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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF A 51% EQUITY INTEREST
IN THE TARGET COMPANY**

ACQUISITION OF A 51% EQUITY INTEREST IN THE TARGET COMPANY

Following the successful bid for the Acquisition on 6 May 2022 in the Public Tender, the Company is pleased to announce that on 10 May 2022, the Purchaser, which is a 95%-subsidiary of the Company, has entered into the Equity Transfer Agreement with the Seller to acquire 51% equity interest in the Target Company and all rights and interests in the Seller's Loan.

The Equity Transfer Consideration is approximately RMB73.01 million and as at the date of this announcement, the Loan Assignment Amount amounts to approximately RMB1.63 billion (comprising an aggregate principal amount of RMB1.58 billion and accrued interests of approximately RMB48.7 million). Accordingly, for illustrative purpose, if Completion were to occur on the date of this announcement, the Consideration payable by the Purchaser under the Equity Transfer Agreement would be approximately RMB1.70 billion.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

Following the successful bid for the Acquisition on 6 May 2022 in a public tender process at the Hangzhou Exchange (the “**Public Tender**”), the Company is pleased to announce that on 10 May 2022, the Purchaser, which is a 95%-subsidiary of the Company, has entered into the Equity Transfer Agreement with the Seller to acquire 51% equity interest in the Target Company and all rights and interests in the Seller’s Loan. The minimum bidding price is (i) RMB73.01 million for the Equity Transfer and (ii) RMB1.58 billion for the Loan Assignment.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized as follows:

Date

10 May 2022

Parties

The Seller as seller and the Purchaser as purchaser

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, each of the Seller and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be acquired

Pursuant to the Equity Transfer Agreement, the Seller agreed to sell, and the Purchaser agreed to purchase, 51% equity interest in the Target Company and all rights and interests in the Seller’s Loan.

The Target Company

The Target Company is principally engaged in real estate development and operation/ established solely for the purpose of developing the Project, and is currently engaged in the ownership, development and management of the Project. The Target Company is the current legal owner of the land use rights of the Land with land area of approximately 194,896 square metres and permissible gross floor area (GFA) of approximately 225,908 square metres on which the Project is being constructed.

The Project

The Project, which is developed and operated by the Target Company, when completed, will be a large-scale mixed-use residential and commercial project, comprising (among others) 5 blocks of high-rise residence, 27 blocks of mid-rise residence, 12 blocks of bungalow residence and one block of public rental housing. The Project has not commenced construction and its development is estimated to be completed in May 2025.

Consideration and payment terms

The Equity Transfer Consideration of approximately RMB73.01 million shall be payable by the Purchaser to the Seller within 5 Business Days upon signing of the Equity Transfer Agreement.

In addition, the Purchaser shall pay the Seller to the Target Company of approximately RMB1.58 billion to the Seller within 5 Business Days upon signing of the Equity Transfer Agreement together with accrued interests (the “**Loan Assignment Amount**”) for the acquisition of all rights and interests in the principal amount of the loans owing by the Target Company to the Seller corresponding to the 51% equity interest under the Equity Transfer together with interests accrued thereon, which will be assigned to the Purchaser on a dollar-for-dollar basis upon the Completion (the “**Loan Assignment**”). The Loan Assignment Amount represents the aggregate principal amount of the loans owing by the Target Company to the Seller corresponding to the 51% equity interest under the Equity Transfer and interests accrued thereon up to the date on which all of the Loan Assignment Amount has been paid to the Seller (the “**Seller’s Loan**”).

As at the date of this announcement, the Loan Assignment Amount amounts to approximately RMB1.63 billion (comprising an aggregate principal amount of RMB1.58 billion and accrued interests of approximately RMB48.7 million). Accordingly, for illustrative purpose, if Completion were to occur on the date of this announcement, the Consideration payable by the Purchaser under the Equity Transfer Agreement would be approximately RMB1.70 billion.

BASIS OF DETERMINING THE CONSIDERATION

As disclosed above, if Completion were to occur on the date of this announcement, the Consideration would be approximately RMB1.70 billion, which is equal to the minimum bidding price, which was in turn determined in accordance with the rules and procedures of the Public Tender. The Consideration was also determined with reference to the market price of acquisitions of comparable land parcels in the vicinity of the Land, the current property market conditions, the strategic location of the Land and the development potential of the Project. The portion of the minimum bidding price which corresponds to the Loan Assignment represents the dollar-for-dollar amount of the Seller’s Loan.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion

Upon payment in full of the Consideration and transaction expenses by the Purchaser, the Seller shall notify the Hangzhou Exchange. The Purchaser and the Seller agreed to procure the registration of the Acquisition and the amendment of the necessary documents of the Target Company with its governing registration authorities within 20 Business Days after the issuance of the Certificate by the Hangzhou Exchange. Completion shall take place on the date on which the above registration and amendment of the Target Company's articles of association are completed ("**Completion**").

Upon Completion, the equity interest of the Target Company will be owned as to 51% directly by the Purchaser, as to 49% by Hangzhou Metro (directly as to 1% and indirectly as to 18% through the Seller and 30% through Hangzhou Beiyue, both of which are Hangzhou Metro's wholly-owned subsidiaries). Each of Hangzhou Metro and Hangzhou Beiyue is a third party independent of the Company and its connected person.

Upon Completion, as the Purchaser will not have control of the board of directors of the Target Company, the financial results of the Target Company will not be consolidated into the consolidated financial results of the Group.

Termination

The Equity Transfer Agreement may be terminated upon mutual agreement of the Seller and the Purchaser through the signing of a supplemental agreement.

Cooperation Agreement

Pursuant to the Equity Transfer Agreement, on 10 May 2022, the Purchaser also entered into the Cooperation Agreement with the Seller, the Target Company, Hangzhou Metro and Hangzhou Beiyue in respect of matters upon the signing of the Equity Transfer Agreement and Completion, including but not limited to the operation and management of the Target Company.

The principal terms of the Cooperation Agreement are as follows:

Management of the Target Company

The Purchaser and the Seller will jointly establish the management team for the Project. Hangzhou Metro will retain its information rights and the right to supervise the Target Company and the Project, but it will not involve in the Target Company's daily operation. All matters subject to shareholders' approval require the unanimous approval of all the shareholders of the Target Company. Such matters include, amongst others, election and replacement of directors and supervisors (other than employee representative directors and supervisors) and their remuneration, approval of directors and supervisors report, dividend distribution, change of registered capital, amendment of articles, provision of guarantee by the Target Company, etc.

Board composition

The Target Company's board has a total of five directors, three of whom shall be appointed by the Purchaser and two of whom shall be appointed by the Seller. The chairman of the board of directors shall be nominated by the Seller and approved by the shareholders of the Target Company. All matters requiring board approval are subject to the unanimous approval of all directors of the Target Company.

Further funding

In the event that the Target Company satisfies the conditions for debt financing, the Target Company shall first seek external financing from banks or other financial institutions, subject to the approval of the Target Company's board of directors. In the event that the Target Company does not have sufficient registered capital to the satisfaction of the relevant financial institutions for financing purpose, the shareholders of the Target Company shall inject capital to the Target Company as required by the relevant financial institutions. The Target Company should use its own assets first to guarantee its financing.

In the event that external financing is insufficient to meet the capital requirements of the Target Company, the shareholders of the Target Company shall provide additional shareholders' loans to the Target Company proportionate to their then respective equity interests in the Target Company to ensure normal operation of the Target Company and the development of the Project, unless all the shareholders of the Target Company unanimously agree to resort to other means of financing.

Profit distribution arrangements

The profits of the Target Company shall be shared by the shareholders of the Target Company in proportion to their respective equity interests in the Target Company.

Waiver of right of first refusal

In light of the development stage of the Project, the Seller and Hangzhou Metro may transfer part of their remaining equity interests in the Target Company to third parties. In such event, the Purchaser shall waive the right of first refusal to facilitate any such transfer but can participate in the auction or tender in relation to such transfer.

INFORMATION OF 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.

INFORMATION ON THE PARTIES

The Seller

The Seller is principally engaged in the construction, operation and management of rail transit and property development in Hangzhou of the PRC.

The Purchaser

The Purchaser is an investment holding company.

Financial Information on the Target Company

**From 20 May 2021 (i.e. date of incorporation of
the Target Company) to 31 December 2021**
(RMB)

Revenue	—
Net profit/(loss) before taxation	(56,167,627.76)
Net profit/(loss) after taxation	(56,167,627.76)

The Target Company has not recorded any revenue or profit because it only holds the Project and the Project has not commenced development. The total assets and net asset value of the Target Company as at 28 February 2022 were RMB1,513,550,678.36 and RMB-32,167,627.76, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Project is situated in Gouzhuang locality* (勾莊板塊), Yuhang District, Hangzhou City, a premier location with convenient transportation, as it is 11km away from Wulin business district* (武林商圈) and 16km away from Qianjiang New Town* (錢江新城), and in the heart of the Liangzhu assembly* (良渚組團) witnessing rapid development pace of surrounding facilities. In addition to the existing Westfield City* (西田城), Jindi Plaza* (金地廣場) and Chengbei Wanda* (城北萬達), Hangxinghui* (杭行薈) was added last year, and there are also Subway Line 4 Chuyun Road Station Complex (including Shulan* (樹蘭) and China Resources Hospital* (華潤醫院)), Xingchuang City* (星創城), and Chengbei Mixc City* (城北萬象城綜合體) currently under construction. Also, the Project is about 1.5km away from

Baiyang Station on Subway Line 2, and about 1.0km away from Gouyang Station on Subway Line 4 under construction, with its own double-side terminal stations, one kindergarten, one primary school, neighborhood center and other facility types, so as to provide a variety of living support facilities.

The Directors believe that the Group will acquire the Land (on which the Project is being developed) through the Acquisition at a reasonable price, and the Project will increase the Group's high-quality land reserve, thus further consolidate its strategic position in Hangzhou. More importantly, the Project will be the Group's first transit-oriented development project outside Guangdong Province.

Having considered the above, the Directors consider the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	collectively, the Equity Transfer and the Loan Assignment in accordance with the terms of the Equity Transfer Agreement
“Board”	the board of Directors
“Business Day”	a day other than a Saturday, Sunday or public holiday in the PRC
“Certificate”	the Certificate for Property and Stock Transfer* (產權交易憑證) issued by Hangzhou Exchange
“Company”	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)

“Completion”	has the meaning as ascribed to it in the paragraph headed “Completion” in this announcement
“Consideration”	the sum of the Equity Transfer Consideration and the Loan Assignment Amount
“Cooperation Agreement”	the cooperation agreement dated 10 May 2022 entered into amongst the Purchaser, the Seller, the Target Company, Hangzhou Metro and Hangzhou Beiyue pursuant to the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the transfer of 51% equity interest in the Target Company from the Seller to the Purchaser in accordance with the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Seller and the Purchaser dated 10 May 2022 regarding the Acquisition
“Equity Transfer Consideration”	RMB73.01 million, being the consideration for the Equity Transfer payable by the Purchaser to the Seller pursuant to the Equity Transfer Agreement
“Group”	the Company and its subsidiaries
“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
“Hangzhou Beiyue”	Hangzhou Beiyue Real Estate Co., Ltd.* (杭州北悅置業有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of Hangzhou Metro
“Hangzhou Exchange”	Hangzhou Property & Stock Exchange Co., Ltd.
“Hangzhou Metro”	Hangzhou Metro Group Company Limited* (杭州市地鐵集團有限責任公司), a company established in the PRC with limited liability, which is ultimately controlled as to 91.8636% by the Hangzhou Municipal People’s Government
“Hong Kong”	The Hong Kong Special Administrative Special Region of the PRC

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“km”	kilometres
“Land”	collectively, the land parcel (Lot no. Yuzhengchuchu (2021) 9 (餘政儲出(2021)9號)) located at Gouzhuang locality, Yuhang District, Hangzhou City, Zhejiang Province, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Assignment”	has the meaning as ascribed to it in the paragraph headed “EQUITY TRANSFER AGREEMENT — Consideration and payment terms” in this announcement
“Loan Assignment Amount”	has the meaning as ascribed to it in the paragraph headed “EQUITY TRANSFER AGREEMENT — Consideration and payment terms” in this announcement
“Public Tender”	has the meaning as ascribed to it in the paragraph headed “INTRODUCTION” in this announcement
“Purchaser”	Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司), a company established in the PRC with limited liability which is indirectly owned as to 95% by the Company and 5% by GZYX
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	the development project which is being developed on the Land
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Hangzhou Metro Development Co., Ltd.* (杭州地鐵開發有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of Hangzhou Metro
“Seller’s Loan”	has the meaning as ascribed to it in the paragraph headed “EQUITY TRANSFER AGREEMENT — Consideration and payment terms” in this announcement
“Shareholder(s)”	holder(s) of share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hangzhou Beihui Property Co., Ltd.* (杭州北匯置業有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of Hangzhou Metro (directly owned as to 1% and indirectly owned as to 69% through the Seller and 30% through Hangzhou Beiyue)
“%”	per cent.

* For identification purpose only

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

Hong Kong, 10 May 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