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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

CONNECTED TRANSACTIONS

IN RELATION TO THE COMMERCIAL PROPERTY SALE AND THE CAR PARKING SPACE SALE

THE AGREEMENTS

The Board is pleased to announce that on 21 December 2023 (after trading hours), the Sellers (all of which are indirect non-wholly owned subsidiaries of the Company) and the Purchaser (an indirect wholly owned subsidiary of GZYX, the controlling shareholder of the Company) entered into 73 Commercial Property Sale Agreements and one Car Parking Space Sale Agreement for 73 Commercial Properties and one Car Parking Space located in Guangzhou, the PRC, pursuant to which, the Sellers agreed to sell and the Purchaser agreed to purchase the Commercial Properties and the Car Parking Space under the respective Agreements.

As at the date of this announcement, Commercial Property Sale Agreements for 73 Commercial Properties and a Car Parking Space Sale Agreement for one Car Parking Space have been entered into. It is expected that Car Parking Space Sale Agreements on substantially the same terms for the remaining three Car Parking Spaces will be entered into by end of 2025.

The total Commercial Property Sale Consideration is approximately RMB67,073,000. The total Car Parking Space Sale Consideration is approximately RMB769,000.

LISTING RULES IMPLICATIONS

The Purchaser is an indirect wholly owned subsidiary of GZYX. GZYX is the controlling shareholder of the Company and therefore the Purchaser is a connected person of the Company under the Listing Rules. The transactions contemplated under the Agreements between the Sellers and the Purchaser therefore constitute connected transactions of the Company.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under the Agreements are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Lin Zhaoyuan, an executive Director, is a director, vice chairman and general manager of GZYX, he has abstained from voting on the board resolutions of the Company in relation to the transactions contemplated under the Agreements. Save as disclosed above, no Director had a material interest in the transactions contemplated under the Agreements or was required to abstain from voting on the relevant board resolutions of the Company.

INTRODUCTION

The Board is pleased to announce that on 21 December 2023 (after trading hours), the Sellers (all of which are indirect non-wholly owned subsidiaries of the Company) and the Purchaser (an indirect wholly owned subsidiary of GZYS, the controlling shareholder of the Company) entered into 73 Commercial Property Sale Agreements and one Car Parking Space Sale Agreement for 73 Commercial Properties and one Car Parking Space located in Guangzhou, the PRC, pursuant to which, the Sellers agreed to sell and the Purchaser agreed to purchase the Commercial Properties and the Car Parking Space under the respective Agreements.

As at the date of this announcement, Commercial Property Sale Agreements for 73 Commercial Properties and a Car Parking Space Sale Agreement for one Car Parking Space have been entered into. It is expected that Car Parking Space Sale Agreements on substantially the same terms for the remaining three Car Parking Spaces will be entered into by end of 2025.

THE AGREEMENTS

(1) Commercial Property Sale Agreements

The principal terms of the Commercial Property Sale Agreements are set out below:

Date	:	21 December 2023 (after trading hours)
Parties	:	(i) the Sellers (as sellers) (ii) the Purchaser (as purchaser)
Subject matters	:	73 Commercial Properties with an aggregated gross floor area of approximately 3,064 square meters, comprising: (i) 5 Commercial Properties of the Starry Wenxi, (ii) 53 Commercial Properties of the TOD Town, and (iii) 15 Commercial Properties of the Starry Haizhu Bay, all in Guangzhou, the PRC.
Usage	:	Commercial
Commercial Property Sale Consideration	:	The total Commercial Property Sale Consideration is approximately RMB67,073,000.

- Payment terms : The Commercial Property Sale Consideration shall be paid by the Purchaser in one lump sum within eight business days of the date of the Commercial Property Sale Agreements.
- Conditions : The delivery of a Commercial Property is conditional upon the following:
- (i) the issuance of (a) (1) a filing certificate of completion and acceptance of construction projects (建設工程竣工驗收備案證明文件) or (2) a joint acceptance opinion letter for completion (竣工聯合驗收意見書) and (b) the building surveying and mapping report (房屋測繪報告) in respect of the Commercial Property;
 - (ii) the payment by the Purchaser of the Commercial Property Sale Consideration, other costs and default payments (if any); and
 - (iii) the completion by the Purchaser of the advance registration procedures and the provision by the Purchaser of the relevant information required by the housing authority to apply for a real estate title certificate.

In the event that condition (i) is not satisfied by the agreed delivery date as set out in the “Delivery” sub-section below in “The Agreements — (1) Commercial Property Sale Agreements” in this section, the Purchaser may refuse to accept the Commercial Property. If the period of delay does not exceed 180 days, the relevant Seller shall pay liquidated damages at the rate of 0.03% of the Commercial Property Sale Consideration per day until the date of actual delivery. If the period of delay exceeds 180 days, the Purchaser may elect to terminate or continue to enforce the relevant Commercial Property Sale Agreement. If the Purchaser elects to continue to enforce the relevant Commercial Property Sale Agreement, the relevant Seller shall continue to pay the liquidated damages at the rate of 0.03% of the Commercial Property Sale Consideration per day until the date of actual delivery.

In the event that conditions (ii) and (iii) are not satisfied by the agreed delivery date as set out in the “Delivery” subsection below in “The Agreements — (1) Commercial Property Sale Agreements” in this section, the Seller has the right to extend the actual date of delivery without incurring any liability for late delivery. The Purchaser shall continue to perform its obligations under the relevant Commercial Property Sale Agreement and notify the Seller within three days after satisfaction of the relevant conditions. If the period of delay caused by the Purchaser in relation to its obligation to pay the relevant Commercial Property Sale Consideration does not exceed 60 days, the Purchaser shall pay liquidated damages at the rate of 0.03% of the Commercial Property Sale Consideration per day until the date of actual payment. If the period of delay exceeds 60 days, the Seller may elect to terminate or continue to enforce the relevant Commercial Property Sale Agreement. If the relevant Seller elects to continue to enforce the relevant Commercial Property Sale Agreement, the Purchaser shall continue to pay the liquidated damages at the rate of 0.03% of the relevant Commercial Property Sale Consideration per day until the date of its actual payment.

Delivery : Once the conditions precedent are satisfied, the Purchaser shall be informed the date and time for inspecting and the actual delivery of the Commercial Properties.

Unless otherwise postponed in accordance with the terms of the Commercial Property Sale Agreements, subject to the satisfaction of all conditions precedent, the Commercial Properties shall be delivered to the Purchaser by:

- (i) 31 March 2024 (in the case of the 5 Commercial Properties of the Starry Wenxi);
- (ii) 30 September 2024 (in the case of the 53 Commercial Properties of the TOD Town); and

(iii) 30 December 2024 (in the case of the 15 Commercial Properties of the Starry Haizhu Bay);

Termination : The Commercial Property Sale Agreements may be terminated, among others, (i) by the Sellers, upon the occurrence of a force majeure event; or (ii) by the non-defaulting party, if the other party breaches the terms of the Commercial Property Sale Agreements.

Unless otherwise specified, if any of the Commercial Property Sale Agreements is terminated because of the breach by a defaulting party, the defaulting party shall normally pay an amount equivalent to 10% of the relevant Commercial Property Sale Consideration as compensation to the non-defaulting party. On top of any such compensation amount, the relevant Seller shall also return to the Purchaser the relevant Commercial Property Sale Consideration already paid by the Purchaser (if any).

(2) Car Parking Space Sale Agreements

The principal terms of the Car Parking Space Sale Agreements are set out below:

Date : 21 December 2023 (after trading hours) in respect of one Car Parking Space (or by the end of 2025 in respect of the other three Car Parking Spaces pending the grant of sales permits)

Parties : (i) the Sellers (as sellers)
(ii) the Purchaser (as purchaser)

Subject matters : Four Car Parking Spaces comprising: (i) one Car Parking Space of the Starry Wenxi, (ii) two Car Parking Spaces of the TOD Town, and (iii) one Car Parking Space of the Starry Haizhu Bay, all in Guangzhou, the PRC.

Car Parking Space Sale Consideration : The total Car Parking Space Sale Consideration is approximately RMB769,000.

Payment term : The relevant Car Parking Space Sale Consideration shall be paid by the Purchaser in one lump sum within eight business days of the date of the relevant Car Parking Space Sale Agreement.

Conditions : Delivery of a Car Parking Space is conditional upon the following:

- (i) the issuance of (a) (1) a filing certificate of completion and acceptance of construction projects (建設工程竣工驗收備案證明文件) or (2) a joint acceptance opinion letter for completion (竣工聯合驗收意見書) and (b) the building surveying and mapping report (房屋測繪報告) in respect of the relevant Car Parking Space;
- (ii) the payment by the Purchaser of the Car Parking Space Sale Consideration, other costs and default payments (if any); and
- (iii) the provision by the Purchaser of the relevant information required by the housing authority to apply for a real estate title certificate.

In the event that condition (i) is not satisfied by the agreed delivery date as set out in the “Delivery” sub-section below in “The Agreements — (2) Car Parking Space Sale Agreements” in this section, the Purchaser may refuse to accept the Car Parking Space. If the period of delay does not exceed 180 days, the relevant Seller shall pay liquidated damages at the rate of 0.03% of the Car Parking Space Sale Consideration per day until the date of actual delivery. If the period of delay exceeds 180 days, the Purchaser may elect to terminate or continue to enforce the relevant Car Parking Space Sale Agreement. If the Purchaser elects to continue to enforce the relevant Car Parking Space Sale Agreement, the relevant Seller shall continue to pay the liquidated damages at the rate of 0.03% of the Car Parking Space Sale Consideration per day until the date of actual delivery.

In the event that conditions (ii) and (iii) are not satisfied, the Seller has the right to extend the actual date of delivery without incurring any liability for late delivery. The Purchaser shall continue to perform its obligations under the relevant Car Parking Space Sale Agreement and notify the Seller within three days after satisfaction of the relevant conditions. If the period of delay caused by the Purchaser in relation to its obligation to pay the relevant Car Parking Space Sale Consideration does not exceed 60 days, the Purchaser shall pay liquidated damages at the rate of 0.03% of the Car Parking Space Sale Consideration per day until the date of actual payment. If the period of delay exceeds 60 days, the Seller may elect to terminate or continue to enforce the relevant Car Parking Space Sale Agreement. If the relevant Seller elects to continue to enforce the relevant Car Parking Space Sale Agreement, the Purchaser shall continue to pay the liquidated damages at the rate of 0.03% of the relevant Car Parking Space Sale Consideration per day until the date of its actual payment.

Delivery : Once the conditions precedent are satisfied, the Purchaser shall be informed the date and time for inspecting and the delivery of the Car Parking Spaces. The relevant Car Parking Space shall be delivered to the Purchaser by 31 March 2024 (in respect of the one Car Parking Space which the relevant Car Parking Space Sale Agreement has been entered into as at the date of this announcement) or by the specific date stipulated in the relevant Car Parking Space Sale Agreements (in respect of the other three Car Parking Spaces that are pending the grant of sales permits).

Termination : The Car Parking Space Sale Agreements may be terminated, among others, (i) by the Sellers, upon the occurrence of a force majeure event; or (ii) by the non-defaulting party, if the other party breaches the terms of the Car Parking Space Sale Agreements.

Unless otherwise specified, if any of the Car Parking Space Sale Agreements is terminated because of the breach by a defaulting party, the defaulting party shall normally pay an amount equivalent to 10% of the relevant Car Parking Space Sale Consideration as compensation to the non-defaulting party. On top of any such compensation amount, the relevant Seller shall also return to the Purchaser the relevant Car Parking Space Sale Consideration already paid by the Purchaser (if any).

INFORMATION ON THE COMMERCIAL PROPERTIES AND CAR PARKING SPACES

The 73 Commercial Properties with an aggregated gross floor area of approximately 3,064 square meters, comprise: (i) 5 Commercial Properties of the Starry Wenxi (located at the intersection of Nanda Road and Nancun Avenue of Panyu District, the construction works of which have been completed, and pre-sale permits have been obtained. The relevant Seller will be ready to deliver the relevant Commercial Properties after its completion and acceptance), (ii) 53 Commercial Properties of the TOD Town (located at Ping An Road of Huangpu District, the construction works of which are in progress, and pre-sale permits have been obtained), and (iii) 15 Commercial Properties of the Starry Haizhu Bay (located at 40 Guangzhi Road of Haizhu District, the construction works of which are in progress, and pre-sale permits have been obtained), all located in Guangzhou, the PRC.

The four Car Parking Spaces comprise: (i) one Car Parking Space of the Starry Wenxi (the construction works of which have been completed and the sales permit for which has been obtained), (ii) two Car Parking Spaces of the TOD Town (the construction works of which have been completed and the sales permits for which are pending grant), and (iii) one Car Parking Space of the Starry Haizhu Bay (the construction works of which are in progress and the sales permit for which is pending grant), all in Guangzhou, the PRC.

The Commercial Properties and the Car Parking Spaces are parts of the following three projects:

- (i) The Starry Wenxi is located in Panyu District, Guangzhou. It is situated at the intersection of “One Axis and One Belt” and the core area of Guangzhou International Innovation City, occupying the northeast corner of Guangzhou International Campus of South China University of Technology. It has a site area of approximately 30,000 sq.m. and an aggregated gross floor area of approximately 180,000 sq.m., comprising seven residential buildings and one international commercial property building.
- (ii) The TOD Town is located in Guangzhou Huangpu Knowledge City, sitting near Zhenlong Station, the interchange station of Line 21 and Line 14, with a straight distance of about 16 meters from the metro station. The aggregated gross floor area of the project is approximately 700,000 sq.m., comprising 36 residential buildings, one commercial property building and a commercial area of approximately 8,000 sq.m..
- (iii) The Starry Haizhu Bay is located in the core area of Guangzhi New Town, Haizhu District, surrounded by two metro lines, namely Metro Line 11, the first circle line in Guangzhou, and Guangzhou-Foshan Line. While enjoying mature facilities in the midst of the city, it’s also next to Guangzhi Historical Park, which has an area of over 36,000 sq.m.. The project has a site area of approximately 260,000 sq.m.. The Group intends to create a residential and commercial waterfront complex with an aggregated gross floor area of approximately 560,000 sq.m., comprising nine residential buildings and 12 commercial property buildings.

BASIS OF DETERMINATION OF THE TOTAL CONSIDERATION

The Total Consideration under the Agreements is approximately RMB67,842,000, which was arrived after arm's length negotiations between the Sellers and the Purchaser on normal commercial terms with reference to, among other things, (i) the preliminary valuation of the Properties by an independent professional valuer as at 31 October 2023 of RMB66,243,000 which is made up of RMB65,486,000 in the case of Commercial Properties and RMB757,000 in the case of Car Parking Spaces with the use of market comparison approach by making reference to comparable sales transactions as available in the market; and (ii) the prices of same grade properties in the same district and the prevailing market conditions of the property market in the PRC.

The Directors (including the independent non-executive Directors, but excluding Mr. Lin Zhaoyuan who is regarded as having a material interest in the transactions contemplated under the Agreements and therefore has abstained from voting on the relevant board resolutions of the Company) consider that the Total Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPERTY SALE

The unaudited carrying value of the Commercial Properties and the Car Parking Spaces as at 21 November 2023 were approximately RMB64,289,000 and RMB746,000 respectively.

The Group expects to record a gain on the Property Sale of approximately RMB56,000, which is calculated based on the Total Consideration for the Property Sale less the carrying value of the Properties as at 21 November 2023 (of which land costs are apportioned equally on the basis of the above-ground operable area), the relevant estimated expenses and the relevant tax payable. The actual amount of gain or loss as a result of the Property Sale to be recognised by the Company will be subject to, among other things, audit and the amount of actual expenses incurred in relation to the Property Sale and may be different from the aforementioned expected amount.

USE OF PROCEEDS

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

REASONS FOR AND BENEFITS OF THE PROPERTY SALE

The principal business of the Purchaser is government public welfare property leasing, and there is a need to purchase properties for rental operation from time to time. The Properties for sale of the Group can meet the Purchaser's demand for property acquisition, thus leading to the entering into of such connected transactions. Entering into the Agreements will help facilitate the sales of commercial properties and cash recovery.

Having considered the above factors, the Board (including the independent non-executive Directors) considers that (i) the terms of the Agreements are fair and reasonable and on normal commercial terms; (ii) the transactions contemplated under the Agreements are in the ordinary and usual course of business of the Group; and that (iii) the transactions contemplated under the Agreements and the entering into of the Agreements are in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, THE SELLERS, GZYX AND THE PURCHASER

The Company

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

The Sellers

Each of the Sellers is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of the Company. The principal activity of each of the Sellers is property development.

GZYY

GZYY, the ultimate controlling shareholder of the Company, is a company established in the PRC with limited liability and is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYY and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

The Purchaser

The Purchaser is an indirect wholly owned subsidiary of GZYY. The principal activity of the Purchaser is rental property business.

LISTING RULES IMPLICATIONS

The Purchaser is an indirect wholly owned subsidiary of GZYY. GZYY is the controlling shareholder of the Company and therefore the Purchaser is a connected person of the Company under the Listing Rules. The transactions contemplated under the Agreements between the Sellers and the Purchaser therefore constitute connected transactions of the Company.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under the Agreements are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Lin Zhaoyuan, an executive Director, is a director, vice chairman and general manager of GZYY, he has abstained from voting on the board resolutions of the Company in relation to the transactions contemplated under the Agreements. Save as disclosed above, no Director had a material interest in the transactions contemplated under the Agreements or was required to abstain from voting on the relevant board resolutions of the Company.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Agreements”	collectively, the Commercial Property Sale Agreements and Car Parking Space Sale Agreements
“Board”	the board of Directors
“Car Parking Spaces”	the four Car Parking spaces located in Guangzhou of the PRC as detailed in the Car Parking Space Sale Agreements, each a “Car Parking Space”
“Car Parking Space Sale”	the sale of Car Parking Space by the Sellers to the Purchaser pursuant to the Car Parking Space Sale Agreements
“Car Parking Space Sale Agreements”	the agreements to be entered into or dated 21 December 2023 entered into between the Sellers and the Purchaser in relation to the sale and purchase of the Car Parking Spaces, including sale and purchase agreements, order forms and deeds of mutual covenants
“Car Parking Space Sale Consideration”	the consideration payable by the Purchaser to the Sellers under the respective Car Parking Space Sale Agreements, including the service fee for concluding the contract
“Commercial Properties”	the 73 commercial properties with an aggregated gross floor area of approximately 3,064 square meters located in Guangzhou of the PRC as detailed in the Commercial Property Sale Agreements, and each a “Commercial Property”

“Commercial Property Sale”	the sale of Commercial Properties by the Sellers to the Purchaser pursuant to the Commercial Property Sale Agreements
“Commercial Property Sale Agreements”	the commercial property sale agreements dated 21 December 2023 entered into between the Sellers and the Purchaser in relation to the sale and purchase of the Commercial Properties, including sale and purchase agreements, order forms and deeds of mutual covenants
“Commercial Property Sale Consideration”	the consideration payable by the Purchaser to the Sellers under the respective Commercial Property Sale Agreements, including the service fee for concluding the contract
“Company”	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Stock Exchange (Stock Code: 00123)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors (including the independent non-executive directors) of the Company
“Group”	the Company and its subsidiaries
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Properties”	collectively, the Commercial Properties and the Car Parking Spaces
“Property Sale”	collectively, the Commercial Property Sale and the Car Parking Space Sale
“Purchaser”	廣州越秀住房租賃發展投資有限公司 (Guangzhou Yuexiu Housing Loan Development Investment Co., Ltd.*), an indirect wholly owned subsidiary of GZYX
“RMB”	Renminbi, the lawful currency of the PRC
“Seller A”	廣州越秀城開房地產開發有限公司 (Guangzhou Yuexiu Chengkai Real Estate Development Co., Ltd.*), an indirect non-wholly owned subsidiary of the Company
“Seller B”	廣州東耀房地產開發有限公司 (Guangzhou Dongyao Real Estate Development Co., Ltd.*), an indirect non-wholly owned subsidiary of the Company
“Seller C”	廣州市品輝房地產開發有限公司 (Guangzhou City Pinhui Property Development Company Limited*), an indirect non-wholly owned subsidiary of the Company
“Sellers”	collectively, Seller A, Seller B and Seller C
“Shareholders”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary” has the meaning ascribed to it under the Listing Rules

“Total Consideration” collectively, the total aggregate amount of the Commercial Property Sale Consideration and the Car Parking Space Sale Consideration

* *For identification purposes only*

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

Hong Kong, 21 December 2023

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

Executive Directors: LIN Zhaoyuan (Chairman), LIN Feng, ZHU Huisong, HE Yuping, CHEN Jing and LIU Yan

Non-Executive Director: ZHANG Yibing

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