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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)**

**CONTINUING CONNECTED TRANSACTIONS —**  
**(1) 2025 PROPERTY MANAGEMENT AND VALUE-ADDED SERVICES**  
**FRAMEWORK AGREEMENT; AND**  
**(2) 2025 PROCUREMENT FRAMEWORK AGREEMENT**

**(1) 2025 PROPERTY MANAGEMENT AND VALUE-ADDED SERVICES**  
**FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 23 November 2022 in relation to the 2022 Property Management and Value-Added Services Framework Agreement and the announcement published by Yuexiu Services (an indirect non wholly-owned subsidiary of the Company) dated 20 May 2022 in relation to the 2022 Intelligent Services Framework Agreement. As the 2022 Property Management and Value-Added Services Framework Agreement and the 2022 Intelligent Services Framework Agreement will expire on 31 December 2024, on 21 November 2024, Yuexiu Services entered into the 2025 Property Management and Value-Added Services Framework Agreement with GZYG and the Company, pursuant to which the YXS Group may provide, and GZYG, the Company and their respective associates may procure, the Property Management and Value-Added Services for a term commencing on the effective date of the agreement (being the date on which all the conditions precedent are fulfilled but in any event no earlier than 1 January 2025) and ending on 31 December 2027. To streamline the management of future connected transactions in respect of the provision of Property Management and Value-Added Services by the YXS Group to GZYG, the Company and their respective associates, the parties have consolidated the 2022 Property Management Services Framework Agreement and the 2022 Intelligent Services Framework Agreement into the 2025 Property Management and Value-Added Services Framework Agreement.

## **(2) 2025 PROCUREMENT FRAMEWORK AGREEMENT**

Reference is made to the announcement published by Yuexiu Services dated 23 November 2022 in relation to the 2022 Procurement Framework Agreement. As the 2022 Procurement Framework Agreement will expire on 31 December 2024, based on the business needs of the YXS Group, Yuexiu Services, GZYZ and the Company have agreed to expand the scope of products and services to be provided to the YXS Group and add the Company as a product and service provider in addition to GZYZ.

On 21 November 2024, Yuexiu Services entered into the 2025 Procurement Framework Agreement with GZYZ and the Company, pursuant to which the YXS Group may procure, and GZYZ and the Company and their respective associates may provide, the Relevant Procured Products and Services for a term commencing on the effective date of the agreement (being the date on which the conditions precedent are fulfilled but in any event no earlier than 1 January 2025) and ending on 31 December 2027.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, (i) GZYZ is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules; and (ii) GZ Metro is a substantial Shareholder and therefore, each of the GZM & YXP JVs is a connected person of the Company under the Listing Rules. In addition, there are companies jointly held, directly or indirectly, by GZ Metro and the Company and each of which is a non wholly-owned subsidiary of GZ Metro and also an associate of the Company, and each of such companies is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) for each of the proposed annual caps (i) of GZM & YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro) under the 2025 Property Management and Value-Added Services Framework Agreement; (ii) of GZYZ and its associates under the 2025 Property Management and Value-Added Services Framework Agreement; and (iii) of GZYZ and its associates under the 2025 Procurement Framework Agreement exceeds 0.1% but is below 5%, the transactions contemplated under each of the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

**(1) 2025 PROPERTY MANAGEMENT AND VALUE-ADDED SERVICES FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 23 November 2022 in relation to the 2022 Property Management and Value-Added Services Framework Agreement and the announcement published by Yuexiu Services dated 20 May 2022 in relation to the 2022 Intelligent Services Framework Agreement. As the 2022 Property Management and Value-Added Services Framework Agreement and the 2022 Intelligent Services Framework Agreement will expire on 31 December 2024, on 21 November 2024, Yuexiu Services entered into the 2025 Property Management and Value-Added Services Framework Agreement with GZYYX and the Company, pursuant to which the YXS Group may provide, and GZYYX, the Company and their respective associates may procure, the Property Management and Value-Added Services for a term commencing on the effective date of the agreement (being the date on which the conditions precedent are fulfilled but in any event no earlier than 1 January 2025) and ending on 31 December 2027. To streamline the management of future connected transactions in respect of the provision of Property Management and Value-Added Services by the YXS Group to GZYYX, the Company and their respective associates, the parties have consolidated the 2022 Property Management Services Framework Agreement and the 2022 Intelligent Services Framework Agreement into the 2025 Property Management and Value-Added Services Framework Agreement.

**Principal Terms**

The principal terms of the 2025 Property Management and Value-Added Services Framework Agreement are as follows:

Date: 21 November 2024

Parties: (a) Yuexiu Services (as service provider);  
(b) GZYYX (as service user); and  
(c) the Company (as service user).

Conditions precedent: The 2025 Property Management and Value-Added Services Framework Agreement is conditional upon the parties obtaining the necessary approvals or waivers (as the case may be and where applicable) for the entering into of the 2025 Property Management and Value-Added Services Framework Agreement and the transactions contemplated thereunder, including but not limited to the approval by the Independent YXS Shareholders of the 2025 Property Management and Value-Added Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) at the Yuexiu Services General Meeting.

If the conditions precedent are not fulfilled on or before 31 March 2025 or such other date as Yuexiu Services, GZYG and the Company may agree in writing, the 2025 Property Management and Value-Added Services Framework Agreement shall terminate with immediate effect without liability on any of the parties thereto.

Term:

The term of the 2025 Property Management and Value-Added Services Framework Agreement shall commence on the date on which all conditions precedent are fulfilled (but in any event no earlier than 1 January 2025) and shall continue up to and including 31 December 2027.

Subject to compliance with the Listing Rules, the 2025 Property Management and Value-Added Services Framework Agreement may be renewed by Yuexiu Services, GZYG and the Company by agreement in writing.

Service scope:

The YXS Group may provide property management services and value-added services (the “**Property Management and Value-Added Services**”) to properties owned, operated or used by GZYG, the Company and their respective associates (including the GZM & YXP JVs and the Company’s associates (which are also subsidiaries of GZ Metro)) which include (i) property management services on non-commercial properties (the “**Property Management Services**”); (ii) commercial operation and management services on commercial properties, including but not limited to commercial property management services and carpark space management and operation services (the “**Commercial Operation and Management Services**”); (iii) value-added services including but not limited to non-property owner value-added services and community value-added services as well as the services previously provided under the 2022 Intelligent Services Framework Agreement (the “**Value-added Services**”); and (iv) market positioning consultancy and tenant sourcing services on commercial properties, including but not limited to market research and positioning services, tenant sourcing and tenant management services (the “**Market Positioning Consultancy and Tenant Sourcing Services**”).

The parties shall enter into separate agreements for detailed service scope, fees and payment terms subject to the needs of various projects of GZYX, the Company or their respective associates (including the GZM & YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro)) as and when necessary.

Pricing policy:

The service fees that the YXS Group will charge for the Property Management and Value-Added Services shall be determined after arm's length negotiations and in good faith between the parties with reference to (i) the location, type, quality and size of the properties; (ii) the scope and standard of the services to be provided; (iii) the anticipated operational cost (including labour costs, material costs and administrative costs) for providing such services and the anticipated increase in the relevant costs due to inflation and economic and social development; (iv) guidance/regulations regarding fees for the relevant services in the PRC; (v) the rate generally offered by the YXS Group to its Independent Third Parties in respect of similar services; and (vi) the prevailing market rate generally offered by independent service providers in respect of similar services.

Payment terms:

Payment terms shall be determined by the parties with reference to those offered by the YXS Group to its Independent Third Parties in respect of similar services. Unless otherwise agreed by the parties after arm's length negotiation in the separate agreements of the specific Property Management and Value-Added Services, service fees shall be paid on a monthly or quarterly basis.

## Historical Transaction Amounts

The table below sets out the total amounts of service fees paid to the YXS Group by GZYY, the Company and their respective associates for the Property Management and Value-Added Services for the year/period indicated:

		Year ended 31 December		Eight months ended
		2022	2023	31 August
		(audited)	(audited)	(unaudited)
		(RMB'000)	(RMB'000)	(RMB'000)
<b>by GZYY and its associates</b>				
Historical transaction amounts for services under the 2022 Property Management and Value-Added Services Framework Agreement	Property Management Services	327	15,541	18,244
	Commercial Operation and Management Services	12,021	9,662	5,192
	Value-added Services	13,835	19,630	13,968
	Market Positioning Consultancy and Tenant Sourcing Services	—	1,264	2,714
		<hr/>	<hr/>	<hr/>
Historical transaction amounts for services under the 2022 Intelligent Services Framework Agreement	Intelligent Services	—	—	—
	Subtotal	<u>26,183</u>	<u>46,097</u>	<u>40,118</u>

		Year ended 31 December		Eight months ended
		2022	2023	31 August
		(audited)	(audited)	(unaudited)
		(RMB'000)	(RMB'000)	(RMB'000)
<b>by GZM &amp; YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro)</b>				
Historical transaction amounts for services under the 2022 Property Management and Value-Added Services Framework Agreement	Property Management Services	29	199	242
	Commercial Operation and Management Services	2,356	179	896
	Value-added Services	21,970	65,256	64,672
	Market Positioning Consultancy and Tenant Sourcing Services	—	—	—
		<hr/>	<hr/>	<hr/>
Historical transaction amounts for services under the 2022 Intelligent Services Framework Agreement	Intelligent Services	—	—	—
	Subtotal	<hr/> 24,355	<hr/> 65,634	<hr/> 65,810

		Year ended 31 December		Eight months ended
		2022	2023	31 August
		(audited)	(audited)	(unaudited)
		(RMB'000)	(RMB'000)	(RMB'000)
<b>by the Company and its associates (excluding and the GZM &amp; YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro))</b>				
Historical transaction amounts for services under the 2022 Property Management and Value-Added Services Framework Agreement	Property Management Services	13,788	23,400	19,722
	Commercial Operation and Management Services	34,086	46,497	65,011
	Value-added Services	519,036	731,897	665,934
	Market Positioning Consultancy and Tenant Sourcing Services	121,625	124,728	62,349
		<hr/>	<hr/>	<hr/>
Historical transaction amounts for services under the 2022 Intelligent Services Framework Agreement	Intelligent Services	49,341	72,815	59,474
	Subtotal	<hr/>	<hr/>	<hr/>
		<hr/>	<hr/>	<hr/>
<b>Total</b>		<b><u>788,414</u></b>	<b><u>1,111,068</u></b>	<b><u>978,418</u></b>

*Note:* Amounts shown in the above table are after-tax amounts and may be subject to rounding adjustments.



## Annual Caps

The table below sets out the maximum annual service fees payable to the YXS Group under the 2025 Property Management and Value-Added Services Framework Agreement for the three years ending 31 December 2027:

		Year ending 31 December		
		2025	2026	2027
		(RMB'000)	(RMB'000)	(RMB'000)
by GZYX and its associates	Property Management Services	53,597	65,602	80,298
	Commercial Operation and Management Services	18,553	19,007	20,238
	Value-added Services	34,055	40,039	47,148
	Market Positioning Consultancy and Tenant Sourcing Services	19,898	25,323	30,720
	Subtotal	<u>126,103</u>	<u>149,971</u>	<u>178,404</u>
by GZM & YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro)	Property Management Services	555	740	987
	Commercial Operation and Management Services	3,943	4,324	4,742
	Value-added Services	197,112	230,853	273,154
	Market Positioning Consultancy and Tenant Sourcing Services	—	—	—
	Subtotal	<u>201,610</u>	<u>235,917</u>	<u>278,883</u>

		<b>Year ending 31 December</b>		
		<b>2025</b>	<b>2026</b>	<b>2027</b>
		<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
<b>by the Company and its associates (excluding the GZM &amp; YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro))</b>	Property Management Services	53,813	71,753	95,670
	Commercial Operation and Management Services	231,096	267,507	280,347
	Value-added Services	1,242,529	1,424,498	1,647,200
	Market Positioning Consultancy and Tenant Sourcing Services	136,769	143,602	158,007
	Subtotal	<u>1,664,207</u>	<u>1,907,360</u>	<u>2,181,224</u>
	<b>Total</b>	<u><u>1,991,920</u></u>	<u><u>2,293,248</u></u>	<u><u>2,638,511</u></u>

*Note:* Certain amounts are subject to rounding adjustments.

The annual caps for various services under the 2025 Property Management and Value-Added Services Framework Agreement were determined with reference to:

- (1) regarding the Property Management Services, (i) the continuous growth trend in historical transaction amounts since 2022; (ii) the number, GFA under management and terms (including service fees) of existing projects/service contracts as of the date of this announcement; (iii) the unaudited related service fees generated from the Property Management Services for the eight months ended 31 August 2024 of approximately RMB38.2 million; (iv) the expected increase in demand for the YXS Group's Property Management Services with reference to the pipeline projects (including newly developed residential properties and commercial buildings) and the related historical compound annual growth rate achieved by GZYG, the Company and their respective associates; and (v) the expected increase in service fees to be charged considering the expected inflation and increment in operational costs incurred by the YXS Group;

- (2) regarding the Commercial Operation and Management Services, (i) the continuous growth trend in historical transaction amounts since 2022; (ii) the number, GFA under management and terms (including service fees) of existing projects/service contracts as of the date of this announcement; (iii) the unaudited related service fees generated from the Commercial Operation and Management Services for the eight months ended 31 August 2024 of approximately RMB71.1 million; (iv) the expected increase in demand for the YXS Group's Commercial Operation and Management Services with reference to the pipeline projects awarded or to be awarded by GZYY, the Company and their respective associates; and (v) the expected increase in service fees to be charged considering the expected inflation and increment in operational costs incurred by the YXS Group;
- (3) regarding the Value-Added Services, (i) the continuous growth trend in historical transaction amounts since 2022; (ii) the number and terms (including service fees) of existing service contracts as of the date of this announcement; (iii) the unaudited related service fees generated from the Value-added Services for the eight months ended 31 August 2024 of approximately RMB744.6 million and those from the Intelligent Services for the eight months ended 31 August 2024 of approximately RMB59.5 million; (iv) the expected increase in demand for the YXS Group's Value-Added services with reference to the estimated contracted sales amounts of the Company and its associates; (v) the expected increase in service fees to be charged considering the expected inflation and increment in operational costs incurred by the YXS Group; and (vi) the consolidation of the services previously provided under the 2022 Intelligent Services Framework Agreement into the Value-Added Services, including the sales and installation services for intelligent products such as video surveillance system, the provision of video surveillance software system development services, as well as the related design and consultation services; and
- (4) regarding the Market Positioning Consultancy and Tenant Sourcing Services, (i) the number, GFA under management and terms (including service fees) of existing projects/service contracts as of the date of this announcement; (ii) the unaudited related service fees generated from the Market Positioning Consultancy and Tenant Sourcing Services for the eight months ended 31 August 2024 of approximately RMB65.1 million; (iii) the expected increase in demand for the YXS Group's Market Positioning Consultancy and Tenant Sourcing Services with reference to the pipeline projects awarded or to be awarded by GZYY, the Company and their respective associates; and (iv) the expected increase in service fees to be charged considering the expected inflation and increment in operational costs incurred by the YXS Group.

## **Reasons for and Benefits of Entering into of the 2025 Property Management and Value-Added Services Framework Agreement**

To streamline the management of future connected transactions in respect of the provision of Property Management and Value-Added Services by the YXS Group to GZYG, the Company and their respective associates, the parties have consolidated the 2022 Property Management Services Framework Agreement and the 2022 Intelligent Services Framework Agreement into the 2025 Property Management and Value-Added Services Framework Agreement.

The Company considers that entering into the 2025 Property Management and Value-Added Services Framework Agreement will facilitate the Group to procure various services from the YXS Group as the Group continues to expand with new business potential and allow the YXS Group to extend its service content to GZYG and the Company, such as delivery coordination services and the community renovation and refurbishment services to the Group. It will also further solidify the YXS Group's position as an integrated property management service provider while it strives to diversify its revenue stream and increase profitability, which will in turn improve the Group's financial performance as a whole.

The GZYG group and the Group have been growing steadily in terms of operation size, and may continue to improve with the economic situation. The Group has newly acquired 12 land parcels in PRC with a total GFA of approximately 1.72 million sq.m. in the six months ended 30 June 2024, and its total landbank was approximately 25.03 million sq.m. as of 30 June 2024. For GZYG, in addition to the growth in its property sector via the Group, the attributable toll mileage of all expressways and bridges was approximately 561.2 kilometres for its transport sector, and its food sector has been striving for the leading position in the food industry in the Greater Bay Area. All such developments brought continuous demand of the YXS Group's Property Management and Value-added Services for properties such as offices, manufacturing plants and highways etc. With the comprehensive service offerings provided to GZYG and the Company, the entering into of the 2025 Property Management and Value-Added Service Framework Agreement will further solidify the Group's position as an integrated property management service provider while it strives to expand its revenue and profit streams.

In light of the above, subject to the fulfillment of the conditions precedent, including the approval by the Independent YXS Shareholders of the 2025 Property Management and Value-Added Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) at the Yuexiu Services General Meeting, the Directors (other than the Directors who have abstained from voting on the relevant Board resolutions of the Company) consider that the terms of the 2025 Property Management and Value-Added Services Framework Agreement and the annual caps thereunder are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms or better to the Company and in the ordinary and usual course of business of the Group, and that the entering into of the 2025 Property Management and Value-Added Services Framework Agreement is in the interest of the Company and the Shareholders as a whole.

## (2) 2025 PROCUREMENT FRAMEWORK AGREEMENT

Reference is made to the announcement published by Yuexiu Services dated 23 November 2022 in relation to the 2022 Procurement Framework Agreement. As the 2022 Procurement Framework Agreement will expire on 31 December 2024, based on the business needs of the YXS Group, Yuexiu Services, GZYY and the Company have agreed to expand the scope of products and services to be provided to the YXS Group and add the Company as a product and service provider in addition to GZYY.

On 21 November 2024, Yuexiu Services entered into the 2025 Procurement Framework Agreement with GZYY and the Company, pursuant to which the YXS Group may procure, and GZYY and the Company and their respective associates may provide, the Relevant Procured Products and Services for a term commencing on the effective date of the agreement (being the date on which the conditions precedent are fulfilled but in any event no earlier than 1 January 2025) and ending on 31 December 2027.

### Principal Terms

The principal terms of the 2025 Procurement Framework Agreement are as follows:

Date: 21 November 2024

Parties: (a) Yuexiu Services (as purchaser);  
(b) GZYY (as product and service provider); and  
(c) the Company (as product and service provider).

Conditions precedent: The 2025 Procurement Framework Agreement is conditional upon the parties obtaining the necessary approvals or waivers (as the case may be and where applicable) for the entering into of the 2025 Procurement Framework Agreement and the transactions contemplated thereunder, including but not limited to the approval by Independent YXS Shareholders of the 2025 Procurement Framework Agreement and the transactions contemplated thereunder (including the annual caps) at the Yuexiu Services General Meeting.

If the conditions precedent are not fulfilled on or before 31 March 2025 or such other date as Yuexiu Services, GZYY and the Company may agree in writing, the 2025 Procurement Framework Agreement shall terminate with immediate effect without liability on any of the parties thereto.

Term: The term of the 2025 Procurement Framework Agreement shall commence on the date on which all conditions precedent are fulfilled (but in any event no earlier than 1 January 2025) and shall continue up to and including 31 December 2027.

Subject to compliance with the Listing Rules, the 2025 Procurement Framework Agreement may be renewed by Yuexiu Services, GZYG and the Company by agreement in writing.

Subject matter: The YXS Group may procure from GZYG and the Company and their respective associates certain products and services relating to the YXS Group's services (the "**Relevant Procured Products and Services**") including but not limited to dairy products, processed food, home decoration products and related services.

The parties shall enter into separate agreements for detailed scope and standard, prices and payment terms subject to the needs of the specific Relevant Procured Products and Services.

Pricing policy: The price of the Relevant Procured Products and Services shall be determined after arm's length negotiations and in good faith between the parties and taking into account (i) the type, quantity and quality of the products and services to be procured; (ii) the anticipated costs for providing such products and services and the anticipated increase in the relevant costs due to inflation and economic and social development; (iii) the prevailing market rate generally offered by Independent Third Parties to the YXS Group for similar products and services; and (iv) the fee quote offered by Independent Third Parties for the Relevant Procured Products and Services.

Payment terms: Payment terms shall be determined by the parties with reference to those offered by independent suppliers in respect of similar products and services. Unless otherwise agreed by the parties after arm's length negotiation in the separate agreements of the specific Relevant Procured Products and Services, payment shall be made on a monthly or quarterly basis.

## Historical Transaction Amounts

The table below sets out the total amounts paid by the YXS Group to GZYG and its associates for the procured products under the 2022 Procurement Framework Agreement for the year/period indicated:

	Year ended 31 December		Eight months ended
	2022	2023	31 August
	(audited)	(audited)	(unaudited)
	(RMB'000)	(RMB'000)	(RMB'000)
Historical transaction amounts	<u>3,393</u>	<u>7,589</u>	<u>6,084</u>

*Note:* Amounts shown in the above table are after-tax amounts and may be subject to rounding adjustments. The YXS Group has not received any Relevant Procured Products and Services from the Company or its associates in the two years ended 31 December 2023 and eight months ended 31 August 2024.

## Annual Caps

The table below sets out the maximum annual amount payable by the YXS Group for the Relevant Procured Products and Services for the three years ending 31 December 2027:

	Year ending 31 December		
	2025	2026	2027
	(RMB'000)	(RMB'000)	(RMB'000)
to GZYG and its associates	35,417	61,222	105,830
to the Company and its associates	<u>68,790</u>	<u>77,390</u>	<u>85,988</u>
<b>Total</b>	<u>104,207</u>	<u>138,612</u>	<u>191,818</u>

*Note:* Certain amounts are subject to rounding adjustments.

The annual caps under the 2025 Procurement Framework Agreement were determined with reference to (i) the estimated types and volume of the Relevant Procured Products and Services which the YXS Group may procure from GZYG and its associates based on the YXS Group's historical procurement from Independent Third Parties of products and services of a similar nature; (ii) the estimated types and volume of the additional Relevant Procured Products and Services which the YXS Group may procure from the Company and its associates (which were not included under the 2022 Procurement Framework Agreement as neither the Company nor its associates were a party to the 2022 Procurement Framework Agreement) based on the YXS Group's historical procurement from Independent Third Parties of products and services of a similar nature; (iii) the prevailing market price of the Relevant Procured Products and Services with reference to the historical market price; (iv) the expected demand of the YXS Group for the Relevant Procured Products and Services based on its business



development plan to expand, among others, the “Enjoy Club” platform, a mobile APP for property owners integrating services including retail sales where the YXS Group sells, among others, products purchased from GZYZ; and (v) the expected increment in costs of similar products and services due to inflation and increase in commodity price.

### **Reasons for and Benefits of Entering into of the 2025 Procurement Framework Agreement**

The Company and its subsidiaries are engaged in property development business. By entering into the 2025 Procurement Framework Agreement, the YXS Group can leverage on the economies of scale of GZYZ and the Company to offer better value-added services at lower prices to its customers, for example, the YXS Group can procure dairy products/processed food from GZYZ to enrich its product offerings on its online shopping platform and improve the YXS Group’s efficiency in procuring goods for its online shopping platform, and enhance efficiency to develop its home decoration business. The YXS Group will enter into bulk purchase agreements with GZYZ and the Company for each type of product it procures on an approximately quarterly basis. The Company will ensure the terms offered to the YXS Group under such bulk purchase agreements would be consistent with the terms generally offered by the Company and its subsidiaries to independent third parties for similar products and services, and therefore the terms of such bulk purchase agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the above, the Directors (other than the Directors who have abstained from voting on the relevant Board resolutions of the Company) consider that the terms of the 2025 Procurement Framework Agreement and the annual caps therefor are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms or better to the Company and in the ordinary and usual course of business of the Group, and that the entering into of the 2025 Procurement Framework Agreement is in the interest of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, (i) GZYZ is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules; and (ii) GZ Metro is a substantial Shareholder and therefore, each of the GZM & YXP JVs is a connected person of the Company under the Listing Rules. In addition, there are companies jointly held, directly or indirectly, by GZ Metro and the Company and each of which is a non wholly-owned subsidiary of GZ Metro and also an associate of the Company, and each of such companies is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.



As the highest applicable percentage ratio (other than the profits ratio) for each of the proposed annual caps (i) of GZM & YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro) under the 2025 Property Management and Value-Added Services Framework Agreement; (ii) of GZYG and its associates under the 2025 Property Management and Value-Added Services Framework Agreement; and (iii) of GZYG and its associates under the 2025 Procurement Framework Agreement exceeds 0.1% but is below 5%, the transactions contemplated under each of the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for Mr. Lin Zhaoyuan, who is a director, vice chairman and general manager of GZYG, and Mr. Zhu Huisong, who is the chairman and non-executive director of Yuexiu Services, none of the Directors has or is deemed to have a material interest in the 2025 Property Management and Value-Added Services Framework Agreement and the transactions contemplated thereunder, including the annual caps. Hence, only Mr. Lin Zhaoyuan and Mr. Zhu Huisong are required to abstain from voting on the relevant Board resolution(s) of the Company.

Save for Mr. Lin Zhaoyuan, who is a director, vice chairman and general manager of GZYG, and Mr. Zhu Huisong, who is the chairman and non-executive director of Yuexiu Services, none of the other Directors has or is deemed to have a material interest in the 2025 Procurement Framework Agreement and the transactions contemplated thereunder, including the annual caps. Hence, only Mr. Lin Zhaoyuan and Mr. Zhu Huisong are required to abstain from voting on the relevant Board resolution(s) of the Company.

## **GENERAL**

As mentioned above, the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement and the transactions contemplated thereunder are subject to the approval by the Independent YXS Shareholders at the Yuexiu Services General Meeting. A circular containing, among other things, (i) a letter from the YXS Board containing further information on the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement and the transactions thereunder; (ii) the recommendations of the Independent YXS Board Committee to the Independent YXS Shareholders; (iii) a letter from Maxa Capital Limited, the independent financial adviser to the Independent YXS Board Committee and the Independent YXS Shareholders containing its advice in connection with the aforesaid; and (iv) a notice convening the Yuexiu Services General Meeting together with the proxy form, will be despatched to the shareholders of Yuexiu Services as and when necessary. Shareholders and potential investors of the Company shall refer to the aforesaid circular of Yuexiu Services for final and detailed information of the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement and the transactions contemplated thereunder.

## **INFORMATION OF THE PARTIES**

### **The Company**

The Company is 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). The Group is principally engaged in property development and investment, and have strategically established business presence in 27 cities across China, with business mainly based in the Greater Bay Area, Eastern China, Central and Western China and Northern China.

### **Yuexiu Services**

Yuexiu Services, an indirect non wholly-owned subsidiary of the Company, is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6626). Yuexiu Services and its subsidiaries are principally engaged in (i) non-commercial property management and value-added services, which consist of property management services, value-added services to non-property owners and community value-added services; and (ii) commercial property management and operational services, which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

### **GZYX**

GZYX, 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. GZYX and its subsidiaries are engaged in various businesses, including (i) real estate and property development; (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.

## **INTERNAL CONTROL PROCEDURES**

In order to ensure that the terms of the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement are complied with, the Group has established a series of internal control procedures and external supervision measures as follows:

- (1) the Group will monitor the service fees payable by GZYX and its associates, GZM & YXP JVs and the Company's associates (which are also subsidiaries of GZ Metro) as well as Yuexiu Services and its associates on a monthly basis to ensure that the aggregate amount does not exceed the respective annual caps under the framework agreements;

- (2) the Group will prepare a continuing connected transaction report (“**CCT Report**”) once every six months on the transactions contemplated under the framework agreements which will be submitted to the Group’s audit committee for consideration. The content of the CCT Report shall include: (a) the aggregate amount of the service fees payable to and from the YXS Group recorded for the reporting period; (b) a summary and comparison of the services fees payable by GZYX and its associates, GZM & YXP JVs as well as the Company’s associates (which are also subsidiaries of GZ Metro) to the YXS Group and service fees payable by the YXS Group to the Group with reference to the then prevailing market conditions and the service fees charged by the YXS Group to independent customers; and (c) the status of compliance with the respective annual caps under the framework agreements;
- (3) the Group’s audit committee will convene meetings at least twice a year to discuss and assess the implementation of the continuing connected transactions of the Group, (including the transactions contemplated under the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement); and
- (4) the auditor of the Group will be engaged to report on the continuing connected transactions of the Group disclosed in the annual report of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor will issue a letter containing their conclusions in respect of the continuing connected transactions disclosed in the annual report of the Company in accordance with Rule 14A.56 of the Listing Rules. According to the letter, the auditor will express a conclusion, whether anything has come to their attention that causes them to believe that the disclosed continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, conducted in accordance with the pricing policies of the Group for the transactions involving the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant framework agreement governing such transaction; and/or (iv) have exceeded the annual caps under the respective framework agreement. In addition, the independent non-executive Directors will also provide their annual confirmations with respect to the continuing connected transactions of the Group in the annual reports of the Company.

The Company is satisfied that it has an adequate system of controls to safeguard its continuing connected transactions, and to provide information for the independent non-executive Directors and auditor to properly review its continuing connected transactions annually.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

<b>“2022 Intelligent Services Framework Agreement”</b>	the intelligent services framework agreement entered into among Yuexiu Services, GZYY and the Company on 20 May 2022 in relation to the provision of Intelligent Services by Yuexiu Services and/or its subsidiaries to GZYY and the Company and their respective associates
<b>“2022 Procurement Framework Agreement”</b>	the framework agreement entered into between Yuexiu Services and GZYY on 22 November 2022 pursuant to which the YXS Group may purchase from GZYY and its associates the procured products
<b>“2022 Property Management and Value-Added Services Framework Agreement”</b>	the framework agreement entered into among Yuexiu Services, GZYY and the Company on 22 November 2022 for the provision of Property Management and Value-Added Services by the YXS Group to GZYY, the Company and their respective associates
<b>“2025 Procurement Framework Agreement”</b>	the framework agreement entered into between Yuexiu Services, GZYY and the Company on 21 November 2024 pursuant to which the YXS Group may purchase from GZYY and its associates the Relevant Procured Products and Services
<b>“2025 Property Management and Value-Added Services Framework Agreement”</b>	the framework agreement entered into among Yuexiu Services, GZYY and the Company on 21 November for the provision of Property Management and Value-Added Services by the YXS Group to GZYY, the Company and their respective associates (including the GZM & YXP JVs and the Company’s associates (which are also subsidiaries of GZ Metro))
<b>“associates”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Board”</b>	board of Directors
<b>“Commercial Operation and Management Services”</b>	has the meaning given to it in the section headed “(1) 2025 Property Management and Value-Added Services Framework Agreement”
<b>“Company”</b>	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules

<b>“controlling shareholder”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“GFA”</b>	gross floor area
<b>“Greater Bay Area”</b>	Guangdong-Hong Kong-Macao Greater Bay Area
<b>“Group”</b>	the Company and its subsidiaries
<b>“GZ Metro”</b>	Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Guangzhou Municipal People’s Government of the PRC
<b>“GZM &amp; YXP JVs”</b>	refers to the companies jointly held, directly or indirectly, by GZ Metro and the Company and each of which is a non wholly-owned subsidiary of the Company and held, directly or indirectly, as to 10% or more by GZ Metro (excluding any indirect interests in such subsidiary held through the Company)
<b>“GZYX”</b>	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), 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 and Yuexiu Services
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Independent Third Parties”</b>	any entity or person who is not a connected person
<b>“Independent YXS Board Committee”</b>	the independent board committee of Yuexiu Services comprising all independent non-executive directors of Yuexiu Services
<b>“Independent YXS Shareholders”</b>	the shareholders of Yuexiu Services who are not prohibited from voting at the Yuexiu Services General Meeting in respect of the 2025 Procurement Framework Agreement and the 2025 Property Management and Value-Added Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)

<b>“Intelligent Services”</b>	the services provided under the 2022 Intelligent Services Framework Agreement
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Market Positioning Consultancy and Tenant Sourcing Services”</b>	has the meaning given to it in the section headed “(1) 2025 Property Management and Value-Added Services Framework Agreement”
<b>“PRC”</b>	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
<b>“Property Management and Value-Added Services”</b>	has the meaning given to it in the section headed “(1) 2025 Property Management and Value-Added Services Framework Agreement”
<b>“Property Management Services”</b>	has the meaning given to it in the section headed “(1) 2025 Property Management and Value-Added Services Framework Agreement”
<b>“Relevant Procured Products and Services”</b>	has the meaning given to it in the section headed “(2) 2025 Procurement Framework Agreement”
<b>“RMB”</b>	renminbi, the lawful currency of the PRC
<b>“Shareholder(s)”</b>	registered holders of the shares in the Company from time to time
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Value-added Services”</b>	has the meaning given to it in the section headed “(1) 2025 Property Management and Value-Added Services Framework Agreement”
<b>“Yuexiu Services”</b>	Yuexiu Services Group Limited, being an indirect non wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6626)
<b>“Yuexiu Services General Meeting”</b>	the general meeting of Yuexiu Services to be convened to consider and, if thought fit, to approve, among others the 2025 Property Management and Value-Added Services Framework Agreement and the 2025 Procurement Framework Agreement and the transactions thereunder (including the proposed annual caps)

“YXS Board” the board of directors of Yuexiu Services  
“YXS Group” Yuexiu Services and its subsidiaries  
“%” per cent.

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

Hong Kong, 21 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*

*\* For identification purpose only*