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*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00123)**

## **CONNECTED TRANSACTION FX FORWARD CONTRACT**

### **FX FORWARD CONTRACT**

The Board is pleased to announce that on 5 June 2024, the Company entered into the FX Forward Contract with YXE to purchase USD in the amount of US\$350 million with RMB on the terms stated therein.

### **LISTING RULES IMPLICATIONS**

As YXE is the controlling Shareholder, it is a connected person of the Company. The transactions contemplated under the FX Forward Contract constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the FX Forward Contract is more than 0.1% but less than 5%, the FX Forward Contract and the transactions contemplated under the FX Forward Contract are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Lin Zhaoyuan, an executive Director, is a director and vice chairman of YXE, he has abstained from voting on the board resolutions of the Company in relation to the FX Forward Contract and the transactions contemplated under the FX Forward Contract. Save as disclosed above, no Director had a material interest in the FX Forward Contract and the transactions contemplated under the FX Forward Contract or was required to abstain from voting on the relevant board resolutions of the Company.

## **INTRODUCTION**

The Board is pleased to announce that on 5 June 2024, the Company entered into the FX Forward Contract with YXE to purchase USD in the amount of US\$350 million with RMB on the terms stated therein.

## **FX FORWARD CONTRACT**

Under the FX Forward Contract, the Company agreed to use the forward rate (i.e. a pre-agreed foreign exchange rate determined by the parties after arms' length negotiations and in compliance with the Group's internal control policy), to purchase USD with RMB on the relevant settlement date.

### **Major Terms of the FX Forward Contract**

Trade date	:	5 June 2024
Parties	:	(1) the Company (as purchaser of USD) and (2) YXE (as seller of USD)
Principal amount and currency	:	US\$350 million
Forward rate	:	RMB6.9775 per USD1.00
Settlement currency	:	USD
Settlement date	:	20 January 2026
Settlement	:	Non-deliverable
Valuation date	:	Two business days prior to the settlement date

Pursuant to the FX Forward Contract, either YXE or the Company may, by notice in writing to each other, elect to early terminate any outstanding transaction under the FX Forward Contract in full or in part where the USD Notes are redeemed, purchased, cancelled or repaid in full or, as applicable, in part, or is declared prematurely due and payable under and in accordance with the relevant documents in relation to the issuance of the USD Notes.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE FX FORWARD CONTRACT**

As the Group's principal operations are in the PRC, its income and expenses are primarily denominated in RMB. The Company and most of its subsidiaries consider RMB as their functional currency. As such, any transaction that is denominated or requires settlement in a currency other than RMB would result in foreign exchange exposure to the Group.

In January 2021, the Company, through a wholly-owned subsidiary, Westwood Group Holdings Limited, issued US\$650 million 2.80% guaranteed notes due 2026 (“USD Notes”). With a view to managing the Group’s foreign exchange exposure in relation to the USD Notes, the Company entered into the FX Forward Contract with YXE.

In accordance with the Group’s internal policy, for determination of the forward rate in the FX Forward Contract through arm’s length negotiations with YXE, the Group has compared the quotation that it received from YXE with quotations from three independent banks and entered into the FX Forward Contract on the basis that the quotation from YXE was more favourable to the Group when compared with quotations from the three independent banks. The Company considers that it would be in the interest of the Company and the Shareholders as a whole for the Group to enter into the FX Forward Contract with YXE as this would result in lower hedging costs for the Group.

In view of the reasons and benefits described above, the Directors (including the independent non-executive Directors, but excluding Mr. Lin Zhaoyuan who is also a director of YXE and therefore has abstained from voting on the relevant board resolutions of the Company) believe that the terms of the FX Forward Contract and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in property development and investment, deepening the implementation of the “1+4” national strategic layout and deep cultivation of the Greater Bay Area market, and focusing on expanding their business in Eastern China, Central and Western China and Northern China.

## **INFORMATION ABOUT YXE AND GZYX**

YXE, a company incorporated in Hong Kong with limited liability, is the controlling Shareholder indirectly holding approximately 43.39% of the total issued Shares as at the date of this announcement. YXE, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure, construction and others.

GZYX wholly-owns YXE. GZYX is the ultimate controlling Shareholder, and is a company established in the PRC with limited liability and is majority owned by the Guangzhou Municipal People’s Government of the PRC. GZYX and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

## LISTING RULES IMPLICATIONS

As YXE is the controlling Shareholder, it is a connected person of the Company. The transactions contemplated under the FX Forward Contract constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the FX Forward Contract is more than 0.1% but less than 5%, the FX Forward Contract and the transactions contemplated under the FX Forward Contract are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Lin Zhaoyuan, an executive Director, is a director and vice chairman of YXE, he has abstained from voting on the board resolutions of the Company in relation to the FX Forward Contract and the transactions contemplated under the FX Forward Contract. Save as disclosed above, no Director had a material interest in the FX Forward Contract and the transactions contemplated under the FX Forward Contract or was required to abstain from voting on the relevant board resolutions of the Company.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules and “controlling Shareholder” means the controlling shareholder of the Company
“Director(s)”	director(s) of the Company
“FX Forward Contract”	the foreign exchange forward contract dated 5 June 2024 and entered into between the Company and YXE with the principal amount of US\$350 million and settlement date falling on 20 January 2026
“Group”	the Company and its subsidiaries

“GZYX”	廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited*), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People’s Government of the PRC and is the ultimate controlling Shareholder
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“USD Notes”	has the meaning ascribed to it under the section headed “Reasons for and Benefits of entering into the FX Forward Contract” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“YXE”	Yue Xiu Enterprises (Holdings) Limited, a limited company incorporated under the laws of Hong Kong and the controlling Shareholder
“%”	per cent.

\* *For identification purpose only*

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

Hong Kong, 5 June 2024

*As at the date of this announcement, the Board comprises:*

*Executive Directors: LIN Zhaoyuan (Chairman), ZHU Huisong, HE Yuping, CHEN Jing and LIU Yan*

*Non-Executive Director: ZHANG Yibing*

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