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

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00123)**

**DISCLOSEABLE TRANSACTION**  
**REPOSSESSION AS LAND RESERVE OF THE GUANGZHOU DAGANWEI**  
**LAND PARCELS BY THE GUANGZHOU LDC**

**REPOSSESSION AS LAND RESERVE OF THE GUANGZHOU DAGANWEI LAND PARCELS BY THE GUANGZHOU LDC**

On 13 November 2024 (after trading hours), Bai Cheng Investment and the Guangzhou LDC entered into the Daganwei Land Repossession and Reservation Agreement, pursuant to which the Guangzhou LDC have agreed to repossess and reserve the land use rights of the Guangzhou Daganwei Land Parcels from Bai Cheng Investment, at a consideration of RMB1,529,070,700 by way of cash compensation.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Land Repossession and Reservation (based on the amount of the Compensation) exceeds 5% but is less than 25%, the Land Repossession and Reservation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Land Repossession and Reservation is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The Shareholders and potential investors of the Company should be aware that the Land Repossession and Reservation is subject to certain conditions being satisfied, and therefore the Land Repossession and Reservation may or may not proceed. Accordingly, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **REPOSSESSION AS LAND RESERVE OF THE GUANGZHOU DAGANWEI LAND PARCELS BY THE GUANGZHOU LDC**

On 13 November 2024 (after trading hours), Bai Cheng Investment and the Guangzhou LDC entered into the Daganwei Land Repossession and Reservation Agreement, pursuant to which the Guangzhou LDC has agreed to repossess and reserve the land use rights of the Guangzhou Daganwei Land Parcels from Bai Cheng Investment, at a consideration of RMB1,529,070,700 by way of cash compensation.

### **DAGANWEI LAND REPOSSESSION AND RESERVATION AGREEMENT**

The principal terms of the Daganwei Land Repossession and Reservation Agreement are summarised as follows:

#### **Date**

13 November 2024

#### **Parties**

- (1) Bai Cheng Investment (a non-wholly owned subsidiary of the Company); and
- (2) Guangzhou LDC.

#### **Compensation and payment terms**

The compensation for the Guangzhou Daganwei Land Parcels (the “**Compensation**”) is RMB1,529,070,700. The Compensation was determined after arm’s length negotiations among the parties with reference to the appraised market value of the Guangzhou Daganwei Land Parcels as determined based on the asset appraisal conducted by a qualified appraisal institution in the PRC.

Following the completion of the Land Repossession and Reservation, the Guangzhou LDC will then transfer the Guangzhou Daganwei Land Parcels to a subsequent transferee (the “**Subsequent Transfer**”). After (1) the Guangzhou LDC has agreed and finalised the Subsequent Transfer and (2) such subsequent transferee has paid any portion of the land transfer price to the Guangzhou LDC (whether in full or by instalments) for the Subsequent Transfer, within 90 days after a written application by Bai Cheng Investment to the Guangzhou LDC for payment of the Compensation, the Guangzhou LDC will pay and settle the amount of the Compensation in full or by instalments (as applicable) in the form of cash to Bai Cheng Investment according to the following formula:

Amount to be paid by the Guangzhou LDC to Bai Cheng Investment = RMB1,529,070,700 (being the total amount of the Compensation) x proportion of the land transfer price under the Subsequent Transfer paid by the subsequent transferee to the Guangzhou LDC.

If the Guangzhou LDC has incurred any cost in relation to the work necessary for the Land Repossession and Reservation, such cost will be deducted from the amount to be paid by the Guangzhou LDC to Bai Cheng Investment as calculated above. If the amount to be paid by the Guangzhou LDC to Bai Cheng Investment as calculated above under an instalment is not sufficient to deduct the cost incurred by the Guangzhou LDC, the outstanding amount of such cost will be deducted from the amount in the next instalment to be paid by the Guangzhou LDC to Bai Cheng Investment.

### **Conditions**

The completion of the Land Repossession and Reservation and the execution of the Land Transfer Confirmation shall be conditional upon the fulfilment of the following conditions precedent:

- (a) the completion of the deregistration of ownership in relation to the land, buildings, structures and attachments under the Daganwei Land Repossession and Reservation Agreement;
- (b) the completion of clearance of personnel, settlement of employees, relocation of equipment, demolition of buildings, structures and attachments, land remediation (except for those that cannot be demolished according to national, provincial, and municipal regulations on urban and rural historical and cultural heritage), and enclosures according to the enclosure standards determined by the applicable administrative authority;
- (c) the completion of the investigation, risk assessment and remediation of soil pollution (if any) in accordance with the standards with respect to Class I land under the soil environmental quality risk control standard for soil contamination of development land, as currently implemented by the government;
- (d) the completion of the disposal of hazardous waste or radioactive waste residue (if any) on the land under the Daganwei Land Repossession and Reservation Agreement;
- (e) the completion of the removal of excess soil, construction debris, and the relocation and clearance of all types of aboveground and underground pipelines;
- (f) the completion of the work related to fire safety, security, and site management before the handover of the land under the Daganwei Land Repossession and Reservation Agreement;
- (g) the completion of the payment of the relevant water, electricity, telecommunications, cable television, gas, and other special pipeline usage fees incurred on the land, above-ground buildings and structures under the Daganwei Land Repossession and Reservation Agreement, and the report of the termination of such services; and
- (h) the completion of the other work necessary for the repossession and reservation of the Guangzhou Daganwei Land Parcels on a clean land basis.

If any of the conditions precedent above is not fulfilled, the Guangzhou LDC may refuse to proceed to the completion of the Land Repossession and Reservation or execute the Land Transfer Confirmation. In addition, condition (a) as referred to above shall be completed by Bai Cheng Investment within 15 days after the Daganwei Land Repossession and Reservation Agreement becomes effective. As at the date of this announcement, conditions (c) to (e) as referred to above have been fulfilled and the remaining conditions have not been fulfilled. The Daganwei Land Repossession and Reservation Agreement becomes effective on the date when the parties sign the Daganwei Land Repossession and Reservation Agreement with their respective official seals affixed.

### **Delivery of the Guangzhou Daganwei Land Parcels**

Within 12 months after the Daganwei Land Repossession and Reservation Agreement becomes effective and subject to the conditions precedent above having been fulfilled, Bai Cheng Investment and the Guangzhou LDC shall execute the Land Transfer Confirmation and Bai Cheng Investment shall deliver the Guangzhou Daganwei Land Parcels to the Guangzhou LDC. After the execution of the Land Transfer Confirmation, Bai Cheng Investment shall be responsible for the safekeeping of the Guangzhou Daganwei Land Parcels until the Subsequent Transfer.

After the delivery of the Guangzhou Daganwei Land Parcels, to the extent any further remedial work for the soil pollution on the Guangzhou Daganwei Land Parcels is required by the applicable authorities within the remedial period to be agreed by both parties, Bai Cheng Investment shall continue to be responsible for such remedial work (if any) until the completion of such remedial work.

### **Information of the Guangzhou Daganwei Land Parcels**

The Guangzhou Daganwei Land Parcels comprise two land parcels numbered AH101533 and AH101534 with an aggregate site area of approximately 15,491 sq. m. and are situated at Daganwei\* (大幹圍), Industrial Avenue South\* (工業大道南), Haizhu District\* (海珠區), Guangzhou, the PRC. The Guangzhou Daganwei Land Parcels are currently planned for retail and commercial use, business and finance use, and wholesale market use. As at the date of this announcement, the Guangzhou Daganwei Land Parcels remain undeveloped.

### **Net profit/loss before/after tax**

Since the Guangzhou Daganwei Land Parcels remain undeveloped, net profit/loss is not applicable to the Guangzhou Daganwei Land Parcels for the years ended 31 December 2022 and 2023.

## **REASONS FOR AND BENEFITS OF THE LAND REPOSSESSION AND RESERVATION**

As part of the local government's urban management and efforts to optimise the efficiency of land use, the Guangzhou Daganwei Land Parcels are to be repossessed and reserved pursuant to the Daganwei Land Repossession and Reservation Agreement.

In July 2021, Yuexiu Huacheng (a non-wholly owned subsidiary of the Company) agreed to acquire 98% of the equity interest in Bai Cheng Investment, which owned the property rights in the Guangzhou Daganwei Land Parcels. At the time of acquisition, it was originally planned that the Guangzhou Daganwei Land Parcels would be developed for commercial use. While the Group intended to develop commercial properties on the Guangzhou Daganwei Land Parcels, there was no detailed or concrete development plan or timeline in relation to the Guangzhou Daganwei Land Parcels. As at the date of this announcement, the Guangzhou Daganwei Land Parcels remain undeveloped, which is due to various factors including but not limited to the market condition, the demand for and supply of commercial properties, the estimated cost of development and the optimisation of the use of the Group's resources. Accordingly, the Board is of the view that the repossession and reservation of the Guangzhou Daganwei Land Parcels by the Guangzhou LDC will not have any material adverse effect on the Group's operation management. In addition, the Compensation is considered fair and reasonable with reference to the appraised market value of the Guangzhou Daganwei Land Parcels. The Directors believe that the Land Repossession and Reservation would enable the Group to optimise the usage of its resources, benefiting the future development of the Group in the longer run.

The Directors (including the independent non-executive Directors) consider that the terms of the Land Repossession and Reservation are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS ON THE GROUP**

The book value and the valuation of the Guangzhou Daganwei Land Parcels were approximately RMB1,530,129,782 and RMB1,519,000,000, respectively. Such valuation of RMB1,519,000,000 was determined by an independent property valuer using a market comparison method with reference to the land parcels for commercial and office use in Guangzhou. The Company is expected to record an estimated net loss before tax from the Land Repossession and Reservation of approximately RMB1,059,082. The actual amount of the gain or loss from the Land Repossession and Reservation to be recorded by the Group is subject to audit and will take into account any other costs and expenses incurred relating to the Land Repossession and Reservation. Accordingly, it may be different from the above but such difference is not expected to be material.

## **PROPOSED USE OF PROCEEDS**

The Company currently intends that, subject to actual circumstances and decision of the Board when concrete details of proposed uses are put forward for consideration, all the proceeds from the Land Repossession and Reservation will be applied towards the working capital of the Group.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in property development and investment. Guided by the core motto of “Where Good Living Starts”, the Group has strategically established its business presence in 27 cities across China, with its business mainly based in the Greater Bay Area, Eastern China, Central and Western China and Northern China. As at 30 June 2024, the total assets of the Group are approximately RMB423.5 billion, with a landbank total gross floor area of approximately 25.03 million sq. m.. The Company adheres to the Group’s core brand value of “quality, responsibility, innovation and mutual development”, dares to pioneer and invent, and is committed to building a remarkable and sustainable future for all.

Bai Cheng Investment is a property development company which is indirectly owned as to approximately 93.57% by the Company.

## **INFORMATION OF THE GUANGZHOU LDC**

The Guangzhou LDC, an institution under the Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局), is responsible for, among other things, providing services for state-owned land transfer, bidding, auction, and pre-development of land in Guangzhou City.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, at the date of this announcement, the Guangzhou LDC is a PRC government authority, and the Guangzhou LDC and its ultimate beneficial owners are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

The transactions under each of the Daganwei Land Repossession and Reservation Agreement, the Land Repossession and Reservation Agreement (as defined in the announcement of the Company dated 2 September 2024) and the Land Resumption Agreement (as defined in the announcement of the Company dated 30 August 2024) are separate and independent from each other as (a) the land parcels under each of the Daganwei Land Repossession and Reservation Agreement, the Land Repossession and Reservation Agreement and the Land Resumption Agreement are located in different geographical districts; (b) such land parcels are being held by different entities of the Group; (c) such land parcels are to be resumed, repossessed or reserved (as the case may be) pursuant to different laws, regulations, policies, initiatives or measures by the relevant local governments; (d) such land parcels were acquired by the Group as separate and independent transactions; (e) such land parcels were acquired by the Group for separate, unrelated and independent development projects or plans; and (f) the discussion and negotiation with respect to each of the Daganwei Land Repossession and Reservation Agreement, the Land

Repossession and Reservation Agreement and the Land Resumption Agreement were conducted separately and independently by the relevant parties, with different commercial arrangements in relation to the settlement of the consideration in the Daganwei Land Repossession and Reservation Agreement (i.e., in the form of cash) and that in the Land Repossession and Reservation Agreement and the Land Resumption Agreement (i.e., in the form of notes receivable). Accordingly, the Directors are of the view that the transactions contemplated under each of the Daganwei Land Repossession and Reservation Agreement, the Land Repossession and Reservation Agreement and the Land Resumption Agreement should not be aggregated for the purposes of the Listing Rules.

As the highest applicable percentage ratio in respect of the Land Repossession and Reservation (based on the amount of the Compensation) exceeds 5% but is less than 25%, the Land Repossession and Reservation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Land Repossession and Reservation is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The Shareholders and potential investors of the Company should be aware that the Land Repossession and Reservation is subject to certain conditions being satisfied, and therefore the Land Repossession and Reservation may or may not proceed. Accordingly, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Bai Cheng Investment”	Guangzhou Bai Cheng Investment Development Co. Ltd.* (廣州市佰城投資發展有限公司), a company established in the PRC with limited liability which is indirectly owned as to 93.57% by the Company
“Board”	the board of Directors
“Company”	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
“Compensation”	has the meaning as defined under the section headed “DAGANWEI LAND REPOSSESSION AND RESERVATION AGREEMENT — Compensation and payment terms” of this announcement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules

“Daganwei Land Repossession and Reservation Agreement”	the repossession, reservation and compensation agreement regarding state-owned land use rights* (國有土地使用權收儲補償協議) in relation to the Guangzhou Daganwei Land Parcels entered into between Bai Cheng Investment and the Guangzhou LDC on 13 November 2024
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Daganwei Land Parcels”	two land parcels numbered AH101533 and AH101534 with an aggregate site area of approximately 15,491 sq. m. situated at Daganwei* (大幹圍), Industrial Avenue South* (工業大道南), Haizhu District* (海珠區), Guangzhou, the PRC, which are currently owned by Bai Cheng Investment
“Guangzhou LDC”	Guangzhou City Land Development Centre* (廣州市土地開發中心), being an institution under the Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party who is not a connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“Land Repossession and Reservation”	the repossession and reservation of the Guangzhou Daganwei Land Parcels under the Daganwei Land Repossession and Reservation Agreement
“Land Transfer Confirmation”	the confirmation to be signed by Bai Cheng Investment and the Guangzhou LDC pursuant to the Daganwei Land Repossession and Reservation Agreement to confirm the transfer of land ownership of the Guangzhou Daganwei Land Parcels
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratios”	has the meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC



“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq. m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Transfer”	has the meaning as defined under the section headed “DAGANWEI LAND REPOSSESSION AND RESERVATION AGREEMENT — Compensation and payment terms” of this announcement
“Yuexiu Huacheng”	Guangzhou Yuexiu Huacheng Real Estate Development Co., Ltd.* (廣州越秀華城房地產開發有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“%”	per cent.

\* for identification purpose only

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

Hong Kong, 13 November 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*