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MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF A 51% INTEREST IN TWO NEW METRO PROPERTY PROJECTS

THE ACQUISITIONS

The Company is pleased to announce that, on 1 September 2020, it has exercised the YXP Options to acquire a 51% interest in each of the two New Metro Property Projects. The Company has nominated the Purchaser to acquire the Target Holdco Equity Interests, and GCCD to acquire the Target Holdco Loan Rights. Completion of the Acquisitions will be conditional upon (among others) the obtaining of Independent Shareholders' approval.

(a) The Shuixi Project

The Shuixi Project is located on the west side of Shuixi Road, the southwest side of the intersection of Northern Second Ring Expressway and Guanghui Expressway in the Science City of Huangpu District, Guangzhou. The Shuixi Project is located above the Shuixi North Station of Phase 2 of the metro line no. 7 which is expected to commence service in 2023. It is also near the Shuixi Station of the metro line no. 21 and the Luogang exit of the Guanghui Expressway. The Shuixi Project has a site area of 81,620 sq.m., a GFA of 338,789 sq.m. and a plot ratio accountable GFA of 224,455 sq.m. on which residential buildings and ancillary public facilities can be developed. The construction of the Shuixi Project commenced in June 2020.

(b) The Zhenlong Project

The Zhenlong Project is located on the intersection of Zhenlong Town in Huangpu District and Zhongxin town of Zengcheng District, Guangzhou. It is on the northern side of the Guangshan Expressway, adjacent to the Zhenlong Station of the metro line no. 21. The Zhenlong Project has a site area of 242,175 sq.m., a GFA of 703,377 sq.m. and a plot ratio accountable GFA of 508,568 sq.m. on which residential buildings and ancillary public facilities can be developed. The construction of the Zhenlong Project commenced in June 2020.

In order to effect the transfer of the Target Holdco Equity Interests and the Target Holdco Loan Rights, on 1 September 2020, the Purchaser and GCCD have entered into the Transaction Documents with, among others, the Seller and GZYY, pursuant to which, the Purchaser has conditionally agreed to acquire the entire equity interest in each of the Target Holding Companies (which hold the respective 51% equity interests in the Target Companies) for a total consideration of approximately RMB68.37 million, and GCCD has conditionally agreed to acquire the Target Holdco Loans Rights in an aggregate principal amount expected to be approximately RMB5.15 billion (including interest accrued at 6.5% per annum from the respective dates when such Target Holdco Loans were made or acquired by GZYY up to completion of the Acquisitions), in each case by way of assuming an assignment of, or refinancing, the relevant Target Holdco Loans (inclusive of accrued interest) on a dollar-for-dollar basis upon completion of the Acquisitions.

For illustrative purpose, assuming the completion of the Acquisitions takes place on 30 October 2020 (being the date by which the Company targets to complete the Acquisitions), the Total Acquisition Amounts payable by the Purchaser and GCCD for the Acquisitions are expected to be approximately RMB5.33 billion (comprising approximately RMB2.19 billion for the Shuixi Acquisition and approximately RMB3.14 billion for the Zhenlong Acquisition, respectively).

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group believes that the acquisition of 51% equity in the two New Metro Property Projects is an important step in the implementation of the Group's "Railway + Property" business strategy. Thanks to 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 Acquisitions, the Group's high quality landbank in Guangzhou will increase by 1.05 million sq.m., and the total floor area of the TOD projects of the Group will increase to approximately 4.19 million sq.m., accounting for 17.7% of the Group's total landbank as at 30 June 2020, and 32.9% of the Group's landbank as at 30 June 2020 in the Greater Bay Area. In the first half of 2020, the contracted sales value of the TOD projects was approximately RMB5.05 billion, accounting for about 13.4% of the Group's total contracted sales value during the period. 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, each of the Acquisitions constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisitions, on an aggregated basis, exceeds 25% but is less than 100%, the Acquisitions and the transactions contemplated thereunder, on an aggregated basis, constitute a major and connected transaction of the Company. Accordingly, each of the Acquisitions 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 GZYZ 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 Acquisitions. Yu Ming Investment Management Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisitions.

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 Acquisitions).

The circular containing, among other things: (i) further information on the Acquisitions; (ii) a letter of recommendations from the Independent Board Committee in relation to the Acquisitions; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Acquisitions; (iv) financial information of the Group and the Target Group; (v) valuation reports in respect of each of the Target Holding Companies and the New Metro Property Projects that will be developed, respectively; and (vi) a notice of the GM, is expected to be despatched to the Shareholders on or before 22 September 2020.

Shareholders and potential investors of the Company should be aware that the Acquisitions are subject to certain conditions being satisfied, therefore the Acquisitions 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 ACQUISITIONS

As disclosed in the Option Announcement, with the benefit of its strategic relationship with Guangzhou Metro and the support of GZYZ, the Company secured the right to acquire a 51% interest in each of the New Metro Property Projects by entering into two YXP Option Deeds with GZYZ on 4 June 2020.

The Company is pleased to announce that, on 1 September 2020, it has exercised the two YXP Options and it has nominated the Purchaser to acquire the Target Holdco Equity Interests and GCCD to acquire the Target Holdco Loan Rights. Completion of the Acquisitions will be conditional upon (among others) the obtaining of independent Shareholders' approval.

Completion of the GZYX 51% Acquisition on 5 June 2020 and further loans made by GZYX

As disclosed in the Option Announcement, on 4 June 2020, GZYX and its wholly-owned subsidiaries entered into, among others, equity transfer agreements with Guangzhou Metro and Science City, pursuant to which GZYX shall, through its wholly-owned subsidiaries, acquire a 51% equity interest (together with a pro-rata share of the then outstanding shareholders' loans including accrued interest) in each of the Target Companies from Guangzhou Metro (collectively the "**GZYX 51% Acquisition**") and completion of the GZYX 51% Acquisition took place on 5 June 2020.

The total amounts paid by GZYX in relation to the GZYX 51% Acquisition were approximately RMB1.67 billion (in respect of the Shuixi Target Company) and RMB1.83 billion (in respect of the Zhenlong Target Company). After completion of the GZYX 51% Acquisition, further loans in the aggregate principal amounts of RMB0.375 billion and RMB1.09 billion respectively were extended by GZYX to the Shuixi Target Holding Company and the Zhenlong Target Holding Company which on-lent such amounts to the Shuixi Target Company and the Zhenlong Target Company, respectively, as pro-rata shareholder's loans.

In addition to the above pro-rata shareholder's loans extended by the Target Holding Companies to the Target Companies, GZYX has extended Target Special Loans in the principal amounts of RMB37.3 million and RMB82.7 million respectively to the Shuixi Target Company and the Zhenlong Target Company to satisfy their respective operating funding needs. It is expected that, following the Target Special Loans Swap, the principal amounts of such Target Special Loans will become owing by the Target Companies to the Target Holding Companies (which will in turn be owing loans in equivalent amounts to GZYX). It is further expected that before the completion of the Acquisitions, GZYX will, through the Target Holding Companies, extend further Target Special Loans in the principal amounts of RMB20.0 million and RMB40.0 million respectively to the Shuixi Target Company and the Zhenlong Target Company (the "**Further Target Special Loans**"). All Target Special Loans are repayable by the Target Companies from their Surplus Funds before there should be any repayment of the pro-rata shareholders' loans advanced to the Target Companies.

Subject matter and consideration of the Acquisitions

The Purchaser and GCCD have entered into the Transaction Documents with, among others, the Seller, a wholly-owned subsidiary of GZYX, and GZYX on 1 September 2020 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 comprising:

Target Holdco Equity Interests

- (1) the entire equity interest in each of the Target Holding Companies (which hold the respective 51% equity interests in the Target Companies) for a total consideration of approximately RMB68.37 million (the "**Target Holdco Equity Considerations**") (comprising, (a) approximately RMB33.15 million (the "**Shuixi Target Holdco Equity Consideration**"), being the Appraised Value of the net assets of the Shuixi Target Holding Company; and (b) approximately RMB35.22 million (the "**Zhenlong Target Holdco Equity Consideration**"), being the Appraised Value of the net assets of the Zhenlong Target Holding Company);

Target Holdco Loan Rights

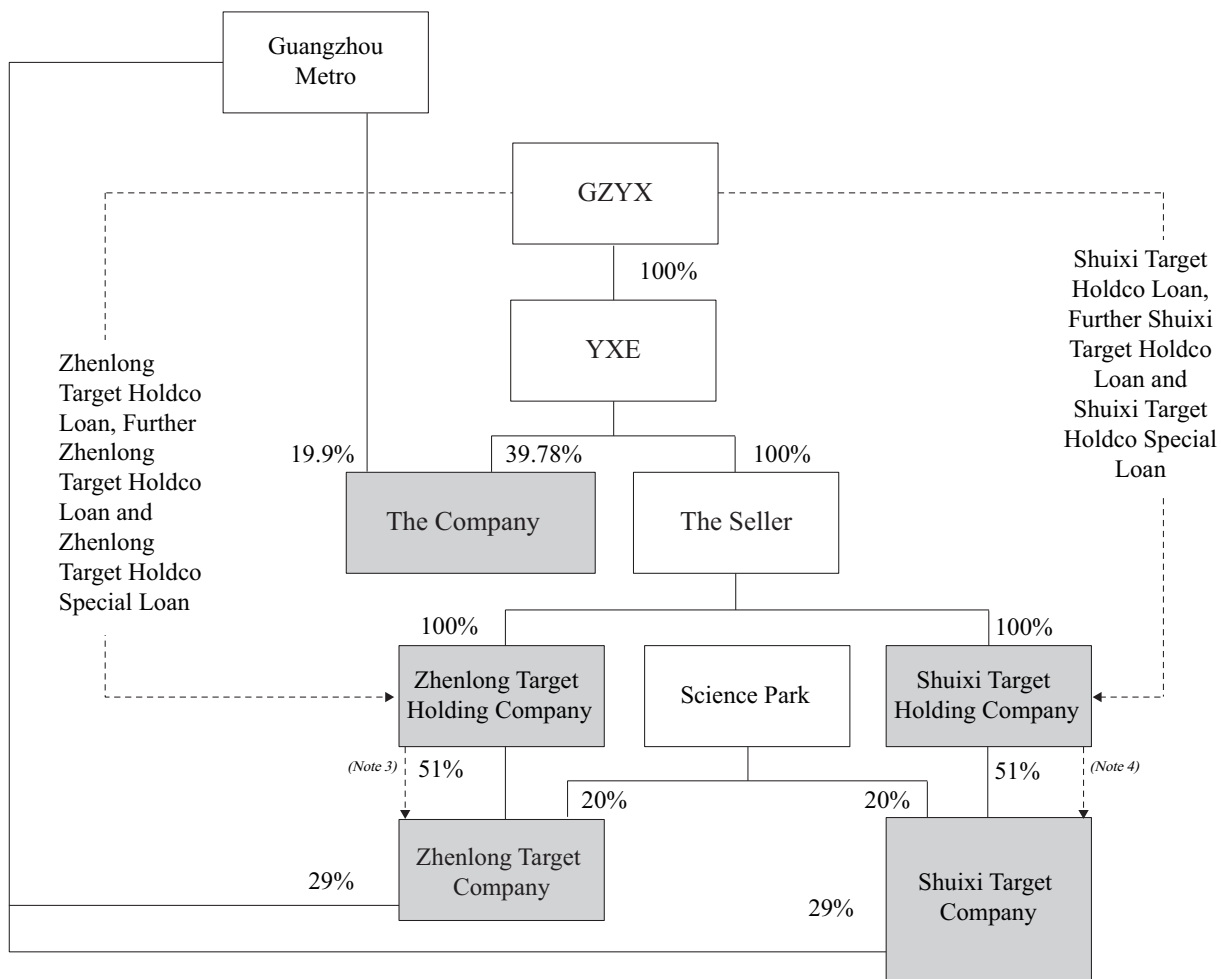
- (2) interests in the loans owing by the Target Holding Companies to GZYX upon completion of the Acquisitions, expected to be in aggregate principal amount of approximately RMB5.15 billion (plus accrued interest), comprising:
- (i) approximately RMB1.67 billion owing by the Shuixi Target Holding Company to GZYX (the “**Shuixi Target Holdco Loan**”) and approximately RMB1.83 billion owing by the Zhenlong Target Holding Company to GZYX (the “**Zhenlong Target Holdco Loan**”), each bears interest at 6.5% per annum from and including the respective dates when such Target Holdco Loans (as defined below) were made to the relevant Target Holding Company or acquired by GZYX, which will be assigned to GCCD on a dollar-for-dollar basis upon completion of the Acquisitions;
 - (ii) approximately RMB0.375 billion owing by the Shuixi Target Holding Company to GZYX (the “**Further Shuixi Target Holdco Loan**”) and approximately RMB1.09 billion owing by the Zhenlong Target Holding Company to GZYX (the “**Further Zhenlong Target Holdco Loan**”), each bears interest at 6.5% per annum from and including the respective dates of such Target Holdco Loans (as defined below) were made to the relevant Target Holding Company by GZYX, which will be refinanced by GCCD upon completion of the Acquisitions; and
 - (iii) approximately RMB57.3 million owing (or expected to be owing) by the Shuixi Target Holding Company to GZYX (the “**Shuixi Target Holdco Special Loan**”) and approximately RMB122.7 million owing (or expected to be owing) by the Zhenlong Target Holding Company to GZYX (the “**Zhenlong Target Holdco Special Loan**”), corresponding to the then outstanding Target Special Loans (including the Further Target Special Loans expected to be made) and each bears interest at 6.5% per annum from and including the respective dates of such Target Holdco Loans (as defined below) were made to the relevant Target Holding Company by GZYX, which will be refinanced by GCCD upon completion of the Acquisitions (the loans described in this paragraph (2) shall be collectively referred to as the “**Target Holdco Loans**”, and the equivalent amount of the Target Holdco Loans inclusive of accrued interest to be paid by GCCD shall be collectively referred to as the “**Target Holdco Loan Considerations**”),

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

For illustrative purpose, assuming the completion of the Acquisitions takes place on 30 October 2020 (being the date by which the Company targets to complete the Acquisitions), the Total Acquisition Amounts payable by the Purchaser and GCCD for the Acquisitions are expected to be approximately RMB5.33 billion (comprising approximately RMB2.19 billion for the Shuixi Acquisition and approximately RMB3.14 billion for the Zhenlong Acquisition, respectively).

Corporate structure before and immediately after the completion of the Acquisitions

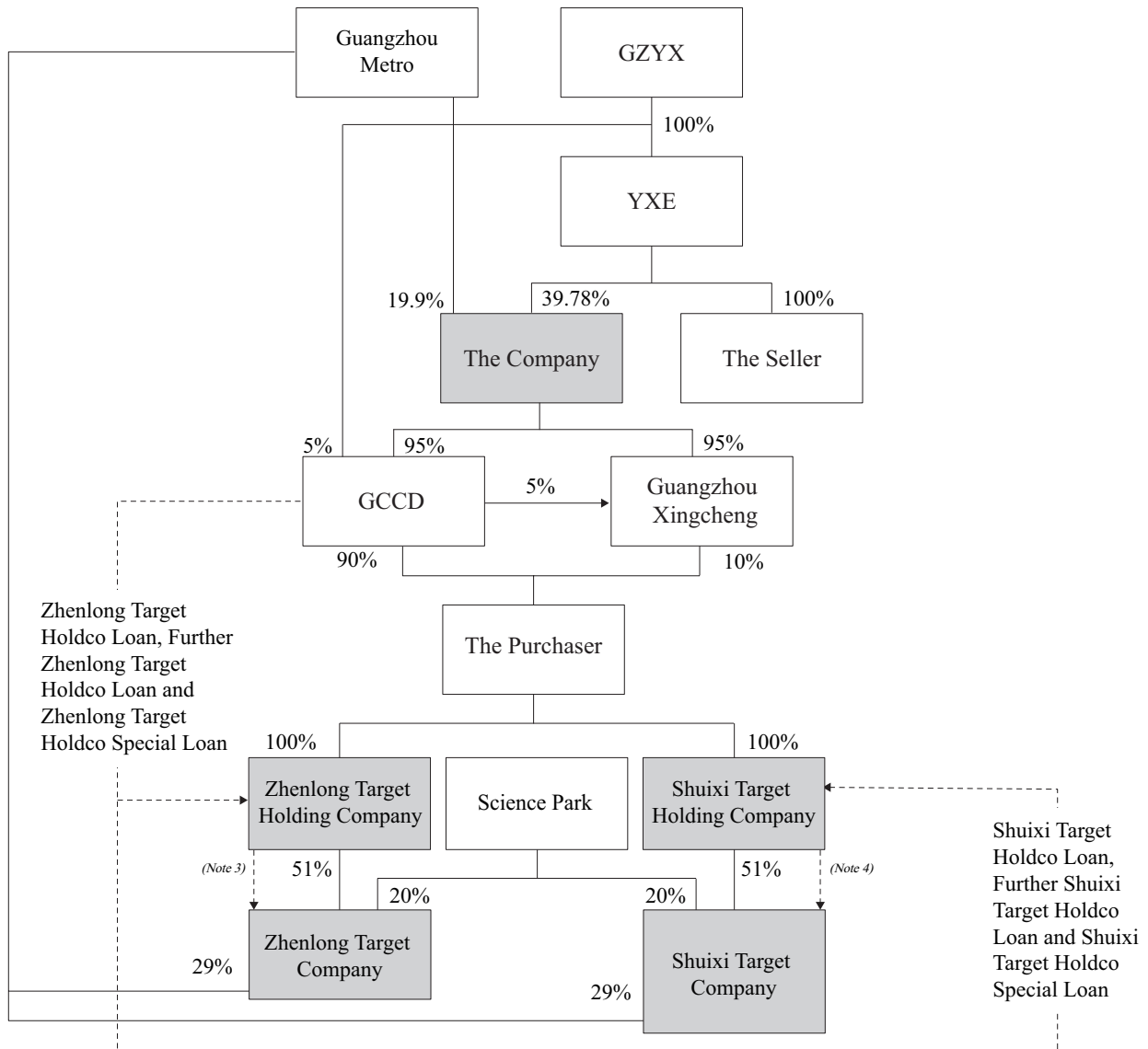
Set out below is the simplified corporate structure chart as at the date of this announcement:



Notes:

1. ————— indicates shareholding/holding of equity interest (direct/indirect)
2. -----> indicates debt provided by one party to another
3. Debts provided by Zhenlong Target Holding Company to Zhenlong Target Company comprise pro-rata shareholder's loans and Target Special Loans.
4. Debts provided by Shuixi Target Holding Company to Shuixi Target Company comprise pro-rata shareholder's loans and Target Special Loans.

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



Notes:

1. — or —> indicates shareholding/holding of equity interest (direct/indirect)
2. -----> indicates debt provided by one party to another
3. Debts provided by Zhenlong Target Holding Company to Zhenlong Target Company comprise pro-rata shareholder's loans and Target Special Loans.
4. Debts provided by Shuixi Target Holding Company to Shuixi Target Company comprise pro-rata shareholder's loans and Target Special Loans.

BASIS OF DETERMINATION OF CONSIDERATION FOR THE SHUIXI ACQUISITION AND THE ZHENLONG ACQUISITION

As at 30 June 2020, the Appraised Values of the Shuixi Project and the Zhenlong Project, as determined by the Independent Valuer using the comparison approach (by making reference to comparable sales transactions as available in the market), were approximately RMB4.14 billion and RMB5.83 billion respectively (each a “**Project Valuation**”), translating into approximately RMB18,445 and RMB11,431 per sq.m., respectively, in terms of plot ratio accountable GFA on which residential buildings and ancillary public facilities can be developed (which is 224,455 sq.m. in respect of the Shuixi Project and 508,568 sq.m. in respect of the Zhenlong Project).

The consideration for the entire equity interests in the Target Holding Companies (which in turn hold the respective 51% equity interests in the Target Companies) to be acquired by the Purchaser was determined based on the respective Appraised Values of the net assets of the Target Holding Companies as at 30 June 2020, being approximately RMB33.15 million and RMB35.22 million respectively, as determined by the Independent Valuer.

As the sole asset held by each Target Holding Company (other than cash and cash equivalents and amounts due from the relevant Target Company) is its 51% equity interest in the relevant Target Company, the Independent Valuer determined the Appraised Value of the net assets of each Target Holding Company as at 30 June 2020 by (among other things) valuing its interest in the relevant Target Company at 51% of the Appraised Value of the net assets of the relevant Target Company as at 30 June 2020 and taking into account the liabilities of the Target Holding Company as at 30 June 2020 (which mainly comprised of shareholder’s loans advanced by GZYYX together with interest accrued up to 30 June 2020). In determining the Appraised Value of the net assets of each Target Company as at 30 June 2020, the Independent Valuer took into account (among other things) (a) the relevant Project Valuation and the deferred tax liabilities associated with the potential fair value gain of the relevant New Metro Property Project; and (b) the liabilities of the relevant Target Company as at 30 June 2020 (which mainly comprised of loans advanced by the relevant Target Holding Company, Guangzhou Metro and Science City together with interest accrued up to 30 June 2020 and trade payables).

For illustrative purpose, assuming the completion of the Acquisitions takes place on 30 October 2020 (being the date by which the Company targets to complete the Acquisitions), the Total Acquisition Amounts payable by the Purchaser and GCCD for the Acquisitions are expected to be approximately RMB5.33 billion (comprising approximately RMB2.19 billion for the Shuixi Acquisition and approximately RMB3.14 billion for the Zhenlong Acquisition, respectively).

As disclosed in the Option Announcement, pursuant to the YXP Option Deeds, the exercise price of each of the YXP Options shall be the higher of: (1) GZYYX’s cost of acquisition (inclusive of any further funding provided by GZYYX to the relevant Target Company) plus interest accrued in each case and other incidental costs (the “**Total Contribution Approach**”); and (2) the value of the interests to be transferred as determined based on the valuation report prepared by an independent professional valuer to be agreed by GZYYX and the Company (the “**Appraised Value Approach**”). For the current exercise of the YXP Options, the Appraised Value Approach should prevail because it is expected that the Total Acquisition Amount (as determined and illustrated above assuming completion of the Acquisitions takes place on 30 October 2020) would be approximately equal to or marginally higher than an exercise price determined based on the Total Contribution Approach.

THE TRANSACTION DOCUMENTS

The terms of the Shuixi Transaction Documents and the Zhenlong Transaction Documents are substantially the same (save for, among others, the amounts payable thereunder). Details of the terms of the Transaction Documents are described below:

1. The Shuixi Acquisition

(i) *The Shuixi Equity Transfer Agreement dated 1 September 2020 (“Shuixi 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) and GZYX.

(ii) *The Shuixi Loan Assignment Agreement dated 1 September 2020 (“Shuixi Loan Assignment Agreement”)*

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

(iii) *The Shuixi Loan Repayment Agreement dated 1 September 2020 (“Shuixi Loan Repayment Agreement”)*

Parties: GZYX, GCCD, Shuixi Target Holding Company and the Shuixi Target Company.

2. The Zhenlong Acquisition

(i) *The Zhenlong Equity Transfer Agreement dated 1 September 2020 (“Zhenlong Equity Transfer Agreement”, together with Shuixi Equity Transfer Agreement, the “Equity Transfer Agreements”, and “Equity Transfer Agreement” shall mean either one of them)*

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) and GZYX.

(ii) *The Zhenlong Loan Assignment Agreement dated 1 September 2020 (“Zhenlong Loan Assignment Agreement”)*

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

(iii) *The Zhenlong Loan Repayment Agreement dated 1 September 2020 (“Zhenlong Loan Repayment Agreement”)*

Parties: GZYX, GCCD, Zhenlong Target Holding Company and the Zhenlong Target Company.

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 relevant Transaction Documents and the transactions contemplated thereunder; and
- (b) the consent(s) and/or waiver(s) of the relevant regulatory authorities which are necessary in connection with the execution, delivery and performance of the relevant Transaction Documents and the transactions contemplated thereunder having been obtained (and such approval(s) not being subsequently revoked prior to completion of the Acquisitions).

As it is contemplated that the Shuixi Acquisition and the Zhenlong Acquisition will be put forward in the same resolution at the GM, the effectiveness of the Shuixi Acquisition and Zhenlong Acquisition are inter-conditional, and the effective date of the Shuixi Transaction Documents and the Zhenlong Transaction Documents is expected to be the same date.

Consideration, payment terms and completion

Subject to the Transaction Documents having become effective:

- (a) each of the Shuixi Target Holdco Equity Consideration of approximately RMB33.15 million and the Zhenlong Target Holdco Equity Consideration of approximately RMB35.22 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 each Equity Transfer Agreement shall take place on the date on which such relevant transfer is registered at the relevant administration for industry and commerce (collectively, the “**Equity Transfer Registrations**”);
- (b) within ten business days of the date of completion of the relevant Equity Transfer Agreement:
 - (i) GZYG shall assign to GCCD all of its rights and interests in the Shuixi Target Holdco Loan (in respect of the Shuixi Acquisition), and/or the Zhenlong Target Holdco Loan (in respect of the Zhenlong Acquisition), as the case may be (together with accrued interest, if applicable) and GCCD shall pay an equivalent amount to GZYG;
 - (ii) GCCD shall provide a loan to each of the Shuixi Target Holding Company and/or the Zhenlong Target Holding Company (as the case may be) to enable it to repay the Further Shuixi Target Holdco Loan and the Further Zhenlong Target Holdco Loan, respectively, in full; and
- (c) after the completion of the relevant Equity Transfer Agreement and subject to the completion of the Target Special Loans Swap, within ten business days of the issue of a written notice from the Shuixi Target Holding Company and/or the Zhenlong Target Holding Company (as the case may be) to GCCD, GCCD shall provide a loan to each of the Shuixi Target Holding Company and/or the Zhenlong Target Holding Company (as the case may be) to enable it to repay the Shuixi Target Holdco Special Loan and the Zhenlong Target Holdco Special Loan, respectively, in full.

Indemnity

Each party to the Shuixi Transaction Documents and the Zhenlong Transaction Documents (as the case may be) 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 an 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 an Equity Transfer Agreement due to the default of any party, any part of the amounts payable under the Transaction Documents (namely, the Target Holdco Equity Considerations and the Target Holdco Loan Considerations) which has been paid, shall be returned to the Purchaser and/or GCCD. The defaulting party shall pay compensation and attend to all necessary procedures to unwind the relevant Equity Transfer pursuant to the terms of the relevant Equity Transfer Agreement and applicable laws and regulations.

MANAGEMENT OF THE TARGET COMPANIES

As a result of the completion of the Acquisitions, (a) the Target Holding Companies will become non-wholly-owned subsidiaries of the Company, which the Target Holding Companies in turn hold 51% equity interests in the relevant Target Company; and (b) the financial results of the Target Holding Companies and the Target Companies will be consolidated into those of the Company.

Pursuant to the cooperative development agreement dated 4 June 2020 in relation to the establishment of the Shuixi Target Company (the “**Shuixi Cooperative Development Agreement**”), Guangzhou Metro, GZYX, the Shuixi Target Holding Company and Science City agreed to cooperate to jointly develop the Shuixi Project through the Shuixi Target Company. Pursuant to the cooperative development agreement dated 4 June 2020 in relation to the establishment of the Zhenlong Target Company (the “**Zhenlong Cooperative Development Agreement**”), Guangzhou Metro, GZYX, the Zhenlong Target Holding Company and Science City agreed to cooperate to jointly develop the Zhenlong Project through the Zhenlong Target Company.

Under the relevant cooperative development agreement, the relevant Target Holding Company is mainly responsible for the overall daily operational management and development management of the respective New Metro Property Project. Unanimous approval of all the shareholders of the relevant Target Company is required for matters in relation to pledging of the shares or capital investment certificate of the relevant Target Company or the provision of guarantee by the relevant Target Company for the liabilities of a third party.

Board composition and reserved matters

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

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

Pursuant to the Shuixi Cooperative Development Agreement and the Zhenlong 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 relevant Target Company.

Further funding

In the event that additional funding is required for the development and construction of any New Metro Property Project, the relevant Target Company shall first seek external financing. In the event any 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 relevant Target Company and subject to the approval of the shareholders of the relevant Target Company, such shareholders shall provide security or guarantee pro-rata to their then respective equity holdings in the relevant Target Company.

Following the Target Special Loans Swap, the Target Holding Companies will assume the funding obligations to provide further Target Special Loans to the Target Companies under the Target Special Loans Agreements. Such funding obligations on the part of the Target Holding Companies will survive completion of the Acquisitions (whereupon the Target Holding Companies will become a subsidiary of the Company). If the Target Companies have any operating funding needs that cannot be satisfied by external financing, the Target Companies will request for further Target Special Loans. Based on the Company's assessment after taking into account the cash flow projections of the Target Companies, any further Target Special Loans required by the Target Companies after completion of the Acquisitions should, in total, fall within the region of RMB120.0 million in principal amount (or RMB300.0 million in principal amount if the Target Special Loans outstanding as at completion of the Acquisitions in the aggregate principal amount of RMB180.0 million are to be taken into account). All Target Special Loans are repayable by the Target Companies from their Surplus Funds before there should be any repayment of the pro-rata shareholders' loans advanced to the Target Companies.

In the event that external financing and the Target Special Loans are insufficient to meet the capital requirements for the development and construction of the relevant New Metro Property Project, the shareholders of the relevant Target Company shall, subject to compliance with their respective internal approval procedures, provide additional shareholders' loans to the relevant Target Company pro-rata to their then respective equity holdings in the relevant Target Company to ensure normal operation of the relevant Target Company and the development of the relevant New Metro Property Project.

Profit distribution arrangements

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

Right of first refusal

Pursuant to the Shuixi Cooperative Development Agreement and the Zhenlong Cooperative Development Agreement, respectively, the shareholders of the relevant Target Company granted to each other a right of first refusal, where, subject to 95% or more of the total saleable area of the relevant New Metro Property Project having been sold, any one of the shareholders of the relevant Target Company (the “**Transferor**”) may transfer all or part of its equity interest in the relevant Target Company and assign all or part of the shareholder’s loan (including any unpaid interest) owing to the Transferor by the relevant Target Company. It is the understanding between the shareholders of the relevant 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 relevant Target Company, or when considering whether to exercise the right of first refusal mentioned above (pursuant to a proposed transfer of interests in the relevant Target Company by the other shareholders of the relevant Target Company), and will comply with the applicable Listing Rules requirements (if any) in respect of the same.

Each of the Target Holding Companies and the Purchaser shall ensure that Guangzhou Metro’s normal railway operations are not affected by the construction works of the relevant New Metro Property Project, and that the relevant New Metro Property Project complies with the safety management system and standards of Guangzhou Metro. If Guangzhou Metro becomes aware of a safety or quality issue caused by any New Metro Property Project failing to meet safety standards prescribed by Guangzhou Metro, it is entitled to demand for the construction works of the relevant New Metro Property Project to be suspended, in which case the Purchaser and the relevant Target Holding Company shall indemnify Guangzhou Metro against all losses suffered by Guangzhou Metro due to suspension of railway service and/or due to delay in construction works of the relevant New Metro Property Project in accordance with the terms of the Shuixi Cooperative Development Agreement and/or the Zhenlong Cooperative Development Agreement (as the case may be).

FINANCIAL INFORMATION OF THE TARGET HOLDING COMPANIES AND THE TARGET COMPANIES

The Shuixi Target Holding Company

The audited consolidated financial information of the Shuixi 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 20 January 2020 (date of incorporation of the Shuixi Target Holding Company) to 30 June 2020 <i>RMB'000</i>
Revenue	–
Loss before taxation	(1,085)
Loss after taxation	(1,087)

The audited consolidated total assets and the audited consolidated net asset value of the Shuixi Target Holding Company as at 30 June 2020 were RMB4.02 billion and RMB0.52 billion, respectively.

The Zhenlong Target Holding Company

The audited consolidated financial information of the Zhenlong 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 17 January 2020 (date of incorporation of the Zhenlong Target Holding Company) to 30 June 2020 <i>RMB'000</i>
Revenue	–
Loss before taxation	(1,398)
Loss after taxation	(1,334)

The audited consolidated total assets and the audited consolidated net asset value of the Zhenlong Target Holding Company as at 30 June 2020 were RMB5.70 billion and RMB0.67 billion, respectively.

INFORMATION OF THE PARTIES TO THE ACQUISITIONS AND THE NEW METRO PROPERTY PROJECTS

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 Western China Region.

The Shuixi Target Holding Company

The Shuixi Target Holding Company is currently an investment holding company whose sole asset (other than cash or cash equivalents and amounts due from the Shuixi Target Company) is a 51% equity interest in the Shuixi Target Company. It was principally engaged in the operation of properties and provision of property and investment consulting services.

The Shuixi Target Company

The Shuixi Target Company is principally engaged in property development and management and property agency services. It is the sole registered owner of the Shuixi Project.

The Zhenlong Target Holding Company

The Zhenlong Target Holding Company is currently an investment holding company whose sole asset (other than cash or cash equivalents and amounts due from the Zhenlong Target Company) is a 51% equity interest in the Zhenlong Target Company. It was principally engaged in the operation of properties and provision of property and investment consulting services.

The Zhenlong Target Company

The Zhenlong Target Company is principally engaged in property development and management and property agency services. It is the sole registered owner of the Zhenlong Project.

The Seller

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

The Purchaser

The Purchaser is an investment holding company which is a subsidiary of GCCD (which is in turn indirectly owned as to 95% by the Company and 5% by GZYX).

GCCD

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

GZYX

GZYX is beneficially wholly-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 and approximately 7.21% shareholding in Chong Hing Bank Limited, a subsidiary of GZYX.

Science City

Science City is principally engaged in the provision of services in construction and infrastructure. Science City is an Independent Third Party.

The New Metro Property Projects

(i) The Shuixi Project

The Shuixi project (the "**Shuixi Project**") is located on the west side of Shuixi Road, the southwest side of the intersection of Northern Second Ring Expressway and Guanghui Expressway in the Science City of Huangpu District, Guangzhou. The Shuixi Project is located above the Shuixi North Station of Phase 2 of the metro line no. 7 which is expected to be put into service in 2023. It is also near the Shuixi Station of the metro line no. 21 and the Luogang exit of the Guanghui Expressway. The Shuixi Project has a site area of 81,620 sq.m., a GFA of 338,789 sq.m. and a plot ratio accountable GFA of 224,455 sq.m. on which residential buildings and ancillary public facilities can be developed. The construction of the Shuixi Project commenced in June 2020. Pursuant to the relevant land use rights grant contract, the Shuixi Target Company will be required to construct the city roads and certain supporting public service facilities which will be transferred to the designated governmental department for nil consideration. The cost of such construction is estimated to be approximately RMB111.0 million.

(ii) The Zhenlong Project

The Zhenlong project (the “**Zhenlong Project**”) is located on the intersection of Zhenlong Town in Huangpu District and Zhongxin town of Zengcheng District, Guangzhou. It is on the northern side of the Guangshan Expressway, adjacent to the Zhenlong Station of the metro line no. 21. The Zhenlong Project has a site area of 242,175 sq.m., a GFA of 703,377 sq.m. and a plot ratio accountable GFA of 508,568 sq.m. on which residential buildings and ancillary public facilities can be developed. The construction of the Zhenlong Project commenced in June 2020. Pursuant to the relevant land use rights grant contract, the Zhenlong Target Company will be required to construct certain supporting public service facilities which will be transferred to the designated governmental department for nil consideration. The cost of such construction is estimated to be approximately RMB220.0 million.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group believes that the acquisition of 51% equity in the two New Metro Property Projects is an important step in the implementation of the Group’s “Railway + Property” business strategy. Thanks to 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 Acquisitions, the Group’s high quality landbank in Guangzhou will increase by 1.05 million sq.m., and the total floor area of the TOD projects of the Group will increase to approximately 4.19 million sq.m., accounting for 17.7% of the Group’s total landbank as at 30 June 2020, and 32.9% of the Group’s landbank as at 30 June 2020 in the Greater Bay Area. In the first half of 2020, the contracted sales value of the TOD projects was approximately RMB5.05 billion, accounting for about 13.4% of the Group’s total contracted sales value during the period. 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 Acquisitions 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 is therefore an associate of YXE and, hence, a connected person of the Company. Accordingly, each of the Acquisitions constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisitions, on an aggregated basis, exceeds 25% but is less than 100%, the Acquisitions and the transactions contemplated thereunder, on an aggregated basis, constitute a major and connected transaction of the Company. Accordingly, each of the Acquisitions and the transactions contemplated thereunder are subject to the reporting, announcement, circular 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 any of the Acquisitions 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 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.

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 Acquisitions, 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.

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 Acquisitions.

Yu Ming Investment Management Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisitions, 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 transaction contemplated thereunder (namely, the Acquisitions).

The circular containing, among other things: (i) further information on the Acquisitions; (ii) a letter of recommendations from the Independent Board Committee in relation to the Acquisitions; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Acquisitions; (iv) financial information of the Group, the Target Holding Companies and Target Companies; (v) valuation reports in respect of each of the Target Holding Companies and the New Metro Property Projects that will be developed, respectively and (vi) a notice of the GM, is expected to be despatched to the Shareholders on or before 22 September 2020.

Shareholders and potential investors of the Company should be aware that the Acquisitions are subject to certain conditions being satisfied, therefore the Acquisitions 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:

“Acquisitions”	acquisition of the Target Holdco Equity Interests and the Target Holdco Loan Rights as described in the section headed “The Acquisitions – Subject matter and consideration of the Acquisitions”
“Appraised Value Approach”	has the meaning given to it in the section headed “Basis of determination of consideration for the Shuixi Acquisition and the Zhenlong Acquisition”
“Appraised Value(s)”	the market value of the relevant New Metro Property Project or the relevant Target Holding Company (as the case may be) as at 30 June 2020 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 Transfers”	collectively, the Shuixi Equity Transfer and the Zhenlong Equity Transfer
“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
“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 Acquisitions)

“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 beneficially wholly-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 Acquisitions are fair and reasonable and as to voting
“Independent Financial Adviser”	Yu Ming Investment Management Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of whether the Acquisitions are fair and reasonable and as to voting
“Independent Shareholders”	<p>(a) for the purpose of the Shuixi Acquisition, Shareholders other than (i) any Shareholder who has a material interest in the Shuixi Acquisition other than its interest as a Shareholder; and (ii) any close associate of such Shareholder referred to in (a)(i); and</p> <p>(b) for the purpose of the Zhenlong Acquisition, Shareholders other than (i) any Shareholder who has a material interest in the Zhenlong Acquisition other than its interest as a Shareholder; and (ii) any close associate of such Shareholder referred to in (b)(i)</p>
“Independent Third Party(ies)”	third part(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected to any of the connected persons of the Company
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Metro Property Projects”	collectively, the Shuixi Project and the Zhenlong Project and each a “New Metro Property Project”
“Option Announcement”	means the voluntary announcement made by the Company dated 5 June 2020 in relation to the YXP Options
“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)
“RMB”	Renminbi, the lawful currency of the PRC
“Science City”	科學城(廣州)投資集團有限公司 (Science City (Guangzhou) Investment Group Limited*), a company established in the PRC with limited liability
“Seller”	泉佳有限公司 (Strong Arise Limited), a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of GZYX
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shuixi Acquisition”	the acquisition of the Shuixi Target Holdco Equity Interests and the Target Holdco Loan Rights in respect of Shuixi Target Holding Company
“Shuixi Equity Transfer”	the transfer of the entire equity interest in Shuixi Target Holding Company from the Seller to the Purchaser
“Shuixi Option Deed”	the option deed entered into between GZYX and the Company dated 4 June 2020 in relation to the Shuixi Project
“Shuixi Target Company”	廣州市品冠房地產開發有限公司 (Guangzhou City Pinguan Property Development Company Limited*), a company established in the PRC with limited liability, which is owned as to 51%, 29% and 20% by the Shuixi Target Holding Company, Guangzhou Metro and Science City respectively as at the date of this announcement
“Shuixi Target Holdco Equity Interests”	the entire equity interests in Shuixi Target Holding Company which in turn holds 51% equity interests in Shuixi Target Company

“Shuixi Target Holding Company”	廣州泉西實業發展有限公司(Guangzhou Quanxi Industrial Development Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of GZYYX as at the date of this announcement, which in turn owns 51% of equity interest in the Shuixi Target Company
“Shuixi Transaction Documents”	collectively, the Shuixi Equity Transfer Agreement, the Shuixi Loan Assignment Agreement and the Shuixi Loan Repayment Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surplus Funds”	means, subject to the requirements from the relevant financial institutions and governmental authorities, the remaining surplus from the revenue of the relevant Target Company after deducting the operating costs, repayment of loans from financial institutions and capital required for the development and construction of the relevant New Metro Property Project
“sq.m.”	square meters
“Target Companies”	collectively, the Shuixi Target Company and the Zhenlong Target Company
“Target Group”	means the Target Holding Companies and Target Companies
“Target Holdco Equity Interests”	collectively, Shuixi Target Holdco Equity Interest and Zhenlong Target Holdco Equity Interest
“Target Holdco Loan Rights”	all of rights, title, interest and benefit of GZYYX in and to the Target Holdco Loans
“Target Holdco Loans”	has the meaning given to it in the section headed “The Acquisitions – Subject matter and consideration of the Acquisitions”
“Target Holding Companies”	collectively, the Shuixi Target Holding Company and the Zhenlong Target Holding Company and each a “ Target Holding Company ”
“Target Special Loans”	means loans owing by a Target Company to GZYYX or (following the Target Special Loans Swap) the relevant Target Holding Company pursuant to the relevant Target Special Loans Agreement and the Target Special Loans Swap, each bearing interest at the rate of 6.5% per annum and repayable by the relevant Target Company from its Surplus Funds before there should be any repayment of the pro-rata shareholders’ loans advanced to such Target Company

<p>“Target Special Loans Agreements”</p>	<p>means the special loans agreement dated 19 August 2020 between the Shuixi Target Company and GZYG and the special loans agreement dated 19 August 2020 between the Zhenlong Target Company and GZYG, pursuant to which GZYG is required to extend Target Special Loans in the amounts of up to approximately RMB294.4 million and RMB399.1 million, respectively, to the Shuixi Target Company and Zhenlong Target Company to satisfy their respective operating funding needs, provided that GZYG’s rights and obligations under each such agreement will be transferred to and assumed by the relevant Target Holding Company pursuant to the Target Special Loans Swap</p>
<p>“Target Special Loans Swap”</p>	<p>means, in relation to each Target Company, the following steps to be taken pursuant to a loan restructuring agreement dated 1 September 2020 amongst such Target Company, GZYG and the relevant Target Holding Company: (a) GZYG will extend a loan equivalent to the principal amount of the relevant Target Special Loan owing by such Target Company to GZYG and outstanding as at the date of this announcement (being RMB37.3 million in respect of Shuixi Target Company or RMB82.7 million in respect of Zhenlong Target Company) to the relevant Target Holding Company; (b) the relevant Target Holding Company will in turn extend a Target Special Loan in an equivalent amount to such Target Company to refinance the principal amount of the first-mentioned Target Special Loan; (c) interest accrued on the first-mentioned Target Special Loan up to the date of such refinancing will be repaid by such Target Company out of their own funds; and (d) the rights and obligations of GZYG under the relevant Target Special Loans Agreement will be transferred to and assumed by the relevant Target Holding Company</p>
<p>“Total Acquisition Amounts”</p>	<p>the aggregate amount payable by the Purchaser and/or GCCD for the Acquisitions, and “Total Acquisition Amount” shall mean the aggregate amount payable by the Purchaser and/or GCCD for the Shuixi Acquisition or the Zhenlong Acquisition (as the context requires)</p>
<p>“Total Contribution Approach”</p>	<p>has the meaning given to it in the section headed “Basis of determination of consideration for the Shuixi Acquisition and the Zhenlong Acquisition”</p>
<p>“Transaction Documents”</p>	<p>collectively, the Shuixi Equity Transfer Agreement, the Shuixi Loan Assignment Agreement, the Shuixi Loan Repayment Agreement, the Zhenlong Equity Transfer Agreement, the Zhenlong Loan Assignment Agreement and the Zhenlong Loan Repayment Agreement, and each a “Transaction Document”</p>

“YXE”	Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of GZYX
“YXP Option Deeds”	the Shuixi Option Deed and the Zhenlong Option Deed
“YXP Options”	the right granted to the Company by GZYX pursuant to the YXP Option Deeds
“Zhenlong Acquisition”	the acquisition of the Zhenlong Target Holdco Equity Interests and the Target Holdco Loan Rights in respect of Zhenlong Target Holding Company
“Zhenlong Equity Transfer”	means the transfer of the entire equity interest in Zhenlong Target Holding Company from the Seller to the Purchaser
“Zhenlong Option Deed”	the option deed entered into between GZYX and the Company dated 4 June 2020 in relation to the Zhenlong Project
“Zhenlong Target Company”	廣州市品輝房地產開發有限公司(Guangzhou City Pinghui Property Development Company Limited*), a company established in the PRC with limited liability, which is owned as to 51%, 29% and 20% by the Zhenlong Target Holding Company, Guangzhou Metro and Science Park respectively as at the date of this announcement
“Zhenlong Target Holdco Equity Interests”	the entire equity interests in Zhenlong Target Holding Company which in turn holds 51% equity interests in Zhenlong Target Company

“Zhenlong Target Holding Company”

廣州泉龍實業發展有限公司(Guangzhou Quanlong Industrial Development Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of GZYX as at the date of this announcement, which in turn owns 51% of equity interest in the Zhenlong Target Company

“Zhenlong Transaction Documents”

collectively, the Zhenlong Equity Transfer Agreement, the Zhenlong Loan Assignment Agreement and the Zhenlong Loan Repayment Agreement

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

Hong Kong, 1 September 2020

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

* *for identification purpose only*