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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

VOLUNTARY ANNOUNCEMENT

COMMENCEMENT OF THE PUBLIC TENDER PROCESS IN RELATION TO THE POTENTIAL DISPOSAL OF 100% EQUITY INTEREST IN A SUBSIDIARY

This is a voluntary announcement made by Yuexiu Property Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”).

BACKGROUND

佛山市南海區越秀地產有限公司(Foshan Nanhai Yuexiu Property Company Limited *) (“**Nanhai Yuexiu**”) is a company established in the PRC and is wholly-owned by Extra Act Limited (“**Extra Act**”), a wholly-owned subsidiary of the Company established in Hong Kong. Nanhai Yuexiu mainly holds a complex property project in Nanhai comprising shopping malls, entertainment facilities, offices and residential properties.

The board of directors (the “**Board**”) of the Company announces that the Company intends to dispose of 100% equity interest held by Extra Act in Nanhai Yuexiu and the related liabilities of Nanhai Yuexiu (“the **Potential Disposal**”) by way of a public tender process (the “**Public Tender**”) to be carried out via the Guangzhou Enterprises Mergers and Acquisition Services* (廣州產權交易所) (the “**Guangzhou Equity Exchange**”).

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

The Potential Disposal is expected to improve the Group’s asset turnover rate and generate additional cash inflow, which would enhance the Group’s ability to acquire or invest in other land parcels or property projects.

COMMENCEMENT OF THE PUBLIC TENDER PROCESS FOR THE POTENTIAL DISPOSAL

The Public Tender via Guangzhou Equity Exchange in respect of Potential Disposal will commence on 21 October 2019 and end on 15 November 2019 (the “**Bidding Period**”). Interested parties may apply to bid in the Public Tender during the Bidding Period in accordance with the relevant requirements applicable to the Potential Disposal. Upon the expiry of the Bidding Period, the qualified bidder who offers the highest effective bid price will be the successful bidder. For further information, such as major terms for the Potential Disposal, qualifications required for potential bidders and detailed procedures of the Public Tender process, please refer to the website of the Guangzhou Equity Exchange (<http://gz.gemas.com.cn>).

The minimum consideration i.e. the initial bidding price (“**Minimum Consideration**”) for the Potential Disposal will be (i) RMB355,361,000 for acquisition of the 100% equity interest in Nanhai Yuexiu and (ii) undertaking to refinance 100% of the related liabilities of Nanhai Yuexiu owing to Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司), a 95%-owned indirect PRC subsidiary of the Company. As of 31 July 2019, such related liabilities amounted to RMB997,288,847.13. The consideration will depend on the final bid price offered by any successful bidder, which will be no less than the Minimum Consideration.

Taking into account the Minimum Consideration, the highest applicable percentage ratio (as defined under Rule 14.07 of the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Potential Disposal is expected to be more than 5% but less than 25%. Therefore, the Potential Disposal, if materialised, may constitute a discloseable transaction of the Company and may be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, no binding agreement with respect to the Potential Disposal has been entered into by the Company. As the Potential Disposal may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) in compliance with the Listing Rules.

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

Hong Kong, 21 October 2019

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 Directors: OUYANG Changcheng

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

** For identification purpose only*