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(Incorporated in Hong Kong with limited liability)
(Stock code: 00123)

MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF A 49% INTEREST IN A NEW METRO PROPERTY PROJECT

THE ACQUISITION

The Company is pleased to announce that, on 7 April 2022, the Purchaser and GCCD have entered into the Transaction Documents with, among others, the Seller, a wholly-owned subsidiary of GZYX, and GZYX, pursuant to which, the Purchaser has conditionally agreed to acquire the Target Holdco Equity Interests and GCCD has conditionally agreed to acquire the Target Holdco Loan Rights and the Target Company Loan Rights comprising:

- (a) the entire equity interest in the Target Holding Company (which holds the 49% equity interests in the Target Company) for a total equity consideration of approximately RMB30.4 million;
- (b) the Target Holdco Loans in an aggregate principal amount of approximately RMB3,901.25 million (which such loans bear interests at 6.5% per annum from and including the date when the Target Holdco Loans were made by GZYX up to and including the day prior to the date of completion of the Loan Rights Acquisition), by way of refinancing, the Target Holdco Loans (inclusive of accrued interest) on a dollar-for-dollar basis; and
- (c) the Target Company Loans in an aggregate principal amount of approximately RMB834.08 million (which such loans bear interests at 6.5% per annum from and including the date when the Target Company Loans were made by GZYX up to and including the day prior to the date of completion of the Loan Rights Acquisition), by way of refinancing, the Target Company Loans (inclusive of accrued interest) on a dollar-for-dollar basis.

For illustrative purpose, assuming the completion of the acquisition of the Target Holdco Equity Interests takes place on 31 May 2022 (being the date by which the Company targets to complete the acquisition of the Target Holdco Equity Interests), and the completion of the Loan Rights Acquisition takes place on 15 August 2022 (being the date by which the Company targets to complete the Loan Rights Acquisition), the Total Consideration payable by the Purchaser and GCCD for the Acquisition would be approximately RMB5.01 billion.

Pazhou South Project

The Pazhou South Project is located on the South side of Pazhou West District in the Haizhu District, Guangzhou. The Pazhou South Project, a transit-oriented development (TOD) project, is located approximately 200 metres from the Chisha station of the metro line No. 12, which is expected to commence service in 2023. The Pazhou South Project has a site area of 110,924 sq.m. and a plot ratio accountable GFA of 304,000 sq.m. on which residential and commercial properties can be developed. The construction of the Pazhou South Project has commenced since June 2021.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group believes that the acquisition of 49% equity interest in the Pazhou South Project further strengthens the Group's development pursuant to the implementation of the Group's TOD business strategy. With the support from the state-owned enterprise background of GZYY, the controlling shareholder of the Company, and the strategic partnership with Guangzhou Metro, the Company is able to acquire high-quality landbank along the metro lines in first-tier cities at a reasonable price. Upon completion of the Acquisition, the total floor area of the TOD projects of the Group will increase to approximately 4.19 million sq.m., and the Group's high quality landbank in Guangzhou will increase to approximately 13.34 million sq.m. The total floor area of the TOD projects of the Group accounted for approximately 15.5% of the Group's total landbank as at 31 December 2021, and approximately 28.1% of the Group's landbank in the Greater Bay Area as at 31 December 2021. For the year ended 31 December 2021, the contracted sales value of the Group's TOD projects was approximately RMB17.87 billion, accounting for approximately 15.5% of the Group's total contracted sales value for the year. The Company believes that this unique TOD development business will bring continuous growth to the Group and further strengthen the Group's market position as a leading TOD property developer in China.

IMPLICATIONS UNDER LISTING RULES

As at the date of this announcement, GZYY wholly-owns YXE (the controlling shareholder of the Company) and is therefore an associate of YXE and, hence, a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition and the transactions contemplated thereunder constitute a major and connected transaction of the Company. Accordingly, the Acquisition and the transactions contemplated thereunder are subject to the reporting, announcement, circular requirements and the approval of the Independent Shareholders at the GM under Chapters 14 and 14A of the Listing Rules.

Each of GZYY and its respective associates will abstain from voting on the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder to be proposed at the general meeting of the Company.

INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Acquisition. Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition.

GM AND CIRCULAR

The GM will be convened and held by the Company to consider and, if thought fit, to approve, among other things, the Transaction Documents and the transactions contemplated thereunder (namely, the Acquisition).

The circular containing, among other things: (i) further information on the Acquisition; (ii) a letter of recommendations from the Independent Board Committee in relation to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Acquisition; (iv) financial information of the Group and the Target Holding Company; (v) valuation report in respect of the Target Holding Company and the Pazhou South Project that will be developed; and (vi) a notice of the GM, is expected to be despatched to the Shareholders on or before 3 May 2022.

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

THE ACQUISITION

The Company is pleased to announce that, on 7 April 2022, the Purchaser and GCCD have entered into the Transaction Documents with, among others, the Seller, a wholly-owned subsidiary of GZYX, and GZYX, pursuant to which, the Purchaser has conditionally agreed to acquire the Target Holdco Equity Interests and GCCD has conditionally agreed to acquire the Target Holdco Loan Rights and the Target Company Loan Rights comprising:

- (a) the entire equity interest in the Target Holding Company (which holds the 49% equity interests in the Target Company) for a total equity consideration of approximately RMB30.4 million, being the Appraised Value of the net assets of the Target Holding Company (the “**Equity Consideration**”);
- (b) the interests in the loans owing by the Target Holding Company to GZYX upon completion of the Acquisition, in an aggregate principal amount of approximately RMB3,901.25 million (the “**Target Holdco Loans**”) (which such loans bear interests at 6.5% per annum from and including the date when the Target Holdco Loans were made by GZYX up to and including the day prior to the date of completion of the Loan Rights Acquisition), by way of refinancing, the Target Holdco Loans (inclusive of accrued interest) on a dollar-for-dollar basis (the “**Target Holdco Loan Consideration**”); and

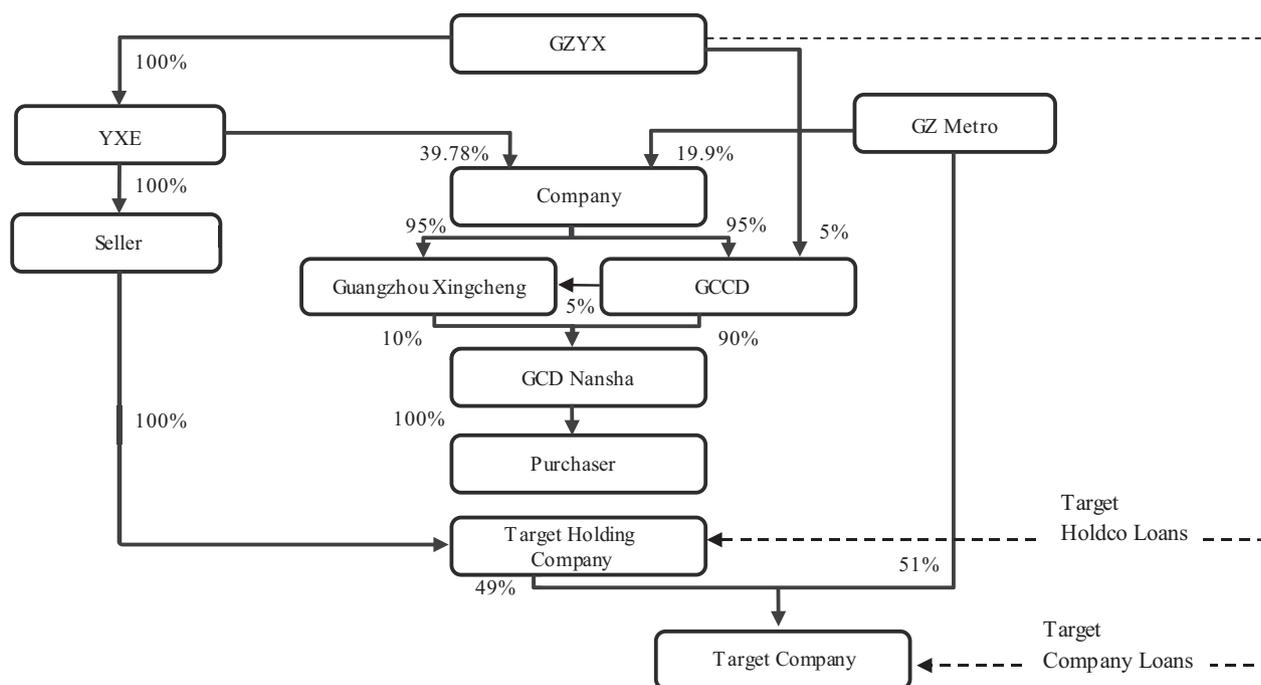
(c) the interests in the loans owing by the Target Company to GZYZ, which is pro-rata to GZYZ’s indirect equity interests in the Target Company, upon completion of the Acquisition, in an aggregate principal amount of approximately RMB834.08 million (the “**Target Company Loans**”) (which such loans bear interests at 6.5% per annum from and including the date when the Target Company Loan were made by GZYZ up to and including the day prior to the date of completion of the Loan Rights Acquisition), by way of refinancing, the Target Company Loans (inclusive of accrued interest) on a dollar-for-dollar basis (the “**Target Company Loan Consideration**”),

(the above are collectively referred to as the “**Acquisition**”).

For illustrative purpose, assuming the completion of the acquisition of the Target Holdco Equity Interests takes place on 31 May 2022 (being the date by which the Company targets to complete the acquisition of the Target Holdco Equity Interests), and the completion of the Loan Rights Acquisition takes place on 15 August 2022 (being the date by which the Company targets to complete the Loan Rights Acquisition), the Total Consideration payable by the Purchaser and GCCD for the Acquisition would be approximately RMB5.01 billion.

Corporate structure before and immediately after the completion of the Acquisition

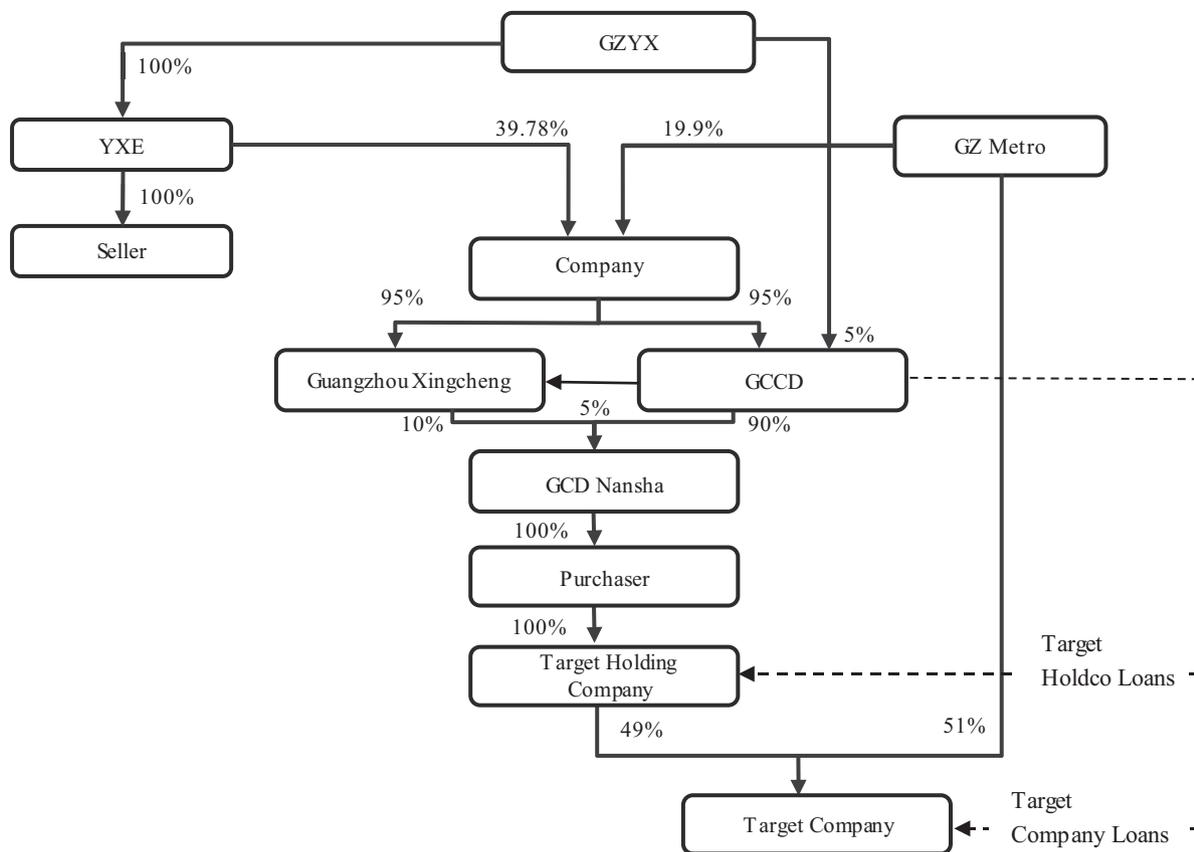
Set out below is the simplified corporate structure chart as at the date of this announcement:



Notes:

1. —————> indicates shareholding/holding of equity interest (direct/indirect).
2. - - - - -> indicates debt provided by one party to another.

Set out below is the simplified corporate structure chart immediately after completion of the Acquisition:



Notes:

1. indicates shareholding/holding of equity interest (direct/indirect).
2. indicates debt provided by one party to another.

BASIS OF DETERMINATION OF CONSIDERATION FOR THE ACQUISITION

As at 31 January 2022, the Appraised Value of the Pazhou South Project, as determined by the Independent Valuer using the market comparison method (by making reference to comparable sales transactions as available in the market) and also taking into account the accrued construction costs and professional fees relevant to the stage of construction as at the said valuation date, was approximately RMB13.02 billion, translating into approximately RMB42,800 per sq.m. in terms of plot ratio accountable GFA on which residential and commercial properties can be developed (which is 304,000 sq.m.).

The consideration for the entire equity interests in the Target Holding Company (which in turn holds the 49% equity interests in the Target Company) to be acquired by the Purchaser was determined based on the Appraised Values of the net assets of the Target Holding Company as at 31 January 2022, being approximately RMB30.4 million as determined by the Independent Valuer.

THE TRANSACTION DOCUMENTS

Details of the terms of the Transaction Documents are described below:

The Equity Transfer and Loan Repayment Agreement dated 7 April 2022 (the “Equity Transfer Agreement”)

Parties: The Seller (a wholly-owned subsidiary of GZYX) (as seller), the Purchaser (a company which is an indirect non-wholly-owned subsidiary of the Company) (as purchaser), GZYX, GCCD and the Target Holding Company.

The Debt Restructuring Agreement dated 7 April 2022 (the “Debt Restructuring Agreement”)

Parties: GZYX (as assignor), GCCD (as assignee) and the Target Company (as debtor).

Conditions

The effective date of each of the Transaction Documents (the “**Transaction Effective Date**”) shall be the day on which the last of the following conditions has been satisfied:

- (a) the Independent Shareholders having passed all necessary resolutions at the GM to approve the Transaction Documents and the transactions contemplated thereunder; and
- (b) the consent(s) and/or waiver(s) and/or compliance approval procedures of the relevant regulatory authorities which are necessary in connection with the execution, delivery and performance of the Transaction Documents and the transactions contemplated thereunder having been obtained and/or completed.

Consideration, payment terms and completion

Subject to the Transaction Documents having become effective:

- (a) the Equity Consideration of approximately RMB30.4 million shall be payable in cash in full by the Purchaser to the Seller within five business days of the Transaction Effective Date, and completion of the Equity Transfer shall take place on the date on which such transfer is registered at the relevant administration for industry and commerce;
- (b) within 60 business days of the date of completion of the Equity Transfer:
 - (i) GZYX shall assign to GCCD all of its rights and interests in the Target Holdco Loans (together with accrued interest, if applicable) and GCCD shall pay an equivalent amount to GZYX;

- (ii) GCCD shall provide a loan to the Target Holding Company to enable it to repay the Target Holdco Loans in full; and
- (c) within 60 business days of the date of completion of the Equity Transfer:
 - (i) GZYY shall assign to GCCD all of its rights and interests in the Target Company Loans (together with accrued interest, if applicable) and GCCD shall pay an equivalent amount to GZYY;
 - (ii) GCCD shall provide a loan to the Target Company to enable it to repay the Target Company Loans in full; and
- (d) with effect from the date of completion of the Equity Transfer, GCCD will assume the obligations to provide a shareholder's loan to the Target Company of up to an amount of approximately RMB1,302.23 million which can only be drawn down pro rata to the Target Holding Company's shareholding in the Target Company.

Indemnity

Each party to the Transaction Documents agrees to indemnify each of the other parties to the relevant Transaction Document against all losses suffered by the non-defaulting parties as a result of or in connection with any breach of the respective obligations of the defaulting parties.

Termination

After the Equity Transfer Agreement becomes effective, no party thereto shall be entitled to terminate that agreement except upon the occurrence of either one of the following events:

- (a) agreement in writing between the parties to the agreement; or
- (b) termination pursuant to any applicable laws, rules and regulations or pursuant to other terms of the agreement.

Upon termination of the Equity Transfer Agreement due to the default of any party, any part of the amounts payable under the Transaction Documents (namely, the Equity Consideration and the Loan Consideration) which has been paid, shall be returned to the Purchaser. The defaulting party shall pay compensation and attend to all necessary procedures to unwind the Equity Transfer pursuant to the terms of the Equity Transfer Agreement and applicable laws and regulations.

MANAGEMENT OF THE TARGET COMPANY

As a result of the completion of the Acquisition, (a) the Target Holding Company will become non-wholly-owned subsidiary of the Company, which the Target Holding Company in turn hold 49% equity interests in the Target Company; (b) the financial results of the Target Holding Company will be consolidated into the Company; and (c) the Target Company will not become a subsidiary of the Company.

Pursuant to the cooperative development agreement dated 19 July 2021 in relation to the establishment of the Target Company, as may be amended and supplemented from time to time (the “**Cooperative Development Agreement**”), Guangzhou Metro, GZYX and the Target Holding Company agreed to cooperate to jointly develop the Pazhou South Project through the Target Company. Pursuant to the cooperative development agreement, the Target Holding Company is mainly responsible for the overall daily operational management and development management of the Pazhou South Project. Unanimous approval of all the shareholders of the Target Company is required for matters in relation to pledging of the shares or capital investment certificate of the Target Company or the provision of guarantee by the Target Company for the liabilities of a third party.

Board composition and reserved matters

Pursuant to the Cooperative Development Agreement, the Target Company has a total of five directors, three of whom shall be appointed by Guangzhou Metro and two of whom shall be appointed by the Target Holding Company.

Pursuant to the Cooperative Development Agreement, all matters requiring board approval are subject to simple majority vote other than certain reserve matters such as (among others) increase or reduction of the registered capital, any merger, change in company form or liquidation and amendment of articles, which are subject to the approval of more than two-thirds of the directors of the Target Company.

Further funding

In the event that additional funding is required for the development and construction of the Pazhou South Project, the Target Company shall first seek external financing. In the event the Target Company does not have sufficient assets to secure its obligations under the external financing, subject to compliance with the respective internal approval procedures of the shareholders of the Target Company and subject to the approval of the shareholders of the Target Company, such shareholders shall provide security or guarantee pro-rata to their then respective equity holdings in the Target Company.

In the event that external financing is insufficient to meet the capital requirements for the development and construction of the Pazhou South Project, the shareholders of the Target Company shall, subject to compliance with their respective internal approval procedures, provide additional shareholders’ loans to the Target Company pro-rata to their then respective equity holdings in the Target Company to ensure normal operation of the Target Company and the development of the Pazhou South Project.

Profit distribution arrangements

Pursuant to the Cooperative Development Agreement, the profits of the Target Company shall be shared by the parties to the agreement in proportion to their respective equity interests in the Target Company.

Right of first refusal

Pursuant to the Cooperative Development Agreement, the shareholders of the Target Company granted to each other a right of first refusal, where, subject to 95% or more of the total saleable area of the Pazhou South Project having been sold, any one of the shareholders of the Target Company (the “**Transferor**”) may transfer all or part of its equity interest in the Target Company and assign all or part of the shareholder’s loan (including any unpaid interest) owing to the Transferor by the Target Company. It is the understanding between the shareholders of the Target Company that the transfer of any such equity interest must be accompanied by the assignment of the same percentage of the Transferor’s interest in the shareholder’s loan owing to the Transferor by such Target Company, and vice versa.

The Company will take into account the implications under the Listing Rules when it proposes to transfer its interests in the Target Company, or when considering whether to exercise the right of first refusal mentioned above (pursuant to a proposed transfer of interests in the Target Company by the other shareholders of the Target Company), and will comply with the applicable Listing Rules requirements (if any) in respect of the same.

The Target Company shall ensure that Guangzhou Metro’s normal railway operations are not affected by the construction works of the Pazhou South Project, and that the Pazhou South Project complies with the safety management system and standards of Guangzhou Metro.

FINANCIAL INFORMATION OF THE TARGET HOLDING COMPANY

The audited financial information of the Target Holding Company prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants is as follows:

	From 18 March 2021 (date of incorporation of the Target Holding Company) to 31 December 2021	1 January 2022 to 31 January 2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	—	—
Loss before taxation	(47,428)	(22,519)
Loss after taxation	(47,428)	(22,519)

The audited total assets and the audited net asset value of the Target Holding Company as at 31 December 2021 were RMB3,910,616,000 and RMB-37,428,000, respectively as stated in the audited accounts of the Target Holding Company as at 31 December 2021 and the audited total assets and the audited net asset value of the Target Holding Company as at 31 January 2022 were RMB3,909,933,000 and RMB-59,947,000, respectively as stated in the audited accounts of the Target Holding Company as at 31 January 2022.

In July 2021, the Target Holding Company acquired 49% equity interests in the Target Company from Guangzhou Metro at an equity consideration of approximately RMB1,085 million. In November 2021 and December 2021, the Target Holding Company made further capital injection into the Target Company pro-rata to its shareholding for an aggregate amount of approximately RMB2,816 million.

INFORMATION OF THE PARTIES TO THE ACQUISITION AND THE PAZHOU SOUTH PROJECT

The Company

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

The Target Holding Company

The Target Holding Company is a property consultation and land use rights leasing company whose sole asset (other than cash and cash equivalents) is a 49% equity interest in the Target Company.

The Target Company

The Target Company is a property development company and is the sole registered owner of the Pazhou South Project.

The Seller

The Seller is an investment holding company which is wholly-owned by GZYX.

The Purchaser

The Purchaser is a property development company which is a non-wholly owned subsidiary of the Company.

GCCD

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

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, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure and construction.

Guangzhou Metro

Guangzhou Metro is a wholly state-owned company under the Guangzhou Municipal Government of the PRC. Established in 1992, Guangzhou Metro is responsible for the financing, investment, construction, operation, property development and expansion of Guangzhou's urban rail transportation. Guangzhou Metro indirectly owns approximately 19.9% shareholding in the Company.

The Pazhou South Project

The Pazhou South Project is located on the South side of Pazhou West District in the Haizhu District, Guangzhou (the “**Pazhou South Project**”). The Pazhou South Project a transit-oriented development (TOD) project and is located approximately 200 metres from the Chisha station of the metro line No. 12, which is expected to commence service in 2023. The Pazhou South Project has a site area of 110,924 sq.m. and a plot ratio accountable GFA of 304,000 sq.m. on which residential and commercial properties can be developed. The construction of the Pazhou South Project has commenced since June 2021.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group believes that the acquisition of 49% equity interest in the Pazhou South Project further strengthens the Group’s development pursuant to the implementation of the Group’s TOD business strategy. With the support from the state-owned enterprise background of GZYY, the controlling shareholder of the Company, and the strategic partnership with Guangzhou Metro, the Company is able to acquire high-quality landbank along the metro lines in first-tier cities at a reasonable price. Upon completion of the Acquisition, the total floor area of the TOD projects of the Group will increase to approximately 4.19 million sq.m. and the Group’s high quality landbank in Guangzhou will increase to approximately 13.34 million sq.m. The total floor area of the TOD projects of the Group accounted for approximately 15.5% of the Group’s total landbank as at 31 December 2021, and approximately 28.1% of the Group’s landbank in the Greater Bay Area as at 31 December 2021. For the year ended 31 December 2021, the contracted sales value of the Group’s TOD projects was approximately RMB17.87 billion, accounting for approximately 15.5% of the Group’s total contracted sales value for the year. The Company believes that this unique TOD development business will bring continuous growth to the Group and further strengthen the Group’s market position as a leading TOD property developer in China.

The Board considers that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, provided that the independent non-executive Directors’ view is subject to the advice of the Independent Financial Adviser and the opinion of the Independent Board Committee will be set forth in the circular to be despatched to the Shareholders.

IMPLICATIONS UNDER LISTING RULES

As at the date of this announcement, GZYG wholly-owns YXE (the controlling shareholder of the Company) and are therefore an associate of YXE and, hence, a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition and the transactions contemplated thereunder constitute a major and connected transaction of the Company. Accordingly, the Acquisition and the transactions contemplated thereunder are subject to the reporting, announcement, circular requirements and the approval of the Independent Shareholders at the GM under Chapters 14 and 14A of the Listing Rules.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Acquisition and the transactions contemplated thereunder other than its interest as a Shareholder, and such Shareholder's associates, shall abstain from voting on the resolutions to approve the same to be proposed at the GM.

Each of GZYG and its associates will abstain from voting on the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder to be proposed at the general meeting of the Company.

Save as disclosed above, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates has a material interest in the Acquisition, and therefore no other Shareholder is required to abstain from voting on the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder for the purpose of the Listing Rules.

As none of the Directors had a material interest in the Acquisition, no Director has abstained from voting on the relevant board resolution(s) of the Company.

INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Acquisition.

Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition. Such appointment has been approved by the Independent Board Committee pursuant to the Listing Rules.

GM AND CIRCULAR

The GM will be convened and held by the Company to consider and, if thought fit, to approve, among other things, the Transaction Documents and the transactions contemplated thereunder (namely, the Acquisition).

The circular containing, among other things: (i) further information on the Acquisition; (ii) a letter of recommendations from the Independent Board Committee in relation to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Acquisition; (iv) financial information of the Group and the Target Holding Company; (v) valuation report in respect of the Target Holding Company and the Pazhou South Project that will be developed; and (vi) a notice of the GM, is expected to be despatched to the Shareholders on or before 3 May 2022.

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

DEFINITIONS

In addition to the expressions defined in the content of this announcement, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Target Holdco Equity Interests, the Target Holdco Loan Rights and the Target Company Loan Rights as described in the section headed “The Acquisition”
“Appraised Value(s)”	the market value of the Pazhou South Project or the Target Holding Company as at 31 January 2022 as determined by the Independent Valuer
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Equity Consideration”	has the meaning given to it in the section headed “The Acquisition”
“Equity Transfer”	the transfer of the Target Holdco Equity Interests from the Seller to the Purchaser
“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 GZYX
“GCD Nansha”	廣州城建開發南沙房地產有限公司 (Guangzhou City Construction & Development Group Nansha Co., Ltd.*), a company established in the PRC with limited liability and which is a subsidiary of GCCD (which is in turn indirectly owned as to 95% by the Company and 5% by GZYX)
“GFA”	gross floor area
“GM”	the general meeting of the Company to be convened to consider and, if thought fit, to approve, among other things, the Transaction Documents and the transaction contemplated thereunder (namely, the Acquisition)
“Group”	the Company and its subsidiaries
“Guangzhou Metro”	廣州地鐵集團有限公司 (Guangzhou Metro Group Co., Ltd.*), a directly wholly-owned subsidiary of Guangzhou Municipal People’s Government of the PRC
“Guangzhou Xingcheng”	廣州市興城實業發展有限公司 (Guangzhou Xingcheng Property Development Ltd.*), a company established in the PRC with limited liability which is a subsidiary of the Company and owns as to 10% of the Purchaser
“GZYX”	廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited*), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People’s Government of the PRC and is the ultimate controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely Mr. Yu Lup Fat Joseph, Mr. Lee Ka Lun and Mr. Lau Hon Chuen Ambrose, established to advise the Independent Shareholders in respect of whether the Acquisition is fair and reasonable and as to voting
“Independent Financial Adviser”	Maxa Capital Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of whether the Acquisition is fair and reasonable and as to voting
“Independent Shareholders”	Shareholders other than (i) any Shareholder who has a material interest in the Acquisition other than its interest as a Shareholder; and (ii) any close associate of such Shareholder referred to in (i)
“Independent Valuer”	Cushman & Wakefield Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Consideration”	Target Company Loan Consideration and Target Holdco Loan Consideration
“Loan Rights Acquisition”	the acquisition of the Target Holdco Loan Rights and the Target Company Loan Rights
“Pazhou South Project”	has the meaning given to it in the section headed “Information of the parties to the Acquisition and the Pazhou South Project”
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	廣州越秀華城房地產開發有限公司 (Guangzhou Yuexiu Huacheng Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability and which is a non-wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“Seller”	Fancy Hope Investment Limited (美萊投資有限公司), a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of GZYX
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square meters
“Target Company”	廣州市品臻房地產開發有限公司 (Guangzhou Pinzhen Property Development Co., Ltd.*), a company established in the PRC with limited liability, which is owned as to 51% and 49% by Guangzhou Metro and the Target Holding Company respectively as at the date of this announcement
“Target Company Loans”	has the meaning given to it in the section headed “The Acquisition”
“Target Company Loan Consideration”	has the meaning given to it in the section headed “The Acquisition”
“Target Company Loan Rights”	all of rights, title, interest and benefit of GZYX in and to the Target Company Loans
“Target Holdco Equity Interests”	the entire equity interests in Target Holding Company which in turn holds 49% equity interests in Target Company
“Target Holdco Loans”	has the meaning given to it in the section headed “The Acquisition”
“Target Holdco Loan Consideration”	has the meaning given to it in the section headed “The Acquisition”
“Target Holdco Loan Rights”	all of rights, title, interest and benefit of GZYX in and to the Target Holdco Loans
“Target Holding Company”	廣州泉力實業發展有限公司 (Guangzhou Quanli Property Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of GZYX as at the date of this announcement, which in turn owns 49% of the equity interest in the Target Company

“Total Consideration”	the aggregate amount payable by the Purchaser and GCCD for the Acquisition
“Transaction Documents”	collectively, the Equity Transfer Agreement and the Debt Restructuring Agreement, and each a “ Transaction Document ”
“YXE”	Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of GZYY

* *for identification purpose only*

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

Hong Kong, 7 April 2022

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

Executive Directors: *LIN Zhaoyuan (Chairman), LIN Feng, LI Feng, CHEN Jing and LIU Yan*

Non-Executive Director: *ZHANG Yibing*

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