

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00123)**

**CONNECTED TRANSACTION IN RELATION TO  
THE ACQUISITION OF 67.0% EQUITY INTEREST IN  
GUANGZHOU METRO ENVIRONMENTAL ENGINEERING CO., LTD.\*  
AND 67.0% INDIRECT EFFECTIVE EQUITY INTEREST IN  
GUANGZHOU METRO PROPERTY MANAGEMENT CO., LTD.\***

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE FRAMEWORK PROPERTY MANAGEMENT SERVICES AGREEMENT**

**POSSIBLE SPIN-OFF AND SEPARATE LISTING OF  
THE PROPERTY MANAGEMENT BUSINESS OF THE GROUP**

The Company is pleased to announce that, on 23 November 2020, the Vendor, the Purchaser and the Target Companies entered into the Equity Transfer Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 67.0% of the equity interest in GZMEE and 67.0% of the indirect effective equity interest in GZMPM (indirectly through GZMEE's shareholding in GZMPM), which are both property management service companies, at a total consideration of RMB281.74 million (including tax payable of RMB5.0 million).

Following Completion of the Equity Transfer Agreement, the Target Companies will become subsidiaries of the Company and will continue to provide property management and other ancillary services to GZ Metro and its associates, which is a substantial shareholder of the Company and hence a connected person of the Company. The abovementioned transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As such, on 23 November 2020, the Target Companies and GZ Metro entered into the Framework Property Management Services Agreement to govern the transactions contemplated thereunder.

The Annual Caps for the transactions contemplated under the Framework Property Management Services Agreement will be RMB22.0 million, RMB264.0 million and RMB316.8 million from Completion up to 31 December 2020 and for the year ending 31 December 2021 and 2022, respectively.

## **LISTING RULES IMPLICATIONS**

The Vendor is a substantial shareholder of the Company and is therefore a connected person of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Annual Caps for the transactions contemplated under the Framework Property Management Services Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions under the Framework Property Management Services Agreement are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **POSSIBLE SPIN-OFF AND SEPARATE LISTING OF THE PROPERTY MANAGEMENT BUSINESS OF THE GROUP**

The Company is considering a possible spin-off and separate listing of the property management business of the Group on the Main Board of the Stock Exchange. In the event that the Company proceeds with the Possible Spin-Off, it will constitute a spin-off by the Company pursuant to Practice Note 15 to the Listing Rules and will also be a deemed disposal of an interest in the property management business of the Group by the Company under Rule 14.29 of the Listing Rules.

## **THE EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are set out below:–

### **Date**

23 November 2020

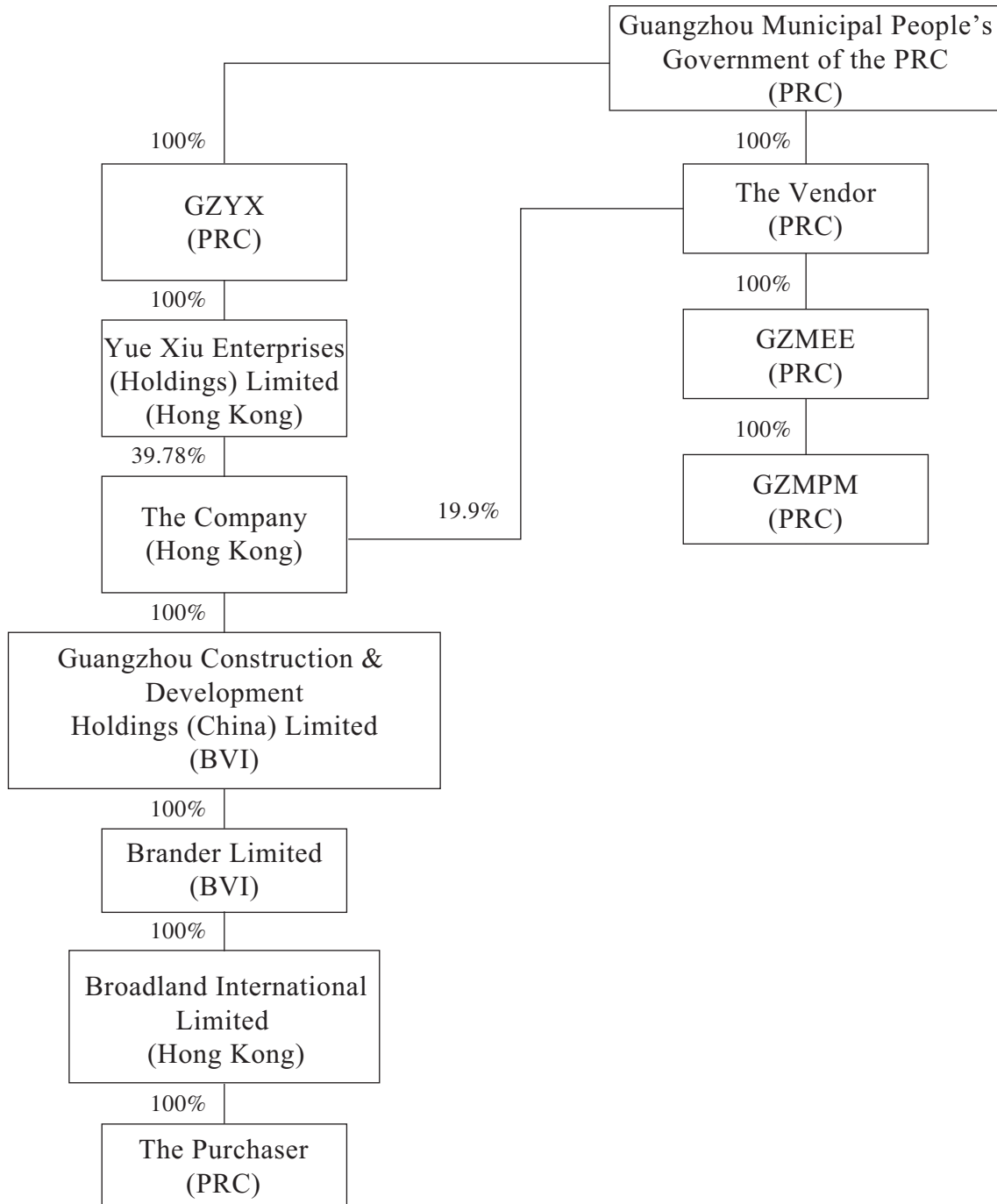
### **Parties**

The Vendor, the Purchaser and the Target Companies

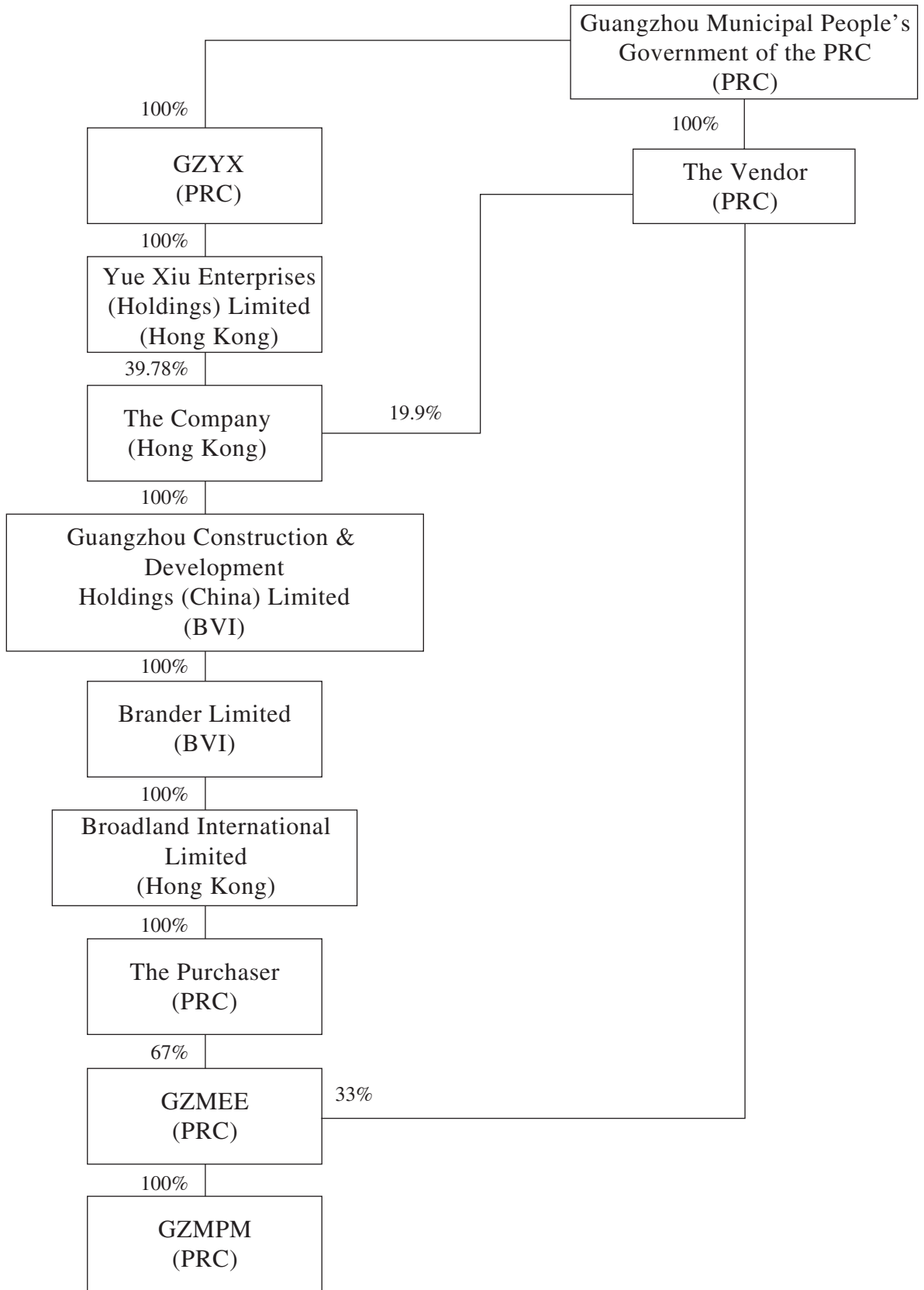
### **Assets to be acquired**

Pursuant to the Equity Transfer Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, 67.0% of the equity interest in GZMEE and 67.0% of the indirect effective equity interest in GZMPM (indirectly through GZMEE's shareholding in GZMPM) at a total consideration of RMB281.74 million (including tax payable of RMB5.0 million).

The chart below illustrates the simplified shareholding structure of the Vendor, the Purchaser and the Target Companies immediately prior to the Acquisition:



The chart below illustrates the simplified shareholding structure of the Vendor, the Purchaser and the Target Companies immediately after the Acquisition:



## **Consideration and payment terms**

The Equity Transfer Consideration of RMB281.74 million includes a tax payable of RMB5.0 million. As a result, the amount to be paid by the Purchaser to the Vendor is RMB276.74 million, which shall be payable in full by the Purchaser to the designated account of the Vendor within five business days after the effective date of the Equity Transfer Agreement.

## **Effective date**

The effective date of the Equity Transfer Agreement shall be the date on which (i) the Equity Transfer Agreement is stamped with the official seal of the Parties and signed by their respective legal representatives or authorized representatives; and (ii) the supplemental explanatory statement containing the Vendor's representations and warranties has been signed by the Vendor.

## **Completion**

Subject to the Equity Transfer Agreement becoming effective, the date on which the following Conditions Precedent have been satisfied shall be deemed to be the date on which Completion has taken place:

- (i) the Purchaser has been registered at the relevant State Administration for Industry and Commerce as the holder of the 67.0% equity interest in GZMEE, and 67.0% of the indirect equity interest in GZMPM through its shareholding in GZMEE;
- (ii) the registration at the relevant State Administration for Industry and Commerce by the Target Companies in relation to the Acquisition in accordance with the manner set out in the Equity Transfer Agreement has been completed;
- (iii) the directors, supervisors, general manager and finance manager recommended by the Purchaser have been properly appointed in the shareholders' meeting of each of the Target Companies in accordance with the manner set out in the Equity Transfer Agreement and have commenced their duties at the respective Target Companies;
- (iv) the policy regarding the co-ownership of the company chops and business registration certificates of the Target Companies by the Vendor and the Purchaser has been established in accordance with the manner set out in the Equity Transfer Agreement; and
- (v) the Framework Property Management Services Agreement and other documents as required under Chapter 14A of the Listing Rules have been entered into.

As at the date of this announcement, the Framework Property Management Services Agreement has already been entered into. The remaining Conditions Precedent are expected to be satisfied on or before 30 November 2020.

The Vendor shall compensate the Purchaser all losses, contingent liabilities, administrative penalties, liabilities for compensation arising from disputes and litigation proceedings, liabilities to pay social security insurance and housing provident fund suffered by the Target Companies prior to the Equity Transfer Date and other losses arising from any default by the Vendor during the Transition Period.

## **Termination**

The Equity Transfer Agreement may be terminated upon the occurrence of any of the following events:

- (i) the inability to achieve the purpose of the Equity Transfer Agreement due to force majeure;
- (ii) prior to Completion, a Party explicitly or impliedly (through its actions) represents its inability to discharge its material obligations by the relevant deadline stipulated under the Equity Transfer Agreement;
- (iii) the failure of a Party to discharge its material obligations on time or within a reasonable period following the receipt of notice by the non-defaulting Party(ies);
- (iv) the failure to timely discharge the obligations of a Party or its other contractual breach, which leads to the inability to achieve the purpose of the Equity Transfer Agreement;
- (v) termination pursuant to any applicable laws; or
- (vi) termination pursuant to other terms of the Equity Transfer Agreement.

## **BASIS OF DETERMINATION OF THE EQUITY TRANSFER CONSIDERATION**

The Equity Transfer Consideration of RMB281.74 million (including tax payable of RMB5.0 million) was arrived at after arm's length negotiations between the Vendor and the Purchaser and represents an approximate 5.4% discount to 67.0% of the the appraised value of the Target Companies of approximately RMB444.4 million as at 30 June 2020 as valued by the Independent Valuer based on market approach.

It is the intention of the Company to satisfy the Equity Transfer Consideration by the internal resources of the Group.

## **FINANCIAL IMPACT OF THE ACQUISITION**

Following the Completion, GZMEE will be indirectly owned as to 67.0% by the Company and GZMPM will be indirectly owned as to 67.0% by the Company through GZMEE. They will become subsidiaries of the Company and their accounts will be consolidated into those of the Company.

## **INFORMATION OF THE TARGET COMPANIES**

### **Guangzhou Metro Environmental Engineering Co., Ltd.\***

GZMEE is principally engaged in (i) the upkeeping and placing of greeneries in train depots owned, operated and managed by GZ Metro in Guangzhou, the PRC; (ii) the cleaning and sanitation of train depots and train stations owned, operated and managed by GZ Metro in Guangzhou, the PRC; (iii) the delivery and collection of train tickets; and (iv) the upkeeping and placing of greeneries in, and the cleaning and sanitation of other commercial properties.

## **Guangzhou Metro Property Management Co., Ltd.\***

GZMPM is principally engaged in the provision of property management services (including cleaning and sanitation, and safety and security) of (i) the abovementioned train depots and train stations; and (ii) residential properties and commercial properties in Guangzhou, the PRC.

The unaudited consolidated financial information of the Target Companies for the two years ended 31 December 2018 and 2019 and the six months ended 30 June 2020, respectively, is as follows:

|                            | <b>For the year ended 31 December</b> |                | <b>For the six months</b> |
|----------------------------|---------------------------------------|----------------|---------------------------|
|                            | <b>2018</b>                           | <b>2019</b>    | <b>ended 30 June</b>      |
|                            | <i>RMB'000</i>                        | <i>RMB'000</i> | <i>RMB'000</i>            |
| Revenue                    | 153,225                               | 177,562        | 102,441                   |
| Net profit before taxation | 5,681                                 | 13,912         | 15,823                    |
| Net profit after taxation  | 4,052                                 | 10,347         | 11,868                    |

The unaudited consolidated total assets and the net asset value of the Target Companies as at 30 June 2020 were approximately RMB129.3 million and approximately RMB61.6 million, respectively.

## **INFORMATION OF THE COMPANY, THE VENDOR AND THE PURCHASER**

### **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 Vendor**

The Vendor is a wholly-owned subsidiary of Guangzhou Municipal People's Government of the PRC. Established in 1992, the Vendor is responsible for the financing, investment, construction, operation, property development and expansion of Guangzhou's urban rail transportation. As at the date of this announcement, the Vendor indirectly owns approximately 19.9% shareholding in the Company and approximately 7.21% shareholding in Chong Hing Bank Limited, a subsidiary of GZYZ.

### **The Purchaser**

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of property management services to residential properties throughout the PRC.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group has been implementing its “Railway + Property” business strategy and has been able to acquire high quality landbank along the metro lines in Guangzhou at a reasonable price. It believes that the Acquisition would further this business strategy by bringing new opportunities to the Group’s property management business. Currently, the portfolio under the Group’s management consists mainly of residential properties and commercial properties such as office buildings and shopping malls, and the Acquisition would expand the types of properties under management by adding the current train depots and train stations under management to the Group’s property management portfolio. With the Target Companies’ prior experience in managing train depots and train stations, it is also expected that following the Acquisition, the Group will be able to participate in the tender process of the property management projects of similar types of properties when the Group starts to accumulate operational and management experience of train depots and train stations, thereby broadening the Group’s portfolio and further expanding the geographical reach of its property management business. Further, the synergistic effect resulting from the Acquisition is believed to benefit both the business collaboration between the Group and GZ Metro, which would be beneficial to the Possible Spin-Off.

The Board (including the independent non-executive Directors) considers that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms or better, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **THE FRAMEWORK PROPERTY MANAGEMENT SERVICES AGREEMENT**

The principal terms of the Framework Property Management Services Agreement are set out below:

### **Date**

23 November 2020

### **Parties**

The Target Companies and GZ Metro

### **Services to be rendered**

Pursuant to the Framework Property Management Services Agreement, the Target Companies provide the following services to properties owned, operated and used by GZ Metro and its associates:

- (i) property management services (including sanitary services) for train stations, train depots, residential properties and commercial properties;
- (ii) the upkeep and placing of greeneries in train depots and other commercial properties; and
- (iii) other ancillary services.



## **Term and termination**

The term of the Framework Property Management Services Agreement commences on the date of Completion up to and including 31 December 2022.

Subject to compliance with the relevant requirements under the Listing Rules, the Framework Property Management Services Agreement will renew for an additional term of three years on the same terms and conditions.

The Framework Property Management Services Agreement shall terminate upon the occurrence of any of the following events:

- (i) the expiration of the term of the Framework Property Management Services Agreement (if it has not been renewed);
- (ii) agreement in writing by the Target Companies and GZ Metro to terminate the Framework Property Management Services Agreement;
- (iii) the Framework Property Management Services Agreement has been terminated pursuant to applicable provisions of laws and regulations or pursuant to judgment or decision made by courts or arbitration organisations with jurisdiction; or
- (iv) the continuing connected transactions contemplated under the Framework Property Management Services Agreement no longer conform with the applicable requirements under the Listing Rules.

## **Property management services agreements and pricing policy**

The existing property management services agreements between the Target Companies and GZ Metro and its associates shall adhere to and comply with the terms of and requirements stipulated under the Framework Property Management Services Agreement. Where there are any discrepancies between the Framework Property Management Services Agreement and these property management services agreements, the former shall prevail.

The fees payable and terms pursuant to the existing property management services agreements and all future property management service agreements up to 31 December 2022 shall be based on (i) arm's length negotiations between the Target Companies and GZ Metro with reference to the scope of services rendered; or (ii) where applicable, the outcome of tendering processes, or with reference to those offered to Independent Third Parties.

## **PROPOSED ANNUAL CAPS**

The Annual Caps for the transactions contemplated under the Framework Property Management Services Agreement are calculated with reference to:

- (i) the historical transaction amount for the provision of property management and other ancillary services of approximately RMB130.0 million and RMB151.0 million for the year ended 31 December 2018 and 2019, and approximately RMB87.1 million for the six months ended 30 June 2020;
- (ii) the existing property management services agreements already entered into that will continue to be in force up to the years ending 31 December 2020, 2021 and 2022; and
- (iii) the expected growth in business volume for services rendered to GZ Metro and its associates for the years ending 31 December 2021 and 2022.

The Annual Caps for the transactions contemplated under the Framework Property Management Services Agreement will be RMB22.0 million, RMB264.0 million and RMB316.8 million from Completion up to 31 December 2020 and for the years ending 31 December 2021 and 2022, respectively.

In the event that the aggregate annual amount payable by GZ Metro and its associates to the Target Companies for the transactions contemplated under the Framework Property Management Services Agreement shall exceed the annual cap stipulated above for any given year or period, the Company shall take all necessary procedures to comply with the Listing Rules, including to make announcement(s) if appropriate and to seek independent shareholders' approval if necessary. Prior to such compliance in full by the Company, the parties shall limit the aggregate annual amounts within the abovementioned annual caps.

## **INFORMATION OF THE COMPANY, GZ METRO AND THE TARGET COMPANIES**

Please refer to the above for the relevant background information of the Company, GZ Metro and the Target Companies.

## **REASONS FOR AND BENEFITS OF THE FRAMEWORK PROPERTY MANAGEMENT SERVICES AGREEMENT**

Following Completion, the Target Companies will become subsidiaries of the Company. As a result, the services currently being provided by the Target Companies to GZ Metro will become continuing connected transactions of the Company, which will lead to the expansion of the portfolio of the Group's property management business hence its revenue, and will contribute to an additional source of income for the Group.

Having considered the above factors and the basis of determination of the relevant annual caps, the Board (including the independent non-executive Directors) considers that: (i) the terms of the Framework Property Management Services Agreement are fair and reasonable and on normal commercial terms; (ii) the transactions contemplated under the Framework Property Management Services Agreement are in the ordinary and usual course of business of the Group; (iii) the entering into of the Framework Property Management Services Agreement by the Company is in the interest of the Company and its shareholders as a whole; and (iv) the relevant Annual Caps (including the basis of determination thereof) are fair and reasonable.

## INTERNAL CONTROL PROCEDURES

In order to ensure that the terms of the Framework Property Management Services Agreement are complied with, the Group has established a series of internal control procedures and external supervision measures as follows:

- (i) the Group will monitor the service fees payable by GZ Metro pursuant to the Framework Property Management Services Agreement on a monthly basis to ensure that the aggregate amount does not exceed the Annual Caps;
- (ii) the Group will prepare a continuing connected transaction report (“**CCT Report**”) once every six months on the transactions contemplated under the Framework Property Management Services Agreement which will be submitted to the Group’s audit committee for consideration. The content of the CCT Report shall include: (a) the aggregate amount of the service fees payable by GZ Metro pursuant to the Framework Property Management Services Agreement recorded for the reporting period; (b) a summary and comparison of the services fees payable by GZ Metro to the Target Companies with reference to the then prevailing market conditions and the service fees charged by the Target Companies to Independent Third Parties using the Target Companies’ services; and (c) the status of compliance with the Annual Caps;
- (iii) the Group’s audit committee will convene meetings at least twice a year to discuss and assess the implementation of the continuing connected transactions of the Group (including the transactions contemplated under the Framework Property Management Services Agreement); and
- (iv) the external auditors of the Group will conduct a review of interim financial information of the Group for six months ending 30 June of each financial year, and an audit of consolidated financial statements of the Group for each financial year. The external auditors of the Group will also issue a letter to the Board in relation to the continuing connected transactions of the Group for each financial year in accordance with Rule 14A.56 of the Listing Rules confirming whether anything has come to the external auditors’ attention that causes them to believe that the continuing connected transactions: (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (d) have exceeded the cap. In addition, according to the Listing Rules, the independent non-executive Directors will conduct an annual review with respect to the transactions contemplated under the Framework Property Management Services Agreement throughout the preceding financial year and give confirmation on the transaction amounts and terms of the transactions in each annual report of the Group.

In view of the above, the Company considers that there are adequate internal control procedures and external supervision measures to ensure that the transactions contemplated under the Framework Property Management Services Agreement will comply with the relevant regulatory guidelines and the terms therein.

## **LISTING RULES IMPLICATIONS**

The Vendor is a substantial shareholder of the Company and is therefore a connected person of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Annual Caps for the transactions contemplated under the Framework Property Management Services Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions under the Framework Property Management Services Agreement are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As none of the Directors had a material interest in the Acquisition, the Framework Property Management Services Agreement and the transactions contemplated thereunder, no Director abstained from voting on the relevant board resolutions of the Company.

## **POSSIBLE SPIN-OFF AND SEPARATE LISTING OF THE PROPERTY MANAGEMENT BUSINESS OF THE GROUP**

The Company is considering a possible spin-off and separate listing of the property management business of the Group on the Main Board of the Stock Exchange. In the event that the Company proceeds with the Possible Spin-Off, it will constitute a spin-off by the Company pursuant to Practice Note 15 to the Listing Rules and will also be a deemed disposal of an interest in the property management business by the Company under Rule 14.29 of the Listing Rules.

The details of the Possible Spin-Off have yet to be determined. Further, GZ Metro is considering possible participation in investment opportunities in the Possible Spin-Off. The Company will make further announcements as and when appropriate or required in accordance with the Listing Rules.

## **IMPORTANT**

Shareholders and potential investors should note that the Possible Spin-Off is subject to, among others, approvals from relevant regulatory authorities and market conditions. There is no assurance that the Possible Spin-Off will proceed or as to when it may take place. Shareholders and potential investors should 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:*

|                                    |   |
|------------------------------------|---|
| <b>“Acquisition”</b>               | the acquisition of 67.0% equity interest in GZMEE and 67.0% indirect effective equity interest in GZMPM (indirectly through GZMEE’s shareholding in GZMPM) by the Purchaser pursuant to the Equity Transfer Agreement   |
| <b>“Annual Caps”</b>               | the proposed annual aggregate maximum amounts payable by GZ Metro and its associates to the Target Companies under the transactions contemplated under the Framework Property Management Services Agreement for the term thereof, as set out in the section headed “Proposed Annual Caps” in this announcement      |
| <b>“associate”</b>                 | has the meaning ascribed to it under the Listing Rules  |
| <b>“Board”</b>                     | the board of Directors  |
| <b>“business day”</b>              | means a calendar day (other than a statutory holiday and a public holiday) in the PRC   |
| <b>“BVI”</b>                       | the British Virgin Islands  |
| <b>“CCT Report”</b>                | has the meaning ascribed to it under the section headed “Internal Control Procedures” in this announcement  |
| <b>“Company”</b>                   | 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)  |
| <b>“Completion”</b>                | completion of the Acquisition pursuant to the Equity Transfer Agreement   |
| <b>“Conditions Precedent”</b>      | the conditions precedent to Completion as set out in the Equity Transfer Agreement as described in the section headed “The Equity Transfer Agreement – Completion” in this announcement   |
| <b>“connected person(s)”</b>       | has the meaning as ascribed to it under the Listing Rules   |
| <b>“Director(s)”</b>               | the director(s) of the Company  |
| <b>“Equity Transfer Agreement”</b> | the equity transfer agreement entered into amongst the Vendor, the Purchaser and the Target Companies dated 23 November 2020 in relation to the sale and purchase of 67.0% equity interest in GZMEE and 67.0% of the indirect effective equity interest in GZMPM (indirectly through GZMEE’s shareholding in GZMPM) |

|   |  |
|---|--|
| <b>“Equity Transfer Consideration”</b>                    | RMB281.74 million (including tax payable of RMB5.0 million), being the total consideration for the Acquisition payable by the Purchaser to the Vendor  |
| <b>“Equity Transfer Date”</b>                             | the date on which the Target Companies obtain new business registration certificates from the relevant PRC government authority  |
| <b>“Framework Property Management Services Agreement”</b> | the framework property management services agreement dated 23 November 2020 entered into between the Target Companies and GZ Metro in respect of the provision of property management and other ancillary services by the Target Companies to GZ Metro and its associates during the term of the agreement |
| <b>“Group”</b>  | the Company and its subsidiaries   |
| <b>“GZMEE”</b>  | Guangzhou Metro Environmental Engineering Co., Ltd.* (廣州地鐵環境工程有限公司), a company established in the PRC with limited liability and with a registered capital of RMB10.06 million, which is owned as to 100.0% by the Vendor prior to the Acquisition   |
| <b>“GZMPM”</b>  | Guangzhou Metro Property Management Co., Ltd.* (廣州地鐵物業管理有限責任公司), a company established in the PRC with limited liability and with a registered capital of RMB5.01 million, which is indirectly owned as to 100.0% by the Vendor prior to the Acquisition   |
| <b>“GZYYX”</b>  | Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a limited liability company incorporated under the laws of the PRC which is beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC, which is the ultimate controlling shareholder of the Company                          |
| <b>“Hong Kong”</b>  | the Hong Kong Special Administrative Region of the PRC   |
| <b>“Independent Third Party(ies)”</b>                     | a third party which, with its beneficial owner(s) (if any) and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is a third party independent of the Company and its connected persons in accordance with the Listing Rules                           |
| <b>“Independent Valuer”</b>                               | Jones Lang Lasalle Corporate Appraisal and Advisory Limited  |
| <b>“Listing Rules”</b>                                    | the Rules Governing the Listing of Securities on the Stock Exchange  |
| <b>“Party”</b>  | a party to the Equity Transfer Agreement   |
| <b>“Possible Spin-Off”</b>                                | The possible spin-off and separate listing of the property management business of the Group on the Main Board of the Stock Exchange  |

|                              |   |
|------------------------------|---|
| “PRC”                        | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan                                       |
| “Purchaser”                  | Guangzhou Yuexiu Property Development Co., Ltd.* (廣州越秀物業發展有限公司), a company established in the PRC with limited liability, and is an indirect wholly-owned subsidiary of the Company |
| “RMB”                        | Renminbi, the lawful currency of the PRC  |
| “Share(s)”                   | ordinary share(s) of the Company  |
| “Shareholder(s)”             | holder(s) of the Share(s)   |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited   |
| “substantial shareholder(s)” | has the meaning as ascribed to it under the Listing Rules   |
| “Target Companies”           | collectively, GZMEE and GZMPM   |
| “Transition Period”          | the period commencing on 30 June 2020 and up to and including the date of Completion  |
| “Vendor” or “GZ Metro”       | Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司), a direct wholly-owned subsidiary of Guangzhou Municipal People’s Government of the PRC and a substantial shareholder of the Company  |
| “%”                          | per cent.   |

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

Hong Kong, 23 November 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*