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廣州富力地產股份有限公司
GUANGZHOU R&F PROPERTIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 2777)

**CAPITALISATION OF CAPITAL RESERVE
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

CAPITALISATION OF CAPITAL RESERVE

On 10 May 2021, the Board resolved to propose the Capitalisation of Capital Reserve. Under the Capitalisation of Capital Reserve, RMB2,814,275,508 out of the capital reserve of the Company will be applied to the registered capital of the Company resulting in the registered capital of the Company being increased from RMB938,091,836 to RMB3,752,367,344 and the par value of each Share being increased from RMB0.25 to RMB1.00.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the Capitalisation of Capital Reserve, the Board proposes to make corresponding amendments to the Articles of Association.

The Capitalisation of Capital Reserve and the proposed amendments to the Articles of Association are subject to the approval of the Shareholders at the AGM by way of a special resolution.

The Supplemental Circular containing, amongst other things, detailed information in relation to the Capitalisation of Capital Reserve, the proposed amendments to the Articles of Association, together with a supplemental notice convening the AGM will be despatched to the Shareholders on or around the date of this announcement.

I. CAPITALISATION OF CAPITAL RESERVE

On 10 May 2021, the Board resolved to propose the Capitalisation of Capital Reserve. As at the date of this announcement, the registered share capital of the Company is RMB938,091,836, which comprises 3,752,367,344 Shares with a par value of RMB0.25 each. Under the Capitalisation of Capital Reserve, RMB2,814,275,508 out of the capital reserve of the Company will be applied to the registered capital of the Company resulting in the registered capital of the Company being increased from RMB938,091,836 to RMB3,752,367,344 and the par value of each Share being increased from RMB0.25 to RMB1.00 without increasing the number of Shares. The Capitalisation of Capital Reserve will not result in any change in the existing shareholding structure of the Company. After completion of Capitalisation of Capital Reserve, the registered capital of the Company will be RMB3,752,367,344 with the par value of each Share being RMB1.00 and the total number of Shares will remain as 3,752,367,344 Shares.

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the Capitalisation of Capital Reserve, the Board proposes to make corresponding amendments to the Articles of Association.

Particulars of the proposed amendments to the Articles of Association are as follows:

Original Articles	Amendments
<p>Article 6</p> <p>Pursuant to the relevant requirements of the Company Law, the Special Regulations and the Mandatory Provisions for Articles of Association of Companies Listed Overseas (the “Mandatory Provisions”) and other laws and administrative regulations of the State, the Company had in its 2004 extraordinary shareholders’ general meeting on 13 September 2004 amended the Articles of Association adopted since its establishment (the “Original Articles of Association”) and by a second amendment to the Articles of Association approved at the shareholders’ general meeting on 29 May 2014 and by a third amendment to the Articles of Association approved at the shareholders’ general meeting on 23 October 2014 and by a fourth amendment to the Articles of Association approved at the</p>	<p>Article 6</p> <p>Pursuant to the relevant requirements of the Company Law, the Special Regulations and the Mandatory Provisions for Articles of Association of Companies Listed Overseas (the “Mandatory Provisions”) and other laws and administrative regulations of the State, the Company had in its 2004 extraordinary shareholders’ general meeting on 13 September 2004 amended the Articles of Association adopted since its establishment (the “Original Articles of Association”) and by a second amendment to the Articles of Association approved at the shareholders’ general meeting on 29 May 2014 and by a third amendment to the Articles of Association approved at the shareholders’ general meeting on 23 October 2014 and by a fourth amendment to the Articles of Association approved at the</p>

shareholders' general meeting on 30 May 2018 and on 8 January 2020 by a fifth amendment to the Articles of Association pursuant to an authority granted to the board at the shareholders' general meeting (a shareholders' general meeting was held on 21 December 2018 where the issuance of H shares, the consequential amendments to the Articles of Association and the authority to the board to make consequential amendments to the Articles of Association based on the issuance results of H shares were approved and on 30 December 2019, the Company completed the placing of 273,000,000 H shares) and based on the placing results, and by a sixth amendment to the Articles of Association approved at the shareholders' general meeting on 29 May 2020, and on 9 July 2020 the China Securities Regulatory Commission approved the Company to convert 2,207,108,944 unlisted domestic shares into overseas listed shares, on 23 September 2020, the Hong Kong Stock Exchange approved the listing of the aforementioned 2,207,108,944 unlisted domestic shares after conversion and the conversion was completed on 28 September 2020, and on 16 October 2020 by a seventh amendment to the Articles of Association pursuant to board resolutions on 5 October 2020 and the authority granted to the board at the shareholders' general meeting and based on the placing results (the Company completed the placing of 257,000,000 H shares on 5 October 2020) and the completion of the conversion of unlisted domestic shares into overseas listed shares enacted this Articles of Association (the "Articles of Association").

shareholders' general meeting on 30 May 2018 and on 8 January 2020 by a fifth amendment to the Articles of Association pursuant to an authority granted to the board at the shareholders' general meeting (a shareholders' general meeting was held on 21 December 2018 where the issuance of H shares, the consequential amendments to the Articles of Association and the authority to the board to make consequential amendments to the Articles of Association based on the issuance results of H shares were approved and on 30 December 2019, the Company completed the placing of 273,000,000 H shares) and based on the placing results, and by a sixth amendment to the Articles of Association approved at the shareholders' general meeting on 29 May 2020, and on 9 July 2020 the China Securities Regulatory Commission approved the Company to convert 2,207,108,944 unlisted domestic shares into overseas listed shares, on 23 September 2020, the Hong Kong Stock Exchange approved the listing of the aforementioned 2,207,108,944 unlisted domestic shares after conversion and the conversion was completed on 28 September 2020, and on 16 October 2020 by a seventh amendment to the Articles of Association pursuant to board resolutions on 5 October 2020 and the authority granted to the board at the shareholders' general meeting and based on the placing results (the Company completed the placing of 257,000,000 H shares on 5 October 2020) and the completion of the conversion of unlisted domestic shares into overseas listed shares, **and by an eighth amendment to the Articles of Association pursuant to the approval of the shareholders at the shareholders' general meeting on 28 May 2021 for the capitalisation of capital reserve** enacted this Articles of Association (the "Articles of Association").

<p>Article 15</p> <p>The shares issued by the Company are shares with a par value of Renminbi 0.25 Yuan each.</p> <p>Renminbi referred in the preceding paragraph refers to the lawful currency of the People's Republic of China.</p>	<p>Article 15</p> <p>The shares issued by the Company are shares with a par value of Renminbi <u>1</u> Yuan each.</p> <p>Renminbi referred in the preceding paragraph refers to the lawful currency of the People's Republic of China.</p>
<p>Article 22</p> <p>The Company's registered capital is RMB938,091,836.</p>	<p>Article 22</p> <p>The Company's registered capital is RMB<u>3,752,367,344</u>.</p>

III. CONDITION TO THE CAPITALISATION OF CAPITAL RESERVE AND THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Capitalisation of Capital Reserve and the proposed amendments to the Articles of Association shall become effective upon the approval of the Shareholders at the AGM by way of a special resolution.

IV. REASONS FOR THE CAPITALISATION OF CAPITAL RESERVE AND THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company is principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC. The increase in registered capital will enhance the external recognition of the Company's financial strength and increase the Company's brand awareness and reputation. With a higher registered capital, the Company would become more competitive to participate in some high-quality bidding projects in the PRC which set minimum registered capital requirement.

The expenses arising from the Capitalisation of Capital Reserve and the proposed amendments to the Articles of Association will be minimal. Compared with other alternative capitalisation methods, the Capitalisation of Capital Reserve involves simpler administrative procedures and incurs much lower expenses.

The Capitalisation of Capital Reserve will not alter the underlying assets, business operations, management or financial position of the Company or the interests of its Shareholders. The Board believes that the Capitalisation of Capital Reserve will not have adverse impact on the financial position of the Company. Based on the foregoing, the Board considers that the Capitalisation of Capital Reserve and the proposed amendments to the Articles of Association are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

V. SHARE CERTIFICATES

Subject to the fulfilment of the conditions to the Capitalisation of Capital Reserve and the proposed amendments to the Articles of Association as set out above, Shareholders may, on or after 31 May 2021 until 9 July 2021 (both days inclusive), submit existing share certificates for the Shares (in blue colour) to the Share Registrar, to exchange, at the expense of the Company, for new share certificates of the Shares (in yellow colour). Thereafter, existing share certificates of the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Shares submitted for cancellation or each new share certificate issued for the Shares, whichever the number of certificates cancelled/issued is higher. Nevertheless, after 4:30 p.m. on 9 July 2021, existing share certificates for the Shares will continue to be good evidence of legal title and be valid for delivery, trading and settlement purposes.

VI. GENERAL

The Supplemental Circular containing, amongst other things, detailed information in relation to the Capitalisation of Capital Reserve, the proposed amendments to the Articles of Association, together with a supplemental notice convening the AGM will be despatched to the Shareholders on or around the date of this announcement.

VII. DEFINITIONS

“AGM”	an annual general meeting of the Company to be held at the Conference Room, 54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou, the PRC at 11:00 a.m. on Friday, 28 May 2021
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Capitalisation of Capital Reserve”	the proposed increase in the registered capital of the Company from RMB938,091,836 to RMB3,752,367,344 by increasing the par value of each Share from RMB0.25 to RMB1 through the application of the capital reserve of the Company, without increasing the number of Shares

“Company”	Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司), a joint stock company incorporated in the PRC with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 2777)
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	H share(s) in the share capital of the Company with a nominal value of RMB0.25 each as at the date of this announcement, which is/are listed on the Stock Exchange and subscribed for in Hong Kong dollars
“Shareholder(s)”	the shareholder(s) of the Company
“Share Registrar”	the Company’s Share registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Circular”	a circular supplementary to the circular of the Company dated 20 April 2021 in relation to the AGM

By Order of the Board
Guangzhou R&F Properties Co., Ltd.
Li Sze Lim
Chairman

Hong Kong, 10 May 2021

As at the date of this announcement, the executive directors of the Company are Dr. Li Sze Lim, Mr. Zhang Li, Mr. Zhang Hui and Mr. Xiang Lijun; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong.

* For identification purpose only