

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



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

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00123)**

**VOLUNTARY ANNOUNCEMENT**

**POTENTIAL DISPOSAL OF EQUITY INTERESTS  
IN A SUBSIDIARY THROUGH PUBLIC TENDER**

This announcement is made by the Company on a voluntary basis.

**THE POTENTIAL DISPOSAL**

Reference is made to the announcement of the Company dated 9 September 2024 in relation to the potential transaction involving the Group's ownership in the office space and car parks of Guangzhou International Commercial Center in Tianhe District, Guangzhou, the PRC. The Company currently owns such properties through the Target Company, which is an indirect wholly-owned subsidiary of the Company and its equity interests are directly held by Kingwongs and Huazhen Tech Service (each an indirect wholly-owned subsidiary of the Company) as to 81.26% and 18.74%, respectively.

The Company announces that it proposes to dispose of its entire equity interests (through Kingwongs and Huazhen Tech Service) in the Target Company. Since the Disposal Interests are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Potential Disposal will be conducted by way of Public Tender on GUAEE in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets.

The Minimum Consideration (being the base price for the transfer of Disposal Interests) for the Potential Disposal is RMB1,092,083,400. The final Consideration will depend on the final bid price, and in any event, not be lower than the Minimum Consideration.

**POTENTIAL IMPLICATIONS UNDER THE LISTING RULES**

The Potential Disposal, if materialised, and subject to the identity of the transferee and its relationship with the Company, may constitute a notifiable and/or a connected transaction of the Company and may be subject to the reporting, announcement and shareholders' approval (as applicable) requirements under Chapters 14 and 14A of the Listing Rules.

Further announcement(s) in respect of the Potential Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

**As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company on a voluntary basis.

## **I THE POTENTIAL DISPOSAL**

Reference is made to the announcement of the Company dated 9 September 2024 in relation to the potential transaction involving the Group's ownership in the office space and car parks of Guangzhou International Commercial Center in Tianhe District, Guangzhou, the PRC. The Company currently owns such properties through the Target Company, which is an indirect wholly-owned subsidiary of the Company and its equity interests are directly held by Kingwongs and Huazhen Tech Service (each an indirect wholly-owned subsidiary of the Company) as to 81.26% and 18.74%, respectively.

The Company announces that it proposes to dispose of its entire equity interests (through Kingwongs and Huazhen Tech Service) in the Target Company. Since the Disposal Interests are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Potential Disposal will be conducted by way of Public Tender on GUAEE in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets.

### **Public Tender**

Since the Disposal Interests are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Potential Disposal will be conducted by way of Public Tender on GUAEE in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets.

The Public Tender Notice which sets out, among others: (i) the Minimum Consideration; (ii) the principal terms of the transaction; and (iii) the descriptions and qualifications of the intended transferees, has been submitted to GUAEE and GEMAS and published on the websites of GUAEE at <http://www.gduae.com> and GEMAS at <http://gz.gemas.com.cn> on 24 October 2024 (after trading hours). The initial Public Tender commences on 25 October 2024 and will remain open for twenty (20) working days in the PRC.

### **Summary of material terms disclosed in the Public Tender Notice**

#### ***Consideration***

The Minimum Consideration (being the base price for the transfer of the Disposal Interests) for the Potential Disposal is RMB1,092,083,400, of which RMB887,426,900 and RMB204,656,500 are attributable to the 81.26% and 18.74% equity interests in the Target Company held by Kingwongs and Huazhen Tech Service, respectively. Intended

transferees are required to submit bids in respect of the entire Disposal Interests. The final Consideration will depend on the final bid price, and in any event, not be lower than the Minimum Consideration.

### ***Arrangements related to Dividends***

As of 31 August 2024, the Target Company owed Kingwongs unpaid dividends in the amount of RMB1,709,349,446.33 due to the time required to complete foreign exchange procedures. If these dividends remain unpaid following the completion of the Potential Disposal, the final transferee shall agree to assist the Target Company (including the provision of a short term loan by the Target Company to a third party company designated by Kingwongs) to fulfil its obligations to pay the dividends to Kingwongs post-completion.

### ***Other material terms***

The publication period will be twenty (20) working days in the PRC from the day following the disclosure of the Public Tender Notice on the websites of GUAEE and GEMAS. During the publication period of the Public Tender Notice, intended transferees are required to complete the application procedures and enter into a confidentiality agreement, following which they can conduct due diligence on the Target Company. The intended transferees will then be permitted to pay a transaction deposit in the amount of RMB109,208,340 to GUAEE and submit their bids together with other supporting documents before the end of such publication period.

Upon the end of the publication period of the Public Tender Notice, if there is only one intended transferee being accepted by GUAEE and the Vendors as qualified intended transferee, such intended transferee will be the final transferee. If there are more than one intended transferees which are accepted by GUAEE and the Vendors as qualified intended transferees, the Public Tender will enter into an online bidding process during which the final transferee will be elected with the highest bid price.

Upon the expiry of the publication period, GUAEE will notify the Vendors of the identity of the final transferee. The final transferee shall enter into the Equity Transaction Agreement with the Vendors upon receiving notification from GUAEE and pay the Consideration to GUAEE within five (5) working days in the PRC after the effective date of the Equity Transaction Agreement. After receiving the Consideration and other service charges in full, GUAEE will transfer the amount of the Consideration to the Vendors without interests and after deduction of any applicable withholding tax.

In the event that there is no intended transferee for the Disposal Interests upon expiry of the publication period of the Public Tender Notice on 21 November 2024 (assuming there are no circumstances which would delay or extend such publication period), the Public Tender will be extended automatically with the same conditions for a period of five (5) working days in the PRC. The extension can be made up to forty five (45) times (i.e. up to 225 working days in the PRC) until there is an intended transferee.

As at the date of this announcement, no binding agreement, arrangement or commitment has been entered into by the Vendors (or any members of the Group) with respect to the Potential Disposal.

## II INFORMATION ON THE TARGET COMPANY

### The Target Company

The Target Company is principally engaged in real estate and currently holds the office space and car parks of Guangzhou International Commercial Center in Tianhe District, Guangzhou, the PRC. As at the date of this announcement, the equity interest of the Target Company are held by Kingwongs and Huazhen Tech Service as to 81.26% and 18.74%, respectively.

Set out below are the key audited financial information of the Target Company for the year ended 31 December 2023 and for the eight months ended 31 August 2024, prepared in accordance with PRC accounting standards:

	<b>For the eight months ended 31 August 2024</b>	<b>For the year ended 31 December 2023</b>
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)
Revenue	261,624.4	1,580,725.4
Profit before income tax	62,017.8	146,146.9
Net profit	42,164.6	144,729.8
	<b>As at 31 August 2024</b>	<b>As at 31 December 2023</b>
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)
Total assets	4,674,089.1	3,061,172.1
Total liabilities	4,175,053.9	2,389,177.6
Total equity	499,035.2	671,994.6

## III REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

The Company expects that the Potential Disposal will help expedite the turnover of its commercial properties and further optimise the Group's cash flow management. The proceeds from the Potential Disposal will be retained by the Group, and is expected to be used to reinvest in the development of its core business operations.

#### IV POTENTIAL IMPLICATIONS UNDER THE LISTING RULES

The Potential Disposal, if materialised, and subject to the identity of the transferee and its relationship with the Company, may constitute a notifiable and/or a connected transaction of the Company and may be subject to the reporting, announcement and shareholders' approval (as applicable) requirements under Chapters 14 and 14A of the Listing Rules. Further announcement(s) in respect of the Potential Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

**As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

#### V DEFINITIONS

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

“Board”	the board of Directors
“Company”	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal Interests payable by the transferee under the Equity Transaction Agreement
“Director(s)”	the director(s) of the Company
“Disposal Interests”	100% equity interests in the Target Company, which are held by Kingwongs and Huazhen Tech Service as to 81.26% and 18.74%, respectively, as at the date of the announcement
“Equity Transaction Agreement”	an equity transaction agreement to be entered into between the Vendors and the transferee in respect of the Potential Disposal according to the rules of GUAEE
“GEMAS”	Guangzhou Enterprises Mergers and Acquisition Services (廣州產權交易所), the platform under GUAEE for conducting transfer of state-owned assets
“Group”	the Company and its subsidiaries
“GUAEE”	GuangDong United Assets and Equity Exchange (廣東聯合產權交易中心), the only institution in Guangdong Province engaging in transfer of state-owned assets

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huazhen Tech Service”	Guangzhou Huazhen Technology Service Co., Ltd.* (廣州華振科技服務有限公司), a company established in the PRC with limited liabilities and an indirect wholly owned subsidiary of the Company
“Kingwongs”	Kingwongs Investment Limited (金旺投資有限公司), a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minimum Consideration”	the base price for the transfer of the Disposal Interests in accordance with the Public Tender Notice
“Potential Disposal”	the potential disposal of the Disposal Interests by Kingwongs and Huazhen Tech Service
“PRC”	the People’s Republic of China
“Public Tender”	the public tender for the Potential Disposal through GUAEE
“Public Tender Notice”	the notice of the Public Tender in relation to the Potential Disposal published by the Vendors on the websites of GUAEE and GEMAS on 24 October 2024 (after trading hours)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangzhou Grandcity Development Ltd.* (廣州宏城發展有限公司), a company established in the PRC with limited liability which is an indirectly wholly owned subsidiary of the Company
“Vendors”	Kingwongs and Huazhen Tech Service
“%”	per cent

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

Hong Kong, 25 October 2024

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

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

*Non-executive Directors: ZHANG Yibing and SU Junjie*

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

*\* For identification purposes only*