take place on the Stock Exchange from Monday, 15 May 2023 to Monday, 22 May 2023 (both days inclusive).

Any Shareholder or other person dealing in Shares or the nil-paid Rights Shares from the date of the Announcement up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be 4:00 p.m. on Monday, 29 May 2023), will bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or the nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisors.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Thursday, 25 May 2023 if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning and/or extreme conditions, if such circumstance is: (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date for the Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date for the Rights Shares. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.. If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place by 4:00 p.m. the Latest Acceptance Date for the Rights Shares, the dates mentioned in the “Expected Timetable” section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

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EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The changes in the shareholding structure of the Company arising from the Rights Issue (assuming there is no change to the number of issued Shares from the Latest Practicable Date to completion of the Rights Issue (other than the issuance and allotment of the Rights Shares) and that there are no Non-Qualifying Shareholders) are as follows:

	As at the Latest Practicable Date		Immediately following completion of the Rights Issue (assuming all Qualifying Shareholders take up their entitlements under the Rights Issue)		Immediately following completion of the Rights Issue (assuming no Qualifying Shareholders take up their entitlements under the Rights Issue, other than Yue Xiu, who shall take up the Undertaken Shares pursuant to the Irrevocable Undertaking and the Joint Underwriters and/or subscriber(s) procured by it who shall take up all the Underwritten Shares)	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
Yue Xiu (Note 1)	1,231,889,530	39.78%	1,601,456,387	39.78%	1,881,141,370	46.73%
GZ Metro (Note 2)	616,194,762	19.90%	801,053,190	19.90%	616,194,762	15.31%
Mr. Lin Zhaoyuan (Note 3)	1,946,560	0.06%	2,530,527	0.06%	1,946,560	0.05%
Mr. Lin Feng (Note 4)	1,605,559	0.05%	2,087,226	0.05%	1,605,559	0.04%
Mr. Zhu Huisong (Note 5)	64,757	0.00%	84,184	0.00%	64,757	0.00%
Ms. Liu Yan (Note 6)	3,400	0.00%	4,420	0.00%	3,400	0.00%
Mr. Yu Lup Fat Joseph (Note 7)	200,000	0.01%	260,000	0.01%	200,000	0.00%
Mr. Lee Ka Lun (Note 8)	660,000	0.02%	858,000	0.02%	660,000	0.02%
Mr. Lau Hon Chuen Ambrose (Note 9)	968,240	0.03%	1,258,712	0.03%	968,240	0.02%
Sub-total	1,853,532,808	59.86%	2,409,592,646	59.86%	2,502,784,648	62.17%
Public Shareholders	1,242,923,279	40.14%	1,615,800,267	40.14%	1,242,923,279	30.88%
Joint Underwriters (Note 11)	0	0.00%	0	0.00%	279,684,986	6.95%
Total	3,096,456,087	100.00%	4,025,392,913	100.00%	4,025,392,913	100.00%

Notes:

- (1) 100% of the issued share capital of Yue Xiu is owned by GZYX. Shareholding in the Company is held, directly and indirectly, by Yue Xiu through its various wholly-owned subsidiaries.
- (2) Shareholding in the Company is held indirectly by GZ Metro through its wholly-owned subsidiary.
- (3) Mr. Lin Zhaoyuan is an executive Director who is interested in 1,946,560 Shares, out of which 934,746 Shares are owned by him as beneficial owner and 1,011,814 Shares are held for him as a beneficiary of the Company's Share Incentive Scheme Trust for Directors and Senior Management.
- (4) Mr. Lin Feng is an executive Director who is interested in 1,605,559 Shares, out of which 589,678 Shares are owned by him as beneficial owner, 995,881 Shares are held for him as a beneficiary of the Company's Share Incentive Scheme Trust for Directors and Senior Management and 20,000 Shares are owned by his spouse.

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- (5) Mr. Zhu Huisong is an executive Director.
- (6) Ms. Liu Yan is an executive Director.
- (7) Mr. Yu Lup Fat Joseph is an independent non-executive Director.
- (8) Mr. Lee Ka Lun is an independent non-executive Director.
- (9) Mr. Lau Hon Chuen Ambrose is an independent non-executive Director.
- (10) The entitlement of each Shareholder named in the tables above is rounded down to the nearest whole number.
- (11) This comprises only Rights Shares that may be taken up by the Joint Underwriters pursuant to their underwriting obligations under the Underwriting Agreement.

REASONS FOR THE RIGHTS ISSUE AND PROPOSED USE OF PROCEEDS

It is expected that China's macro economy will gradually resume the trend of steady growth and the property market will bottom out and rebound, driven by the policies for boosting high-quality economic development in China after the pandemic. The Group has confidence in the prospect of China's real estate industry.

The Company continued to optimize the "1+4" regional investment layout, focused more on core cities in the Greater Bay Area, Eastern China and other key provincial capital cities and reinforced its distinctive "6+1" diversified land acquisition platform with continuous increase of premium landbank.

The Rights Issue will facilitate the implementation of the aforementioned strategies, enhance the advantages and elevate the market position of the Company, help the Company to explore more key projects and investment opportunities in Mainland China, and support the sustainable and stable development of the Company. The Rights Issue will further strengthen the capital base of the Company, continuously optimize the Shareholder structure and provide greater financial flexibility to fund future business needs.

The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through a Rights Issue to finance its future expansion plans. Unlike borrowings or issuance of debt securities, the Directors consider that the Rights Issue would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. The Rights Issue will enable all Shareholders to participate in and benefit from the future development of the Company.

The Company's parent company, Yue Xiu, which has strong financial strength, has given its full support on the Company's future development prospects by entering into the Irrevocable Undertaking that it will or will procure its Subsidiaries or nominees (including the CCASS Participant(s) holding Shares on its/their behalf), to (i) take up in full its/their entitlements to the Existing Shares; and (ii) apply (by way of excess application) for the Additional Committed Shares at the Subscription Price.

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The gross proceeds from the Rights Issue will be approximately HK\$8,360 million. The net proceeds from the Rights Issue after deducting the estimated expenses (including financial, legal advisory and other professional expenses) in relation to the Rights Issue are estimated to be approximately HK\$8,299 million.

It is intended that the net proceeds from the Rights Issue will be used

- (i) as to 70% for the Company's further investment in core cities in the Greater Bay Area, the Eastern China Region and other key provincial capital cities, including TOD projects, urban redevelopment projects, and etc.; and
- (ii) as to 30% for working capital and/or optimising financing structure of the Company.

The public float requirements under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

If from time to time there are other/new requirements on the use and deposit of the proceeds by relevant laws and regulations, normative documents or requirements of regulatory authorities, adjustments will be made accordingly.

PREVIOUS EQUITY FUND RAISING EXERCISES OF THE COMPANY

The Company has not conducted any equity fund raising exercises in connection with any issue of equity securities in the past 12 months immediately preceding the date of the Announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the Rights Issue will not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As a result of Yue Xiu fulfilling its obligations under to the Irrevocable Undertaking, Yue Xiu may be required to make a general offer in accordance with the Takeovers Code. An application had been made by Yue Xiu to the Executive for a confirmation that the Rights Issue (including the voting rights of the Company that may be acquired by Yue Xiu pursuant to the Irrevocable Undertaking) will not trigger any mandatory general offer obligation on Yue Xiu under Rule 26.1 of the Takeovers Code.

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Pursuant to Note 6(b) to Rule 26.1 of the Takeovers Code, the Executive has waived the obligation of Yue Xiu to make a general offer for the Shares arising as a result of the Rights Issue (including the voting rights of the Company that may be acquired by Yue Xiu pursuant to the Irrevocable Undertaking).

GENERAL

If you have questions in relation to the Rights Issue, please address your questions to the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday (other than Hong Kong public holidays).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to IV to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
Yuexiu Property Company Limited
LIN Zhaoyuan
Chairman

1. PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Lin Zhaoyuan

Mr. Lin Zhaoyuan, aged 53, was appointed Chairman of the Company in August 2018. Mr. Lin has been an executive director of the Company since November 2015. He had been Vice Chairman and General Manager of the Company. He is also a director, vice chairman, general manager of GZYX and Yue Xiu, and chairman of the board of Guangzhou City Construction & Development Co. Ltd. (“GCCD”). Mr. Lin holds a bachelor degree of economics and a master of business administration degree of the Sun Yat-sen University and the qualification of mechanical engineer. He had been chairman of the board of Guangzhou Paper Group Limited (“**Guangzhou Paper Group**”), an assistant to general manager and a deputy general manager of GZYX, the ultimate holding company of the Company, and Yue Xiu, and chairman and a non-executive director of Yuexiu REIT Asset Management Limited (the manager of Yuexiu Real Estate Investment Trust, which is listed on the Stock Exchange (Stock Code: 405)). Mr. Lin has extensive experience in corporate management, sound and efficient management, cost control and corporate restructuring and development and is more forward-looking and innovative in corporate operations and management.

Mr. Lin Feng

Mr. Lin Feng, aged 52, was appointed Vice Chairman, executive director and General Manager of the Company in August 2018. Mr. Lin is also a director and general manager of GCCD, director of Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Limited, chairman and a non-executive director of Yuexiu Services. Mr. Lin graduated from Guangdong University of Finance & Economics (formerly known as Guangdong Commercial College) in accounting with a Bachelor’s degree in economics. Mr. Lin holds a Master’s degree in business administration from the University of Western Sydney and the qualification of accountant awarded by the Ministry of Finance of the People’s Republic of China. Since 1994, Mr. Lin has joined Guangzhou City Construction Development Holding Co., Limited. He served as deputy general manager of the finance department and the corporate management department, general manager of the finance department of GCCD, assistant to general manager of the Company and the general manager of urban renewal group (i.e., the Company’s urban renewal sector). He has served as a deputy general manager of the Company since 2014 and has been in charge of investment sector, customer resource management and synergy, Bay West and Hainan companies. He has also participated in various major capital operation and financing projects of the Company with extensive experience in enterprise investment decision making and financing management.

Mr. Zhu Huisong

Mr. Zhu Huisong, aged 48, has over 10 years of senior management experience in business operations of the Group. From January 2008 to October 2009, Mr. Zhu served in GCCD, an indirect non-wholly owned subsidiary of the Company and held the last position as the supervisor of the general office. From October 2009 to September 2011, he served successively as the vice department head and the department head of the general department of Guangzhou Yuexiu City Construction International Finance Centre Co., Ltd.* (廣州越秀城建國際金融中心有限公司). From October 2011 to November 2012, he served as a senior manager of the general office of GCCD. From November 2012 to November 2018, he served in a number of regional companies of the Group in Shandong and held the last position as the general manager. From November 2018 to April 2020, he acted successively as the general manager of the regional companies of the Group in North China and East China. From April 2020 to March 2023, he acted as the chairman of the regional companies of the Group in North China. Mr. Zhu has acted as (i) the chairman of the regional companies of the Group in East China; and (ii) a director and the co-general manager of GCCD since April 2020 and April 2023, respectively.

Mr. Zhu obtained a higher education certificate in financial accounting from Guangdong University of Petrochemical Technology* (廣東石油化工高等專科學校) in the PRC in July 1996. He further obtained a bachelor's degree in administrative management through correspondence learning from Guangdong Polytechnic Normal College* (廣東技術師範學院) (currently known as Guangdong Polytechnic Normal University* (廣東技術師範大學)) in the PRC in January 2008. Since November 2003, Mr. Zhu has been a qualified intermediate economist specialising in commercial economy.

Mr. He Yuping

Mr. He Yuping, aged 50, has over 15 years of senior management experience in business development, legal compliance and risk management in the group of GZYX, a controlling Shareholder. From January 2003 to August 2003, Mr. He served in GCCD and held the last position as the senior supervisor of the enterprise management department. From August 2003 to April 2004, he served as a deputy general manager of the enterprise management (investment) department of GZYX. From April 2004 to November 2008, he practised as a lawyer in Guangdong Eastern Kunlun Law Firm* (廣東東方昆侖律師事務所). From July 2014 and January 2018 to August 2020, he acted as the general manager of the development department of GZYX and Yue Xiu, respectively. Since November 2008 and January 2018, Mr. He has served as the general manager of the legal compliance and risk management department of GZYX and Yue Xiu, respectively. From July 2015 and February 2017, he has acted as the company secretary of the board of directors and the chief legal advisor of GZYX, respectively. Since October 2022, Mr. He has acted as the chief compliance officer of GZYX and Yue Xiu.

Over the years, Mr. He has taken up senior management roles in the group of the controlling Shareholders, including directorships in a number of subsidiaries of GZYX, responsible for overseeing the strategic planning and overall operations and management. Since May 2018, he has been a director of Guangzhou Yuexiu Capital Holdings Group Co., Ltd.* (廣州越秀資本控股集團股份有限公司), an associate of GZYX, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000987.SZ).

Mr. He obtained a bachelor's degree in laws and a master's degree in laws both majoring in economic law from The Southwest University of Political Science & Law* (西南政法大學) in the PRC in July 1995 and July 1998, respectively. He further obtained a master of business administration programme from China Europe International Business School in October 2013.

Ms. Chen Jing

Ms. Chen Jing, aged 51, was appointed as executive director of the Company in July 2017. Ms. Chen is the chief financial officer of the Company. She is also the chief financial officer and general manager of the finance department of GZYX and Yue Xiu, a director of GCCD, a non-executive director of Yuexiu Financial Holdings Limited (“**YFHL**”) and Chong Hing Bank Limited (“**Chong Hing Bank**”) and an executive director of Yuexiu Transport Infrastructure Limited (“**Yuexiu Transport**”) (Stock Code: 1052). Ms. Chen graduated from Xi'an Jiaotong University in audit studies, and holds a master of business administration degree of the School of Management and Economics of the Beijing Institute of Technology and the qualification of auditor and certified internal auditor. Ms. Chen joined GZYX in July 2004 and was the deputy general manager of the supervisory (audit) office, the general manager of the audit department and the chairman of the board of directors of Yue Xiu Securities. Ms. Chen has participated in establishing systems to monitor the major risks and finance of GZYX. Ms. Chen is well versed in risk and internal control management, financial management of listed companies and has extensive experience in establishing a sound system for risk management and internal control, financial management for enterprises. Prior to joining GZYX, Ms. Chen worked in the school of business of the Hubei University and Hisense Kelon Electrical Holdings Company Limited.

Ms. Liu Yan

Ms. Liu Yan, aged 44, was appointed as executive director of the Company in August 2018. Ms. Liu is the chief human resources officer and general manager of the management department of GZYX and Yue Xiu, general manager of the human resources (organization) department of GZYX and the human resources department of Yue Xiu. She is also a director of GCCD and Guangzhou Paper Group. Ms. Liu graduated from Nankai University with a Bachelor's degree in sociology and a Master's degree in sociology and from Shanghai Jiao Tong University with an Executive Master of business administration degree. She obtained the qualification of Intermediate Economics(Human Resources Management). Ms. Liu joined GZYX in July 2002 and was a director of Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) (formerly known as Guangzhou Yuexiu Financial Holdings Group Co., Ltd. (廣州越秀金融控股集團股份有限公司), Guangzhou Yuexiu Capital Holdings Company Limited, Guangzhou Yuexiu Financial Leasing Co., Limited and Shanghai Yuexiu Finance Leasing Co., Limited, the head of human resources of GZYX and Yue Xiu. She has led the implementation of several major projects for GZYX on mobilization and optimization of human resources, development of appraisal system and sound and efficient management. Ms. Liu has extensive work experience in human resources management, operation management, organisational management and control in large business enterprises.

Non-executive Director**Mr. Zhang Yibing**

Mr. Zhang Yibing, aged 56, was appointed as non-executive director of the Company in March 2022. Mr. Zhang is currently the deputy general manager of GZ Metro. Mr. Zhang holds a postgraduate qualification in Economics (Economic Management) of the Graduate School of the Party School of the Central Committee of the Communist Party of China. Mr. Zhang has held various positions, including the deputy director of the Social Development Department of Guangzhou Municipal Development and Reform Commission, the director of the Personnel Department of Guangzhou Municipal Development and Reform Commission, the director of the Urban Development Department of Guangzhou Municipal Development and Reform Commission (also the director of the Municipal Metro Capital Office), the director of the Rail Transportation Department of Guangzhou Municipal Development and Reform Commission (also the director of the Municipal Metro Capital Office), and the deputy general manager and director of Guangzhou Railways Investment Construction Group Co., Ltd.* (廣州鐵路投資建設集團有限公司). Mr. Zhang has excellent communication, coordination and business development capabilities as well as expertise in administration and capital management. He also has extensive experience in business management. Mr. Zhang is involved in the management of metro property business, with a focus on land resumption, project development and commercial property operation, and has strong overall co-ordination capability in real estate project development and management.

Independent Non-executive Directors**Mr. Yu Lup Fat Joseph**

Mr. Yu Lup Fat Joseph, aged 75, has been an independent non-executive director of the Company since 1992. He is also an independent non-executive director of YFHL and Chong Hing Bank. Mr. Yu holds a master's degree in applied finance from Macquarie University in Australia and a diploma of management studies from the University of Hong Kong. Mr. Yu has over 40 years of experience in investment, banking and finance.

Mr. Lee Ka Lun

Mr. Lee Ka Lun, aged 68, has been an independent non-executive director of the Company since 2000. He is also an independent non-executive director of YFHL and Chong Hing Bank. He is an accountant by profession. Mr. Lee is a Fellow of the Association of Chartered Certified Accountants in the UK and has over 20 years of experience in banking and auditing. He is an independent non-executive director of Chow Sang Sang Holdings International Limited (Stock Code: 116), Ever Harvest Group Holdings Limited (Stock Code: 1549) and Best Mart 360 Holdings Limited (Stock Code: 2360). The shares of the companies mentioned above are listed on the Stock Exchange. He was an independent non-executive director of Medicskin Holdings Limited (stock Code: 8307) until his resignation on 15 November 2022.

Mr. Lau Hon Chuen, GBS, JP

Mr. Lau Hon Chuen, GBS, JP, alias Ambrose Lau, aged 75, has been an independent non-executive director of the Company since 2004. He obtained a bachelor of laws degree from the University of London and is a Solicitor of the High Court of Hong Kong, a China-Appointed Attesting Officer and a Notary Public. Mr. Lau is the Senior Partner of Messrs. Chu & Lau, Solicitors & Notaries. Mr. Lau is currently an independent non-executive director of Glorious Sun Enterprises Limited (Stock Code: 393), Yuexiu Transport and Joy City Property Limited (Stock Code: 207). The shares of the companies mentioned above are listed on the Stock Exchange. He is also a Director of Bank of China Group Insurance Company Limited, BOC Group Life Assurance Company Limited, Nanyang Commercial Bank, Limited, OCBC Wing Hang Bank Limited, Sun Hon Investment & Finance Limited, Wydoff Limited, Wytex Limited, Trillions Profit Nominees & Secretarial Services Limited, HelicoIn Limited, Wyman Investments Limited and Cinda Financial Holdings Co., Limited. Mr. Lau served as the Chairman of the Central and Western District Board between 1988 and 1994, the President of the Law Society of Hong Kong in 1992-1993, a Member of the Bilingual Laws Advisory Committee between 1988 and 1997 and a Member of the Legislative Council of Hong Kong from 1995 to 2004 (between 1997 and 1998 he was a member of the Provisional Legislative Council). He served as a Standing Committee Member of the 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference.

Mr. Cheung Kin Sang

Mr. Cheung Kin Sang, aged 64, has over 40 years of corporate and commercial banking experience with diversified industry, product and institutional exposure. From July 2009 to December 2022, Mr. Cheung worked with DBS Bank Ltd, Hong Kong Branch and DBS Bank (Hong Kong) Limited (collectively, "DBS") where he served as the managing director and the head of institutional banking group in Hong Kong from June 2011 until his retirement in December 2022. He was also the alternate chief executive of DBS Bank (Hong Kong) Limited from December 2012 to December 2022. He had worked in DBS for over 13 years, during which he was responsible for growing DBS's franchise in the corporate and commercial banking businesses in Hong Kong. Prior to joining DBS, he was the regional general manager of North East Asia and the general manager of Hong Kong Branch of OCBC Bank. Prior to such appointments, he held senior positions in corporate commercial banking and risk management with major international banks including Citibank, ABN-AMRO and Rabobank. Mr. Cheung obtained a bachelor of social sciences degree from The University of Hong Kong in November 1981. Currently, Mr. Cheung is a member of The Hong Kong Academy of Finance, a member of Industry Training Advisory Committee of the Hong Kong Qualifications Framework for the banking industry, a member of the Board of Governors of World Green Organisation and a member of the Advisory Committee on Accounting and Finance of The Hong Kong Polytechnic University. He was a member of the Advisory Board and the Investment Committee to Hong Kong Export Credit Insurance Corporation from January 2011 to December 2016. Since April 2023, Mr. Cheung has also been an independent non-executive director of K. Wah International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00173).

Company Secretary

Mr. Yu Tat Fung has been the company secretary of the Company since 2004. He is the Group General Counsel of Yue Xiu, and also the company secretary of Yue Xiu, Yuexiu Transport, Yuexiu Services and Yuexiu REIT Asset Management Limited, the manager of Yuexiu Real Estate Investment Trust (Stock Code: 405). Mr. Yu obtained a bachelor's degree in Social Sciences from the University of Hong Kong in 1981. He attained the Solicitors Final Examination in England in 1983. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1986. He was also admitted to the Bar of the Province of British Columbia in Canada in 1995. Prior to joining the Company in 1997, he was engaged in private practice with an emphasis on corporate and commercial law. Mr. Yu is responsible for advising the Board on corporate governance and compliance matters.

Addresses of Directors and Senior Management

The business address of the Directors and the senior management of the Group is the same as the address of the Company's registered office at 26th Floor, Yue Xiu Building, 160 Lockhart Road Wanchai, Hong Kong.

2. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office:	26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Company Secretary:	Mr. Yu Tat Fung
Authorised representative:	Ms. Chen Jing 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
	Mr. Yu Tat Fung 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Legal advisors to the Company in relation to the Rights Issue:	<i>As to Hong Kong laws:</i> Baker & McKenzie 14th Floor, One Taikoo Place 979 King's Road, Quarry Bay Hong Kong
Reporting Accountant and Auditor:	<i>PricewaterhouseCoopers</i> Certified Public Accountants Registered Public Interest Entity Auditor 22/F, Prince's Building Central Hong Kong

Registrar:

Tricor Abacus Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal bankers:

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
3 Garden Road
Central
Hong Kong

Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

DBS Bank Ltd.
18/F., The Center
99 Queen's Road Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
28/F., CCB Tower
3 Connaught Road Central
Central
Hong Kong

Agricultural Bank of China Limited
25/F., Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Joint Underwriters:

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Goldman Sachs (Asia) L.L.C.
68F, Cheung Kong Center
2 Queen's Road Central
Central
Hong Kong

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

DBS Asia Capital Limited
73/F, The Center
99 Queen's Road Central
Central
Hong Kong

*China International Capital Corporation Hong Kong
Securities Limited*
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

**Legal advisers to the Joint
Underwriters in relation to
the Rights Issue:**

Linklaters
11th Floor, Alexandra House
Chater Road
Central
Hong Kong

3. SHARE CAPITAL AND SHARE OPTIONS

Share capital

The total number of issued Shares as at the Latest Practicable Date and the maximum number of issued Shares immediately following completion of the Rights Issue (assuming no further change of number of Shares from the Latest Practicable Date to the completion of the Rights Issue) are set forth as follows:

Total number of Shares in issue as at the Latest Practicable Date	3,096,456,087
Total number of Rights Shares to be allotted and issued under the Rights Issue	928,936,826
Total number of Shares in issue immediately following completion of the Rights Issue	<u>4,025,392,913</u>

All of the Shares currently in issue are fully paid up and rank *pari passu* in all respects among themselves, including, in particular, as to dividends, voting rights and capital. The Shares in issue are listed on the Stock Exchange.

All of the Rights Shares, when allotted, issued and fully paid up, will, subject to the Articles, rank *pari passu* in all respects among themselves, including, in particular, as to dividends, voting and capital, and with all Shares in issue as at the date of allotment and issue of Rights Shares such that holders of Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of issue of the Rights Shares, **including the Company's Final Dividend of HK\$0.307 (equivalent to RMB0.272) per Share for the financial year ended 31 December 2022 and the Distribution in Specie as announced by the Company on 15 March 2023.**

Save for the Shares, no part of the equity or debt securities of the Company is listed or dealt in or for which listing or permission to deal in is being or is proposed to be sought on any stock exchange (other than the Stock Exchange).

Dealings in the Shares may be settled through CCASS and Shareholders should consult their stockbrokers or other registered dealer of securities, bank manager, solicitors, professional accountants or other professional advisors for details of these settlement arrangements and how such arrangements may affect their rights and interests.

Share options

As at the Latest Practicable Date, the Company had no outstanding options, convertible securities or rights affecting the Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

1. FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 31 December 2022 is disclosed separately in the following documents which have been published on the Company's website and the website of the Stock Exchange:

- (i) the annual report of the Company for the year ended 31 December 2020 (pages 89 to 208);

the Company's website:

<https://doc.irasia.com/listco/hk/yuexiuproperty/annual/2020/ar2020.pdf>

the Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700627.pdf>

- (ii) the annual report of the Company for the year ended 31 December 2021 (pages 90 to 209);
and

the Company's website:

<https://doc.irasia.com/listco/hk/yuexiuproperty/annual/2021/ar2021.pdf>

the Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0420/2022042000268.pdf>

- (iii) the annual report of the Company for the year ended 31 December 2022 (pages 101 to 219)

the Company's website:

<https://doc.irasia.com/listco/hk/yuexiuproperty/annual/2022/ar2022.pdf>

the Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400389.pdf>

2. INDEBTEDNESS

Bank borrowings, debt securities and other borrowings

At the close of business on 31 March 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had the following outstanding borrowings:

- (1) secured and unguaranteed bank borrowings of approximately RMB11.57 billion;
- (2) secured and guaranteed bank borrowings of approximately RMB4.54 billion;
- (3) unsecured and guaranteed bank borrowings of approximately RMB32.01 billion;
- (4) unsecured and unguaranteed bank borrowings of approximately RMB4.09 billion;
- (5) unsecured and guaranteed other borrowings and debt securities of approximately RMB39.70 billion; and
- (6) unsecured and unguaranteed other borrowings and debt securities of approximately RMB3.80 billion.

The bank and other borrowings are secured by certain of the Group's properties under development, properties held for sale, investment properties and property, plant and equipment. Certain bank and other borrowings are guaranteed by the Company, certain subsidiaries of the Group, non-controlling interests and related parties.

Lease liabilities

As at 31 March 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had unsecured lease liabilities of approximately RMB0.87 billion.

Guarantees

As at 31 March 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following material guarantees:

- (1) the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group will be liable for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group will be entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property

ownership certificates. As at 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total contingent liabilities relating to these guarantees amounted to approximately RMB33.32 billion.

- (2) certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB10.28 billion in respect of loans borrowed by joint ventures and associated entities of the Group, among which, guarantee of approximately RMB3.94 billion was utilised and guarantee of approximately RMB6.34 billion was not utilised yet.

Save as set out above or otherwise disclosed in this Prospectus, and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits or hire purchases commitments, mortgages, charges, contingent liabilities or guarantees as at the close of business on 31 March 2023.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there had been no material change in the level of indebtedness of the Group since 31 March 2023 and up to the Latest Practicable Date.

3. WORKING CAPITAL AND CAPITAL ADEQUACY

The Directors are of the opinion that, after taking into account (i) the estimated net proceeds from the Rights Issue; (ii) the internal resources of the Group; (iii) the Group's presently available banking facilities and other borrowings; and (iv) the expected refinancing of certain bank loans, the Group has sufficient working capital for its requirements for at least 12 months from the date of this Prospectus.

4. FINANCIAL REVIEW, TRENDS AND PROSPECTS OF THE GROUP

The Company is principally engaged in development, selling and management of properties and holding of investment properties. The Company's operations are primarily conducted in Mainland China and Hong Kong.

Looking forward to 2023, inflation is running at a high level, interest rates will remain high with little room for cuts, it is expected that global economic growth will continue to slow down and some major economies may plunge into recession. Although Chinese government has taken measures to support the steady development of the economy and the real estate market, China's economic growth still faces challenges in 2023 as the consumers are less willing to purchase house and their confidence in the economy has yet to be restored. Notwithstanding the above, it is expected that China's macro economy and property market will bottom out and rebound, driven by the significant easing of the pandemic situation in China, adjustments for pandemic prevention and control policies and the lifting of the border restrictions between Hong Kong, other countries and China. In 2023, stabilising economic growth will remain to be the main goal of economic work for the central government. The central government is expected to continue to intensify its efforts to stabilize macro-economic growth, adopt a proactive fiscal policy and a prudent and loose monetary policy, provide more support for the real estate industry and market and promote the steady development of the economy.

It is expected that in 2023 the property market will gradually recover with the steady macro-economic growth, enhancement of policy effectiveness and the recovery of market confidence and house purchase willingness. The total transaction volume in the market throughout the year and housing prices will remain stable, the differentiation in the market and property developers will intensify and market concentration will continue to rise. The market in metropolitan areas including the Greater Bay Area and the Yangtze River Delta will maintain a stable recovery. The competitive landscape and market pattern of the property market will also change significantly, and the real estate industry will gradually transform from “high level indebtedness, leverage and turnover” to a new development model.

In 2023, the Group will continue to make precise investments by adhering to the prudent investment strategy of “investment based on sales cash inflows” and upholding “one city, one policy”. In terms of regional investment layout, the Company will concentrate on advantageous areas for continuous cultivation, and ensure that the investment resources will be preferentially invested to the regions and cities in which the Group has already entered and where they enjoy the advantages of economics, industrials and net population inflows. The Company will focus on its investment in the Greater Bay Area and Eastern China, as well as quality provincial capitals. In selecting investment projects, the Company will give priority to their returns, focus more on projects with high certainty in profitability, and select the best among the outstanding ones to seize the optimal investment opportunities.

The Group will continue to reinforce and optimise the “6+1” diversified and unique land acquisition platform and increase premium landbank, laying a foundation for continuous and stable development. The Group will continue to deepen its strategic cooperation with Guangzhou Metro Group and continuously increase premium TOD projects in the Greater Bay Area. Meanwhile, the Group will take the first cooperative project with Hangzhou Metro as an opportunity to continuously explore TOD projects outside the Greater Bay Area, accelerate the acquisitions for nationwide TOD projects and continuously deepen the land acquisition model of “city operation”. The Group will increase its efforts to acquire urban renewal projects, strengthen its research on urban renewal policies, and enhance cooperation with urban renewal platforms of governments at all levels and enterprises which own urban renewal projects to focus on the redevelopment of old villages. The Group will continue to strengthen cooperation with various types of state-owned enterprises and introduce industrial resources to strengthen the model of industry driven land acquisitions. The Company will closely monitor the opportunities of acquiring quality projects in the market. In terms of obtaining auctioned land, the Company will fully study the trend of policies change, market and industry cycle, so as to strengthen market research, better understand rules and policies, and optimise land reserve structure, select the best projects among the outstanding ones for optimizing its landbank portfolio.

Continuously upholding the strategy of “Coordinated Residential and Commercial Development”, the Group will steadily increase the contribution of commercial properties performance to its financial results, build a full-cycle asset management platform, increase the scale of commercial assets and enhance the professional operation capability for commercial properties. The Company will build on its positioning as an asset manager to proactively manage and enhance the operation capability for commercial properties and create unique commercial product lines.

The Company will continue to optimise the organisational control capability of its commercial properties, implement changes in the business segments, refine and strengthen the headquarters, create empowerment platforms, specialise in projects and ensure solid delivery of projects by teams, and build profit centres. The Group will emphasise on improving both the capabilities and efficiency in commercial property operations and elevating operation standard to realise the growth in scale. The Company will continue to optimise the product lines and customer structures for its commercial properties, in hope of increasing the occupancy rate and rental level. The Company will continue to enhance its operational efficiency and commercial property values by increasing its operational capabilities for its commercial properties. The Company will proactively promote an asset management model for commercial properties, and continue to improve the management scale and operational results of commercial properties.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUE**

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company (the “Unaudited Pro Forma Financial Information”) which has been prepared in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2022 as if the Rights Issue had taken place on 31 December 2022.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2022, as extracted from consolidated financial statements for the year ended 31 December 2022 set out in the published annual report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to equity holders of the Company had the Rights Issue been completed as at 31 December 2022 or at any future date.

Audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2022 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2022 <i>RMB'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company per Share <i>RMB</i> <i>HK\$</i> <i>(Note 3)</i> <i>(Note 4)</i>	
Based on 928,936,826 Rights Shares to be issued at the Subscription Price of HK\$9.00 per Rights Share	<u>47,087,239</u>	<u>7,267,646</u>	<u>54,354,885</u>	<u>13.50</u> <u>15.42</u>

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE RIGHTS ISSUE

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2022 is extracted from consolidated financial statements for the year ended 31 December 2022 set out in the published annual report of the Company, which is based on the audited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2022 of approximately RMB47,429,623,000 with adjustments for the intangible assets attributable to equity holders of the Company as at 31 December 2022 of approximately RMB342,384,000.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$8,298,673,000 (equivalent to approximately RMB7,267,646,000) (based on the number of issued Shares as at the date of the Announcement) are based on the Rights Issue of 928,936,826 Rights Shares at the Subscription Price of HK\$9.00 per Rights Share, on the basis of 30 Rights Shares for every 100 existing Shares held on the Record Date, after deduction of the estimated related expenses of approximately HK\$61,759,000 (equivalent to approximately RMB54,086,000) which is directly attributable to the Rights Issue to be incurred by the Company.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and 4,025,392,913 Shares in issue assuming the Rights Issue had taken place on 31 December 2022, which comprises (i) 3,096,456,087 existing Shares in issue as at the Latest Practicable Date before the Rights Issue and (ii) 928,936,826 Rights Shares to be issued under the Rights Issue.
- (4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, conversion between RMB and HK\$ is based on the exchange rate of HK\$1.00 equal to RMB0.87576. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transaction of the Group entered into subsequent to 31 December 2022.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUE**

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report on the unaudited pro forma financial information of the Group received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Yuexiu Property Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yuexiu Property Company Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2022, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-2 of the Company's prospectus dated 11 May 2023, in connection with the proposed rights issue of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group's financial position as at 31 December 2022 as if the proposed rights issue had taken place at 31 December 2022. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2022, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
T:852 2289 8888, F: +852 2810 9888, www.pwchk.com

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE RIGHTS ISSUE

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 31 December 2022 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUE**

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 11 May 2023

1. RESPONSIBILITY OF THE DIRECTORS

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein misleading or this Prospectus misleading.

2. DIRECTORS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in shares of the Company:

Name of Director	Nature of interest	Beneficial interest in shares	Approximate % of interest
Mr. Lin Zhaoyuan (<i>Note 1</i>)	Beneficial owner/ Beneficiary of a trust	1,946,560	0.06
Mr. Lin Feng (<i>Note 2</i>)	Beneficial owner/ Beneficiary of a trust/ Spouse interest	1,605,559	0.05
Mr. Zhu Huisong	Beneficial owner	64,757	0.00
Ms. Liu Yan	Beneficial owner	3,400	0.00
Mr. Yu Lup Fat Joseph	Beneficial owner	200,000	0.01
Mr. Lee Ka Lun	Beneficial owner	660,000	0.02
Mr. Lau Hon Chuen Ambrose	Beneficial owner	968,240	0.03

Note 1: Mr. Lin Zhaoyuan is interested in 1,946,560 Shares, out of which 1,734,336 Shares are owned by him as beneficial owner, 212,224 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management.

Note 2: Mr. Lin Feng is interested in 1,605,559 Shares, out of which 1,393,335 Shares are owned by him as beneficial owner, 212,224 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management.

Long positions in shares of Yuexiu Transport:

Name of Director	Nature of interest	Beneficial interest in shares	Approximate % of interest
Mr. Lin Zhaoyuan	Beneficial owner	120	0.00001
Ms. Liu Yan	Beneficial owner	485	0.00003
Mr. Lau Hon Chuen Ambrose	Beneficial owner	195,720	0.012

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the issued voting shares of any other member of the Company:

1.1 Interests in shares in the Company

Name	Capacity	Number of shares held	Approximate % of interest <i>(Note 4)</i>
GZYZ <i>(Note 2)</i>	Interests of controlled corporations	1,881,141,370 (Long position) <i>(Note 1)</i>	60.75
Yue Xiu <i>(Note 2)</i>	Interests of controlled corporations	1,881,141,370 (Long position) <i>(Note 1)</i>	60.75
GZ Metro <i>(Note 3)</i>	Interests of controlled corporations	616,194,762 (Long position)	19.90

Note 1: This includes i) the deemed interest in 369,566,857 Rights Shares which Yue Xiu has irrevocably undertaken to, or to procure its Subsidiaries or its nominees (including the CCASS Participant(s) holding Existing Shares on its/their behalf) to take up pursuant to the Irrevocable Undertaking; and ii) the deemed interest in 279,684,983 Rights Shares which Yue Xiu has irrevocably undertaken to, or to procure its Subsidiaries or its nominees (including the CCASS Participant(s) holding Existing Shares on its/their behalf) to apply (by way of excess application) pursuant to the Irrevocable Undertaking.

Note 2: Pursuant to the SFO as at the Latest Practicable Date, GZYX was deemed to be interested in 1,881,141,370 shares in the Company as a result of its indirect holding of such shares through its wholly-owned subsidiaries, details of which were as follows:

Name	Long positions in shares
Yue Xiu (<i>Note i</i>)	1,881,141,370
Superb Master Ltd. (“Superb”) (<i>Note ii</i>)	104,517,301
Bosworth International Limited (“Bosworth”) (<i>Note ii</i>)	1,092,762,879
Novena Pacific Limited (“Novena”) (<i>Note ii</i>)	254,297,135
Morrison Pacific Limited (“Morrison”) (<i>Note ii</i>)	71,049,347
Greenwood Pacific Limited (“Greenwood”) (<i>Note ii</i>)	61,019,210
Goldstock International Limited (“Goldstock”) (<i>Note ii</i>)	15,838,713
Yue Xiu Finance Company Limited (“Yue Xiu Finance”) (<i>Note ii</i>)	1,971,802

- (i) Yue Xiu’s interest comprises of (1) 279,684,983 Shares held by it as beneficial owner; and (2) 1,601,456,387 Shares held by Superb, Bosworth, Novena, Morrison, Greenwood, Goldstock and Yue Xiu Finance as its controlled corporations.
- (ii) Superb, Bosworth, Novena, Morrison, Greenwood, Goldstock and Yue Xiu Finance are wholly-owned by Yue Xiu.

Note 3: Pursuant to the SFO as at the Latest Practicable Date, GZ Metro was deemed to be interested in 616,194,762 shares in the Company as a result of its indirect holding of such shares through its wholly-owned subsidiary, details of which was as follows:

Name	Long positions in shares
Guangzhou Metro Investment Finance (HK) Limited (<i>Note i</i>)	616,194,762

- (i) 616,194,762 shares were held by Guangzhou Metro Investment Finance (HK) Limited, which was wholly-owned by GZ Metro

Note 4: This percentage interest is calculated on the basis of total issued shares of the Company as at the Latest Practicable Date, being 3,096,456,087 Shares

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, there were no material adverse changes in the financial or trading position of the Company since 31 December 2022, being the date to which the latest published audited financial results of the Group were made up.

5. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

6. OTHER ARRANGEMENTS INVOLVING DIRECTORS

As at the Latest Practicable Date:

- (i) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (ii) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2022 (the date to which the latest audited consolidated financial statements of the Company were made up) acquired or disposed of by, leased to, are proposed to be acquired or disposed of by or are proposed to be leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any other member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) were entered into by the Group within the period commencing two years preceding the date of this Prospectus and up to the Latest Practicable Date and are, or may be, material:

- (i) the Underwriting Agreement dated 20 April 2023 entered into between the Company and the Joint Underwriters;
- (ii) the Equity Transfer Agreement and the Debt Restructuring Agreement dated 7 April 2022 entered into between amongst others, Guangzhou Yuexiu Huacheng Real Estate Development Co., Ltd. * (廣州越秀華城房地產開發有限公司), a non-wholly owned subsidiary of the Company (as purchaser, the “**Purchaser**”), GCCD, which is indirectly owned as to 95% by the Company and 5% by GZYX, and Fancy Hope Investment Limited (美萊投資有限公司), a wholly-owned subsidiary of GZYX (as seller, the “**Seller**”), and GZYX, pursuant to which, the Purchaser has conditionally agreed to acquire entire equity interest in Guangzhou Quanli Property Co., Ltd.* (廣州泉力實業發展有限公司) (the “**Target Holdco**”) and GCCD has conditionally agreed to acquire the Loan rights of the Target Holdco and Guangzhou Pinzhen Property Development Co., Ltd.* (廣州市品臻房地產開發有限公司);

- (iii) the deed dated 24 October 2021 and entered into between Yuexiu REIT 2018 Company Limited (a special purpose vehicle of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”)), Guangzhou Construction & Development Holdings (China) Limited (城市建設開發集團(中國)有限公司 (a direct wholly-owned subsidiary of the Company) and the Company in respect of the disposal of the entire equity interest in Gain Force Investments Ltd. for a consideration of approximately RMB7,792,834,000 (assuming the completion took place on 31 August 2021);
- (iv) the second supplemental indebtedness agreement dated 24 October 2021 entered into between the Company as assignor, HSBC Institutional Trust Services (Asia) Limited and Yuexiu REIT Asset Management Limited (the “**Manager**”) in respect of the deferred units arrangements modification;
- (v) the irrevocable undertaking dated 24 October 2021 given by Yue Xiu and the Company in favour of the Manager, whereby Yue Xiu and the Company undertook to, among other things, maintain their respect beneficial unitholding in Yuexiu REIT 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 under the rights issue;
- (vi) the equity transfer agreement dated 23 July 2021 entered into between 廣州越秀華城房地產開發有限公司 (Guangzhou Yuexiu Huacheng Real Estate Development Co., Ltd.*) (a 95.48% subsidiary of the Company) as purchaser and GZYZ as seller for the acquisition of 98% equity interest in 廣州市佰城投資發展有限公司 (Guangzhou Bai Cheng Investment Development Co. Ltd.*) for a consideration of approximately RMB1,873,596,000; and
- (vii) the equity transfer agreement dated 31 May 2021 entered into between 廣州城建開發南沙房地產有限公司 (Guangzhou Construction & Development Nansha Property Co. Ltd.*) (a 95.475% subsidiary of the Company) as purchaser and 廣州越秀明睿三號實業投資合夥企業(有限合夥) (Guangzhou Ming Rui No. 3 Business Investment Enterprise (Limited Partnership)*) as seller for the acquisition of 90% equity interest in 廣州越璟房地產開發有限公司 (Guangzhou Yuejing Property Development Co. Ltd.*) for a consideration of RMB2.621 billion.

* For identification purposes only

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinions or advice, which is contained or referred to in this Prospectus:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50)
	Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)

As at the Latest Practicable Date, the above expert:

- (i) had given and had not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and the reference to its name, in the form and context in which it appears;
- (ii) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (iii) did not have any direct or indirect interest in any assets which had been since 31 December 2022 (the date to which the latest audited consolidated financial statements of the Company were made up) acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

10. MISCELLANEOUS

- (i) This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.
- (ii) As at the Latest Practicable Date, the Directors were not aware of any restriction affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong which materially affects the business of the Group as a whole.

11. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, and the written consents of the expert referred to in "9. *Expert's Qualification and Consent*" above have been delivered to the Registrar of Companies of Hong Kong for registration pursuant to section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

12. DOCUMENTS AVAILABLE ON DISPLAY

The following documents are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.yuexiuproperty.com>.) for a period of 14 days from the date of this Prospectus:

- (i) the report from PricewaterhouseCoopers relating to unaudited pro forma financial information of the Group, the text of which is set out in Appendix III;
- (ii) the material contracts referred to in “8. *Material Contracts*” above;
- (iii) the written consents referred to in “9. *Expert’s Qualification and Consent*” above; and
- (iv) this Prospectus.