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If you have sold or transferred all your shares in Yuexiu Property Company Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



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

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

MAJOR TRANSACTION
LAND RESUMPTION IN RELATION TO
THE GUANGLONG LAND PARCELS

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

The Company has obtained written Shareholders’ approval for the Land Resumption pursuant to Rule 14.44 of the Listing Rules from a closely allied group of Shareholders together holding more than 50% of the voting rights at a general meeting to approve the Land Resumption. Accordingly, no Shareholders’ meeting will be held to approve the Land Resumption pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

All time and dates in this circular refer to Hong Kong local time and dates.

27 November 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — GENERAL INFORMATION	II-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 30 August 2024 in relation to the Land Resumption
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bosworth”	Bosworth International Limited, a company incorporated in the British Virgin Islands with limited liability
“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 in the paragraph headed “LAND RESUMPTION AGREEMENT — Compensation and payment terms” under the section headed “LETTER FROM THE BOARD” of this circular, which is subject to the Final Adjudication and is expected to be equivalent to the book value of the Guanglong Land Parcels, being the cost of investment by the Group and the interest accrued thereon
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Final Adjudication”	the adjudication of the final amount of the Compensation in accordance with the Land Resumption Agreement, which will be undertaken by Guangzhou LDC with reference to the basis as stipulated under Article 32 of the Implementation Opinion, being (1) the original purchase price of the Guanglong Land Parcels paid by the Group and (2) the amount of investment made by the Group and the interests accrued
“GCCD”	廣州市城市建設開發有限公司 (Guangzhou City Construction & Development Co., Ltd.), a company established in the PRC with limited liability which is indirectly owned as to 95% by the Company and 5% by GZYY
“Group”	the Company and its subsidiaries

DEFINITIONS

“Guanglong Land Parcels”	three land parcels numbered AB0805110, AB0805117 and AB0810104 with an aggregate site area of approximately 123,879 sq. m. situated near the Zhongluotan metro station* (鐘落潭地鐵站), at the western side of Guanglong Road* (廣龍路) and the northern side of Guangcong Highway* (廣從公路), Baiyun District, Guangzhou, the PRC, which are owned by Yuexiu Huacheng until the completion of the Land Resumption
“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)
“Guangzhou Metro”	Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司), a direct wholly-owned subsidiary of Guangzhou Municipal People’s Government of the PRC
“GZYX”	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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Opinion”	the Implementation Opinion on Strengthening the Land Supply and the Supervision over Supplied Land by the Office of People’s Government of Guangzhou* (廣州市人民政府辦公廳關於加強土地供應及供後監管的實施意見) (Suifu Bangui [2023] No. 4) promulgated by the Office of People’s Government of Guangzhou on 31 March 2023
“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 Resumption”	the resumption of the Guanglong Land Parcels under the Land Resumption Agreement
“Land Resumption Agreement”	the resumption and compensation agreement regarding state-owned land use rights* (收回國有土地使用權補償協議) in relation to the Guanglong Land Parcels entered into among Yuexiu Huacheng, GCCD and Guangzhou LDC with effect from 30 August 2024

DEFINITIONS

“Land Resumption Notice”	the notice published by Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局) in relation to the Land Resumption and the Land Resumption Agreement dated 30 August 2024
“Land Transfer Confirmation”	the confirmation to be signed by Yuexiu Huacheng, GCCD and Guangzhou LDC pursuant to the Land Resumption Agreement to confirm the transfer of land ownership of the Guanglong Land Parcels
“Latest Practicable Date”	22 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“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 circular, 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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“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
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs
“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

DEFINITIONS

“YX Closely Allied Group” a closely allied group of Shareholders comprising Bosworth, Novena Pacific Limited, Superb Master Ltd., Morrison Pacific Limited, Greenwood Pacific Limited, Goldstock International Limited, Yue Xiu Finance Company Limited and Guangzhou Metro Investment Finance (HK) Limited, which together hold 2,547,777,388 Shares (representing approximately 63.29% of the issued share capital of the Company), as at the Latest Practicable Date

“YXE” Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of GZYX

“%” per cent.

* *for identification purpose only*



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

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

Executive Directors

Mr. Lin Zhaoyuan (*Chairman*)
Mr. Zhu Huisong
Mr. He Yuping
Ms. Chen Jing
Ms. Liu Yan

Registered Office

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

Non-Executive Directors

Mr. Zhang Yibing
Mr. Su Junjie

Independent Non-executive Directors

Mr. Yu Lup Fat Joseph
Mr. Lee Ka Lun
Mr. Lau Hon Chuen Ambrose
Mr. Cheung Kin Sang

27 November 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
LAND RESUMPTION IN RELATION TO
THE GUANGLONG LAND PARCELS**

INTRODUCTION

Reference is made to the Announcement. On 30 August 2024, the Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局) published the Land Resumption Notice announcing the resumption of the Guanglong Land Parcels (which are owned by Yuexiu Huacheng until the completion of the Land Resumption) from Yuexiu Huacheng by Guangzhou LDC, and that the Land Resumption Agreement entered into among Guangzhou LDC, Yuexiu Huacheng and GCCD became effective as of the date of the Land Resumption Notice (i.e., 30 August 2024). Pursuant to the Land Resumption Agreement, Yuexiu Huacheng has agreed to surrender the Guanglong Land Parcels to Guangzhou LDC, at a consideration in the amount of RMB7,000,000,000 (subject to the Final Adjudication) by way of compensation in the form of notes receivable in equivalent amount to be provided by Guangzhou LDC to Yuexiu Huacheng or GCCD.

LETTER FROM THE BOARD

The purpose of this circular is to provide you, among other things, further details of the Land Resumption. As set out in the Announcement, this circular was expected to be despatched to the Shareholders on or before 23 September 2024. However, as additional time is required for the Company to prepare and finalise certain information including the financial information and other information of the Group for inclusion in the circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in despatch of the circular. The Stock Exchange has granted such waiver on 16 October 2024 and accordingly this circular has been despatched to the Shareholders on 27 November 2024.

LAND RESUMPTION AGREEMENT

The principal terms of the Land Resumption Agreement are summarised as follows:

Effective Date

30 August 2024 (which is the date of the Land Resumption Notice)

Parties

- (1) Yuexiu Huacheng (a non-wholly owned subsidiary of the Company);
- (2) GCCD (a non-wholly owned subsidiary of the Company); and
- (3) Guangzhou LDC.

Compensation and payment terms

The compensation for the Guanglong Land Parcels (the “**Compensation**”) is RMB7,000,000,000 (subject to the Final Adjudication). As part of the local government’s efforts to enhance the industrial development prospects and the public services in Zhongluotan Town* (鐘落潭鎮), Baiyun District, Guangzhou, the PRC, Guangzhou LDC has made urban planning adjustment and intended to change the use of the Guanglong Land Parcels from residential purposes to public administration and public service facilities, such that the Guanglong Land Parcels can be used for public interest purposes with reference to demand for public service facilities in the area. As the Land Resumption was implemented for public interest reasons, the Compensation was determined by Guangzhou LDC pursuant to Article 32 of the Implementation Opinion. Article 32 of the Implementation Opinion sets out the standard of determining the compensation with respect to land resumption for public interests. It provides that such compensation should be offered to the owner of the land parcel to be resumed in accordance with laws. In calculating the compensation, assessment should be conducted with respect to the investment made by the owner and the interest accrued. Therefore, in determining the amount of the Compensation, the parties to the Land Resumption Agreement have calculated and assessed the sum of (1) the original purchase price of the Guanglong Land Parcels paid by the Group and (2) the amount of investment made by the Group and the interests accrued, which forms the basis of the Compensation. As the

LETTER FROM THE BOARD

Compensation was determined by Guangzhou LDC in accordance with the basis as stipulated under Article 32 of the Implementation Opinion, no property valuation has been conducted as it is not applicable or practicable.

The final amount of the Compensation is subject to adjustments under the Final Adjudication to be undertaken in accordance with the Land Resumption Agreement. It is expected that the Final Adjudication will not result in any adjustment of the Compensation by more than 10% to the amount of the pre-adjudicated Compensation. Guangzhou LDC will undertake the Final Adjudication with reference to the basis as stipulated under Article 32 of the Implementation Opinion, being (1) the original purchase price of the Guanglong Land Parcels paid by the Group and (2) the amount of investment made by the Group and the interests accrued. If Guangzhou LDC adjudicates that the amount of RMB7,000,000,000 exceeds or falls short of the compensation as determined according to Article 32 of the Implementation Opinion, Guangzhou LDC will deliver the notes receivable with value of the remainder of the Compensation (after adjustment under the Final Adjudication) according to the payment schedule illustrated below.

The Compensation will be payable and settled in the form of notes receivable by Guangzhou LDC to Yuexiu Huacheng. Yuexiu Huacheng is deemed to have received the Compensation from Guangzhou LDC when GCCD or any of its subsidiaries has received such notes receivable in the total amount of RMB7,000,000,000 (subject to the Final Adjudication). GCCD or its subsidiaries is entitled to use the notes receivable to acquire newly granted land at the municipal level in Guangzhou by the Guangzhou government. The value of the notes receivable can be used to settle the consideration payable for acquiring such newly granted land.

Guangzhou LDC shall pay the Compensation to Yuexiu Huacheng by granting the notes receivable to Yuexiu Huacheng or GCCD according to the payment schedule as follows:

- (a) before the Final Adjudication, Guangzhou LDC shall deliver the notes receivable to Yuexiu Huacheng or GCCD with value of not more than 90% of RMB7,000,000,000 (i.e., RMB6,300,000,000); and
- (b) after the Final Adjudication, Guangzhou LDC shall deliver the notes receivable to Yuexiu Huacheng or GCCD with value of the remainder of the Compensation (after adjustment under the Final Adjudication).

The notes receivable will be delivered by Guangzhou LDC in tranches upon the application by Yuexiu Huacheng or GCCD within two years after the execution of the Land Transfer Confirmation. Each tranche of the notes receivable has a validity period of one year, during which GCCD or its subsidiaries is entitled to acquire such newly granted land with the relevant tranche of the notes receivable. The validity period of each tranche may be extended subject to negotiation among the parties.

LETTER FROM THE BOARD

Condition

The completion of the Land Resumption and the execution of the Land Transfer Confirmation shall be conditional upon 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.

If the above condition precedent is not fulfilled, Guangzhou LDC may refuse to proceed to the completion of the Land Resumption or execute the Land Transfer Confirmation. As at the Latest Practicable Date, such condition precedent as referred to above has been fulfilled.

Delivery of the Guanglong Land Parcels

Within 180 days after the effective date of the Land Resumption Agreement and subject to the above condition precedent having been fulfilled, Yuexiu Huacheng, GCCD and Guangzhou LDC shall execute the Land Transfer Confirmation and Yuexiu Huacheng shall deliver the Guanglong Land Parcels to Guangzhou LDC.

After the delivery of the Guanglong Land Parcels, to the extent any further remedial work for the soil pollution on the Guanglong Land Parcels is required by the applicable authorities within the remedial period to be set out in the Land Transfer Confirmation, Yuexiu Huacheng and GCCD shall continue to be responsible for such remedial work (if any) until the completion of such remedial work.

Information of the Guanglong Land Parcels

The Guanglong Land Parcels comprise three parcels of land numbered AB0805110, AB0805117 and AB0810104 with an aggregate site area of approximately 123,879 sq. m. situated near the Zhongluotan metro station* (鐘落潭地鐵站), at the western side of Guanglong Road* (廣龍路) and the northern side of Guangcong Highway* (廣從公路), Baiyun District, Guangzhou, the PRC. As at the Latest Practicable Date, the Guanglong Land Parcels remain undeveloped.

Net profit/loss before/after tax

Since the Guanglong Land Parcels are land parcels which remain undeveloped as at the Latest Practicable Date, net profit/loss is not applicable to the Guanglong Land Parcels for the years ended 31 December 2022 and 2023.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE LAND RESUMPTION

As part of the local government's efforts to enhance the industrial development prospects and the public services in Zhongluotan Town* (鐘落潭鎮), Baiyun District, Guangzhou, the PRC, the Guanglong Land Parcels were resumed for public interest reasons. Guangzhou LDC has made urban planning adjustment and intended to change the use of the Guanglong Land Parcels from residential purposes to public administration and public service facilities uses. As part of the change of use, Guangzhou LDC intends to resume the Guanglong Land Parcels and compensate Yuexiu Huacheng by entering into the Land Resumption Agreement, pursuant to Article 32 of the Implementation Opinion.

The Guanglong Land Parcels were acquired by Yuexiu Huacheng in April 2021. At the time of acquisition, it was originally planned that the Guanglong Land Parcels would be used for developing residential properties. While the Group intended to develop residential properties on the Guanglong Land Parcels, there was no detailed or concrete development plan or timeline in relation to the Guanglong Land Parcels. As at the Latest Practicable Date, the Guanglong Land Parcels remain undeveloped, which is due to various factors including but not limited to the market condition, the demand for and supply of residential properties, the estimated cost of development and the optimisation of the Group's resources. Accordingly, the Board is of the view that the resumption of the Guanglong Land Parcels 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 cost of investment made by the Group in the Guanglong Land Parcels and the interests accrued thereon as well as the prevailing market value of other properties of similar nature in nearby area.

The Directors believe that the Land Resumption would enable the Group to optimise the usage of its resources, benefiting the future development of the Group in the longer run. Following the completion of the Land Resumption, the Group intends to participate in the sale or grant of land in Guangzhou by the Guangzhou government in the future to the extent that the participation in such sale or grant is in the best interest of the Company and the Shareholders as a whole. If the Group identifies any opportunity which is commercially viable and attractive, the Group can acquire the land with the consideration to be settled with the notes receivable under the Land Resumption Agreement.

Therefore, the Company is willing to cooperate with Guangzhou LDC on the resumption of the Guanglong Land Parcels. The Directors (including the independent non-executive Directors) consider that the terms of the Land Resumption Agreement and the Land Resumption are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECTS ON THE GROUP

Since the amount of the Compensation is determined with reference to the cost of investment made by the Group and the interests accrued and the book value of the Guanglong Land Parcels is similarly recorded with reference to the cost of investment made by the Group and the interests accrued, the Company does not expect to record any material gain or loss from the Land Resumption. The book value of the Guanglong Land Parcels is expected to be with no material difference with the Compensation (i.e., RMB7,000,000,000, subject to the Final Adjudication), being the cost of investment by the Group and the interest accrued thereon. Considering (i) the prevailing market conditions, (ii) the pricing trend of the properties in the same area where the Guanglong Land Parcels are located (as noted in the 2024 Interim Report of the Company, the supply and demand in the new home market in the Greater Bay Area (including Guangzhou) has dropped, and at the same time the area and value of national commodity housing sales for the first half of 2024 reported a period-to-period decline of 19.0% and 25.0%, respectively), (iii) that the Guanglong Land Parcels remain undeveloped, (iv) that there is no existing licence or tenancy agreement in relation to the Guanglong Land Parcels, and (v) that the amount of the Compensation is determined with reference to the cost of investment made by the Group and the interests accrued, and the Company does not expect to record any material gain or loss from the Land Resumption, the Directors are of the view that the amount of the Compensation is fair and reasonable, notwithstanding that property valuation has not been conducted pursuant to Article 32 of the Implementation Opinion. The actual amount of the gain or loss from the Land Resumption which may be recorded by the Group is subject to audit and the Final Adjudication in accordance with the Land Resumption Agreement, and will take into account any other costs and expenses incurred relating to the Land Resumption, and accordingly, it may be different from the above but such difference is not expected to be material. Upon the completion of the Land Resumption, it is expected that there will be no material impact to the earnings, the consolidated total assets or the total liabilities of the Group.

PROPOSED USE OF PROCEEDS

As at the Latest Practicable Date, the Company 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 Resumption will be used for the Group's future acquisition of land parcels in Guangzhou.

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.

LETTER FROM THE BOARD

Yuexiu Huacheng is a property development company which is a non-wholly owned subsidiary of GCCD.

GCCD is an investment holding company which is indirectly owned as to 95% by the Company and 5% by GZYX.

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, as at the Latest Practicable Date, the Guangzhou LDC is a PRC government authority, and the Guangzhou LDC and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Land Resumption (based on the amount of the Compensation before the Final Adjudication) exceeds 25% but is less than 75%, the Land Resumption constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Land Resumption is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. It is expected that the Final Adjudication will not result in any adjustment of the Compensation by more than 10% to the amount of the pre-adjudicated Compensation. Therefore, it is expected that such Final Adjudication will not result in the Land Resumption becoming a very substantial disposal by the Company under the Listing Rules.

Each of the three land parcels comprising the Guanglong Land Parcels constitutes separate property interest for the purposes of the Listing Rules as (a) each land parcel is under different lot number (namely AB0805110, AB0805117 and AB0810104), (b) each land parcel is well delineated and is separated by roads, (c) the Land Resumption Agreement and the Land Resumption Notice consider the Guanglong Land Parcels as three separate land parcels, and (d) the Guanglong Land Parcels remain undeveloped, had not been used for any operational or business purposes and had never been designed or planned as a part of any one single property development project. As the amount recognised by the Company as the asset value of each such property interest held by Yuexiu Huacheng in respect of the Guanglong Land Parcels was below 1% of the Company's total assets as at 30 June 2024, and the amount recognised by the Company as the total asset value of the property interest comprising the Guanglong Land Parcels did not exceed 10% of the Company's total assets as at 30 June 2024, the Company is of the view that the valuation report on the Guanglong Land Parcels is not required to be included in this circular pursuant to Rule 5.02A(5) of the Listing Rules. Therefore, the Company has not applied to, and no longer intends to apply to, the Stock Exchange for a waiver from strict compliance with Rules 5.02 and 14.66(11) of the Listing Rules in relation to the Land Resumption.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Land Resumption. As such, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Land Resumption.

As at the Latest Practicable Date, the members of the YX Closely Allied Group constitute a closely allied group of shareholders who together hold 2,547,777,388 Shares (representing approximately 63.29% of the issued share capital of the Company). The Company has obtained the written approval of the YX Closely Allied Group on the Land Resumption pursuant to Rule 14.44 of the Listing Rules. As a result, no general meeting will be convened to consider the Land Resumption. The YX Closely Allied Group comprises the following Shareholders:

Name of the Shareholders	Number of Shares held by each such Shareholder	Percentage of shareholding in the issued share capital of the Company
Bosworth <i>(Note 1)</i>	1,238,030,690	30.76%
Novena Pacific Limited <i>(Note 1)</i>	254,297,135	6.32%
Superb Master Ltd. <i>(Note 1)</i>	104,517,301	2.60%
Morrison Pacific Limited <i>(Note 1)</i>	71,049,347	1.77%
Greenwood Pacific Limited <i>(Note 1)</i>	61,019,210	1.52%
Goldstock International Limited <i>(Note 1)</i>	15,838,713	0.39%
Yue Xiu Finance Company Limited <i>(Note 1)</i>	1,971,802	0.05%
Guangzhou Metro Investment Finance (HK) Limited <i>(Note 2)</i>	801,053,190	19.90%

Notes:

1. As at the Latest Practicable Date, Bosworth, Novena Pacific Limited, Superb Master Ltd., Morrison Pacific Limited, Greenwood Pacific Limited, Goldstock International Limited and Yue Xiu Finance Company Limited are wholly owned by GZYX, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX and Guangzhou Metro are parties acting in concert in respect of the Shares under the Takeovers Codes.
2. As at the Latest Practicable Date, Guangzhou Metro Investment Finance (HK) Limited is wholly owned by Guangzhou Metro, which is wholly owned by the Guangzhou Municipal People's Government of the PRC. GZYX and Guangzhou Metro are parties acting in concert in respect of the Shares under the Takeovers Codes.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

The Company has applied to, and has been granted a waiver by, the Stock Exchange from strict compliance with Rule 14.66(10) of, and paragraph 43(2)(c) of Appendix D1B to, the Listing Rules such that certain information as described below (the “**Redacted Information**”) would be redacted in the Land Resumption Agreement for the purpose of displaying on the Company website and the HKEXnews Website (the “**Redacted Land Resumption Agreement**”).

LETTER FROM THE BOARD

The Company considers that: (i) the Redacted Information is not of material importance and is not such as will influence the assessment of the impact of the Land Resumption. The omission of such information is not likely to mislead the Shareholders with regard to the facts and circumstances, knowledge of which is essential for an informed assessment of the impact of the Land Resumption; (ii) the disclosure of the Redacted Information is or may be prejudicial to the Group and is not in its interest as a whole; (iii) the Redacted Land Resumption Agreement together with this circular contain such information as is material to the Shareholders for an informed assessment of the Land Resumption; (iv) it is not practicable for the Company to disclose the Redacted Information following discussion with the counterparties to the Land Resumption Agreement; and (v) the disclosure of certain Redacted Information may be in violation of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) or other applicable data privacy laws.

The Redacted Information includes the following information: (i) personal data or information such as names, signatures and contact details of individuals; and (ii) a specimen of a note receivable issued by the Guangzhou LDC.

Accordingly, only the Redacted Land Resumption Agreement will be available on the Company website and the HKEXnews Website as a document on display in accordance with the arrangements as set out in this circular.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the view that the terms of the Land Resumption Agreement and the Land Resumption are fair and reasonable, and in the interests of the Company and the Shareholders as a whole, and would recommend the Shareholders to vote in favour of the resolution to approve the Land Resumption Agreement and the Land Resumption if it had been necessary to hold a general meeting for such purpose.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Yuexiu Property Company Limited
Lin Zhaoyuan
Chairman and executive Director

1. INDEBTEDNESS STATEMENT OF THE GROUP

Borrowings

As at the close of business on 8 October 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings, bank overdraft and lease liabilities of approximately RMB109.66 billion, comprising:

- (1) secured and unguaranteed bank borrowings of approximately RMB5.80 billion;
- (2) secured and guaranteed bank borrowings of approximately RMB45.39 billion;
- (3) unsecured and unguaranteed bank borrowings of approximately RMB13.51 billion;
- (4) unsecured and guaranteed other borrowings of approximately RMB37.67 billion;
- (5) unsecured and unguaranteed other borrowings and overdraft of approximately RMB6.50 billion; and
- (6) lease liabilities of approximately RMB0.79 billion.

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

Contingent Liabilities

As at 8 October 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following material contingent liabilities:

- (1) the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group will be liable for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group will be entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As at 8 October 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total contingent liabilities relating to these guarantees amounted to approximately RMB24.94 billion.

- (2) certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB6.80 billion in respect of loans borrowed by joint ventures and associated entities of the Group, among which, guarantee of approximately RMB1.1 billion was utilised and guarantee of approximately RMB5.70 billion was not utilised yet.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 8 October 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group did not have any other debt securities, any outstanding loan capital, any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Group since 8 October 2024 up to and including the Latest Practicable Date.

2. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the financial effects of the Land Resumption and the financial resources available to the Group, including internally generated cash flows and existing bank facilities available, the Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

In relation to the financial year of 2024 up to the Latest Practicable Date and as the Group looks ahead to the remainder of such financial year, as inflation continues to slow down, the United States, Europe and other major economies in the world have begun to cut interest rates one after another, which will lead to stable decline in interest rates from the high level, driving the global economic growth to recover amid ongoing fluctuations. Chinese government will intensify its efforts to stabilise macro-economic growth, therefore major economic indicators are expected to gradually improve and the economy will continue to achieve progress while maintaining stability. It is expected that the government's regulatory policies for the real estate industry will be more relaxed, and local governments will be given greater autonomy to further optimise their real estate policies and introduce "policy package" to support the healthy development of the real estate market, thereby supporting the rigid and improvement-oriented demand of residents. Although the real estate market will continue to fluctuate and residents' confidence and expectations for house purchases remain weak, it is believed that the real estate market will bottom out and become stable amid fluctuations under the effect of persistent easing policies.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS/CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code:

Long positions in the shares and underlying shares

Name of Director	Capacity in which interests are held	Number of Shares	% of the total number of issued Shares as at the Latest Practicable Date ^(Note 3)
Lin Zhaoyuan ^(Note 1)	Beneficial owner/ Beneficiary of a trust	1,515,560	0.03765
Zhu Huisong ^(Note 2)	Beneficial owner/ Beneficiary of a trust	167,437	0.00416
Liu Yan	Beneficial owner	3,400	0.00008
Yu Lup Fat Joseph	Beneficial owner	600,000	0.01491
Lee Ka Lun	Beneficial owner	858,000	0.02131
Lau Hon Chuen Ambrose	Beneficial owner	1,258,712	0.03127

Note 1: Mr. Lin Zhaoyuan is interested in 1,515,560 Shares, out of which 1,193,215 Shares are owned by him as beneficial owner, 322,345 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust for Directors and Senior Management.

Note 2: Mr. Zhu Huisong is interested in 167,437 Shares, out of which 64,757 Shares are owned by him as beneficial owner, 102,680 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust for Directors and Senior Management.

Note 3: Based on the Company's total number of 4,025,392,913 issued Shares as at the Latest Practicable Date.

Long positions in the shares and underlying shares of associated corporations

Name of Director	Name of associated corporation	Capacity in which interests are held	Number of shares in associated corporation	% of the total number of issued shares in associated corporation as at the Latest Practicable Date ^(Note 1)
Lin Zhaoyuan	Yuexiu Transport Infrastructure Limited	Beneficial owner	120	0.00001
Liu Yan	Yuexiu Transport Infrastructure Limited	Beneficial owner	485	0.00003
Lau Hon Chuen Ambrose	Yuexiu Transport Infrastructure Limited	Beneficial owner	195,720	0.01170

Note 1: Based on the Yuexiu Transport Infrastructure Limited's total number of 1,673,162,295 issued Shares as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its other associated corporations (within the meaning of Part XV of the SFO), which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, (i) Mr. Lin Zhaoyuan is a director, vice chairman and general manager of GZYX and YXE; (ii) Mr. He Yuping is the chief compliance officer of GZYX and YXE; (iii) Ms. Chen Jing is the chief financial officer of GZYX and YXE, and a director of Bosworth; (iv) Ms. Liu Yan is the chief operating officer and chief human resources officer of GZYX and YXE; (v) Mr. Su Junjie is the general manager of an indirect subsidiary of GZYX; and (vi) Mr. Zhang Yibing is a deputy general manager of Guangzhou Metro. GZYX, YXE, Bosworth and Guangzhou Metro are entities which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any other proposed service agreements which would not expire or to be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS**Interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Interests in contracts

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and, so far as the Directors were aware, there was no litigation or claim of material importance pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS OF THE GROUP

During the two years immediately preceding the Latest Practicable Date and up to and including the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the Group and are or may be material:

- (a) 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 (as defined in the announcement of the Company dated 13 November 2024) entered into between Guangzhou Bai Cheng Investment Development Co. Ltd.* (廣州市佰城投資發展有限公司) and the Guangzhou LDC on 13 November 2024;
- (b) 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 Jinan University North Side Land Parcel No. 2 (as defined in the circular of the Company dated 27 November 2024) entered into among the Guangzhou LDC, Guangzhou City Panyu District Land Development Centre* (廣州市番禺區土地開發中心), Guangzhou Xinxiu Property Development Co., Ltd.* (廣州新秀房地產開發有限公司) and GCCD on 2 September 2024;
- (c) the Land Resumption Agreement; and
- (d) the underwriting agreement dated 20 April 2023 entered into between the Company and CLSA Limited, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, DBS Asia Capital Limited and China International Capital Corporation Hong Kong Securities Limited in relation to a rights issue as disclosed in the announcement of the Company dated 20 April 2023.

8. DOCUMENTS AVAILABLE ON DISPLAY

The Land Resumption Agreement is available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.yuexiuproperty.com>) for a period of 14 days from the date of this circular.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Yu Tat Fung, a Solicitor of the High Court of Hong Kong.
- (b) The registered office of the Company is located at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.
- (c) The share registrar of the Company is Tricor Abacus Ltd., which is located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English texts of this circular shall prevail over the Chinese texts.