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## **1. SUBMISSION OF LISTING APPLICATION BY YUEXIU SERVICES GROUP LIMITED TO THE STOCK EXCHANGE**

### **2. INSIDE INFORMATION**

The Company is pleased to announce that, on 10 February 2021, Yuexiu Services submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and the permission to deal in, the Yuexiu Services Shares on the Main Board of the Stock Exchange. Yuexiu Services proposes to conduct an offering of the Yuexiu Services Shares by way of a Global Offering after obtaining the listing approval. Subject to certain conditions, Qualifying Shareholders will be provided with an assured entitlement to the Yuexiu Services Shares under the Global Offering. The Company will make further announcement(s) with regards to the details of such assured entitlement as and when appropriate.

Upon completion of the Listing, Yuexiu Services is intended to remain as a subsidiary of the Company.

The Spin-off Group is principally engaged in the provision of non-commercial property management and value-added services and commercial property management and operational services.

**As the Listing is conditional upon the approval of the Listing Committee, the final decision of the Board and the board of directors of Yuexiu Services, market conditions and other considerations, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 23 November 2020 and 8 February 2021 in relation to, among other things, the Proposed Spin-off and the pre-ipo investment in Yuexiu Services by Guangzhou Metro Investment Finance (HK) Limited.

The Company proposes to spin-off and separately list the shares of Yuexiu Services, an indirect non wholly-owned subsidiary of the Company, on the Main Board of the Stock Exchange. The separate listing of the Yuexiu Services Shares on the Main Board of the Stock Exchange constitutes a spin-off of Yuexiu Services by the Company under Practice Note 15 of the Listing Rules. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 10 February 2021, Yuexiu Services submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and the permission to deal in, the Yuexiu Services Shares on the Main Board of the Stock Exchange.

## **THE PROPOSED SPIN-OFF**

Yuexiu Services proposes to conduct an offering of the Yuexiu Services Shares by way of a Global Offering after obtaining the listing approval. The details of the Global Offering have yet to be finalised. As at the date of this announcement, Yuexiu Services is indirectly owned as to approximately 91.85% by the Company. It is intended that upon completion of the Listing, Yuexiu Services will remain as a subsidiary of the Company.

## **THE SPIN-OFF GROUP**

The Spin-off Group is principally engaged in the provision of non-commercial property management and value-added services and commercial property management and operational services.

## **RATIONALE AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board considers that the Proposed Spin-off will be in the interest of the Company and the Shareholders as a whole for the following reasons:

- (a) the Proposed Spin-off will create separate platforms for the Remaining Group and the Spin-off Group to further develop their respective businesses and will delineate the different businesses of the Company and the Spin-off Group;
- (b) a separate listing status of Yuexiu Services on the Stock Exchange will enhance the Spin-off Group's profile and image amongst its customers, suppliers and other business partners, as well as its ability to recruit and retain talents for its business operations;
- (c) a separate listing status on the Stock Exchange is expected to facilitate direct access by the Spin-off Group to the equity and debt securities markets, as well as the bank credit market, providing the Spin-off Group with a separate fund raising platform and thereby offering new and more diversified funding sources to finance the Spin-off Group's existing operations and future expansion;
- (d) the Proposed Spin-off will allow investors to separately value the Remaining Group and the Spin-off Group based on their distinct investment identities as well as the respective operational performance and financial results of the Remaining Group and the Spin-off Group on a standalone basis. This is expected to unlock the intrinsic value of the Spin-off Group and possibly improve its valuation which may allow it to achieve a fuller valuation potential as a whole; and

- (e) The Proposed Spin-off will allow the Remaining Group and the Spin-off Group to pursue their distinct operating priorities and strategies, and to focus on the unique business opportunities in the respective markets in a more effective manner. This will result in enhanced management focus, which should in turn lead to improved decision-making process, faster response time to market changes and increased operational efficiency for both the Remaining Group and the Spin-off Group. In addition, as a result of the Proposed Spin-off, the Spin-off Group's management will be under direct and heightened scrutiny from the investing community and it will be possible to measure their performance against Yuexiu Services' stock market performance relative to its industry peers listed on the Stock Exchange or other international stock exchanges. It will also be possible to link management incentives to such performance, thereby improving management motivation and commitment of the Spin-off Group.

## **ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT**

The Board will give due regard to the interests of the Shareholders by providing the Qualifying Shareholders with an assured entitlement to Yuexiu Services Shares under the Global Offering, subject to certain conditions, if the Board and the board of directors of Yuexiu Services decide to proceed with the Proposed Spin-off and the Global Offering, and the Listing Committee has approved the Listing. The Company will make further announcement(s) with regards to the details of such assured entitlement as and when appropriate.

## **INFORMATION OF THE COMPANY**

The Company is principally engaged in property development and investment, focusing on property development in the Guangdong-Hong Kong-Macau Greater Bay Area, Eastern China Region, Central China Region, Northern China Region and South Western China Region.

## **LISTING RULES IMPLICATIONS**

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Spin-off exceeds 5% but is less than 25%, the Proposed Spin-off constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **GENERAL**

The Application Proof is expected to be available for reviewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>. The Application Proof contains, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

**As the Listing is conditional upon the approval of the Listing Committee, the final decision of the Board and the board of directors of Yuexiu Services, market conditions and other considerations, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Application Proof”	a redacted form of the application proof of the listing document of Yuexiu Services
“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)
“Director(s)”	the director(s) of the Company
“Global Offering”	the offering for public subscription in Hong Kong and the conditional international placing (including the preferential offering to the Qualifying Shareholder(s)) of the Yuexiu Services Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Yuexiu Services Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-qualifying Shareholders”	Shareholders whose name appear in the register of members of the Company on the Record Date and whose address as shown in such register is in any of the specified territories and any Shareholders or beneficial Shareholders at that time who is otherwise known by the Company to be resident in any of the specified territories
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Spin-off”	the proposed spin-off and separate listing of the Yuexiu Services Shares on the Main Board of the Stock Exchange
“Qualifying Shareholders”	Shareholders whose name appear in the register of members of the Company on the Record Date, other than the Non-qualifying Shareholders
“Record Date”	the record date for ascertaining the Qualifying Shareholders who shall be entitled to assured entitlements
“Remaining Group”	the Company and its subsidiaries, but excluding the Spin-off Group

“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Spin-off Group”	Yuexiu Services and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yuexiu Services”	Yuexiu Services Group Limited (formerly known as Yuexiu Property Management Holding Limited), a limited company incorporated in Hong Kong on 8 October 2020 and is an indirect non wholly-owned subsidiary of the Company as at the date of this announcement
“Yuexiu Services Shares”	ordinary shares in Yuexiu Services
“%”	per cent.

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

Hong Kong, 10 February 2021

*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* : *OUYANG Changcheng*

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