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越秀地產股份有限公司 **YUEXIU PROPERTY COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

MAJOR TRANSACTION **REPOSSESSION AS LAND RESERVE OF THE** **JINAN UNIVERSITY NORTH SIDE LAND PARCEL NO. 2 BY THE LDCS**

REPOSSESSION AS LAND RESERVE OF THE JINAN UNIVERSITY NORTH SIDE LAND PARCEL NO. 2 BY THE LDCS

On 2 September 2024 (after trading hours), the LDCs, Guangzhou Xinxiu and GCCD entered into the Land Repossession and Reservation Agreement, pursuant to which the LDCs have agreed to repossess and reserve the land use rights of the Jinan University North Side Land Parcel No. 2 from Guangzhou Xinxiu and GCCD, at a consideration in the amount of RMB5,003,036,200 by way of compensation in the form of notes receivable in equivalent amount to be provided by the LDCs to Guangzhou Xinxiu and GCCD.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Land Repossession and Reservation (based on the amount of the Compensation) exceeds 25% but is less than 75%, the Land Repossession and Reservation constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Land Repossession and Reservation is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Land Repossession and Reservation. As such, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Land Repossession and Reservation.

At the date of this announcement, the members of the YX Closely Allied Group constitute a closely allied group of shareholders who together hold 2,547,777,388 Shares (representing approximately 63.29% of the issued share capital of the Company). The Company has obtained the written approval of the YX Closely Allied Group on the Land Repossession and Reservation pursuant to Rule 14.44 of the Listing Rules. As a result, no general meeting will be convened to consider the Land Repossession and Reservation.

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Land Repossession and Reservation is required to be despatched to the Shareholders within fifteen (15) business days after the publication of this announcement, that is, on or before 24 September 2024. However, as additional time is required for the Company to prepare and finalise certain information including the financial information and other information of the Group for inclusion in the circular, the Company intends to apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in the despatch of the circular, and will make a further announcement of the expected despatch date of the circular in due course.

REPOSSESSION AS LAND RESERVE OF THE JINAN UNIVERSITY NORTH SIDE LAND PARCEL NO. 2 BY THE LDCS

On 2 September 2024 (after trading hours), the LDCs, Guangzhou Xinxiu and GCCD entered into the Land Repossession and Reservation Agreement, pursuant to which the LDCs have agreed to repossess and reserve the land use rights of the Jinan University North Side Land Parcel No. 2 from Guangzhou Xinxiu and GCCD, at a consideration in the amount of RMB5,003,036,200 by way of compensation in the form of notes receivable in equivalent amount to be provided by the LDCs to Guangzhou Xinxiu and GCCD.

LAND REPOSSESSION AND RESERVATION AGREEMENT

The principal terms of the Land Repossession and Reservation Agreement are summarised as follows:

Date

2 September 2024 (after trading hours)

Parties

- (1) Guangzhou Xinxiu (a non-wholly owned subsidiary of the Company);
- (2) GCCD (a non-wholly owned subsidiary of the Company);
- (3) Guangzhou LDC; and
- (4) Panyu LDC.

Compensation and payment terms

The compensation for the Jinan University North Side Land Parcel No. 2 (the “**Compensation**”) is RMB5,003,036,200. The Compensation was determined after arm’s length negotiations among the parties in accordance with the appraised market value of the Jinan University North Side Land Parcel No. 2. Such market value is appraised with reference to the planning conditions of the Jinan University North Side Land Parcel No. 2 under the land transfer agreement pursuant to which Guangzhou Xinxu acquired the Jinan University North Side Land Parcel No. 2 in September 2021. The valuation benchmark date of such market value is the date of the approval of the Jinan University North Side Land Parcel No. 2 Land Reserve Implementation Plan (i.e., 29 August 2024).

The Compensation will be payable and settled in the form of notes receivable to be paid by the Guangzhou LDC and the Panyu LDC on a several basis to Guangzhou Xinxu and GCCD. The Guangzhou LDC shall be responsible for paying notes receivable in the amount of 27.75% of the Compensation (i.e., RMB1,388,342,545.5), whilst the Panyu LDC shall be responsible for paying notes receivable in the amount of 72.25% of the Compensation (i.e., RMB3,614,693,654.5). Guangzhou Xinxu and GCCD are deemed to have received the Compensation when GCCD or any of its subsidiaries or affiliates as designated by GCCD has received such notes receivable in the total amount of RMB5,003,036,200. The notes receivable will be delivered by LDCs upon the written application by Guangzhou Xinxu or GCCD after the execution of the Land Repossession and Reservation Agreement. GCCD or any of its subsidiaries or affiliates as designated by GCCD is entitled to use the notes receivable to acquire land in the Panyu District within a validity period of one year (which may be extended upon approval under the required procedures) of such notes receivable. The value of the notes receivable can be used to settle the consideration payable for acquiring such land.

Condition

The completion of the Land Repossession and Reservation and the execution of the Land Transfer Confirmation shall be conditional upon the completion of clearance of personnel, settlement of employees, relocation of equipment, demolition of buildings, structures and attachments, land remediation (except for those that cannot be demolished according to national, provincial, and municipal regulations on urban and rural historical and cultural heritage) and enclosures according to the standards determined by the applicable administrative authority.

If the above condition precedent is not fulfilled, the LDCs may refuse to proceed to the completion of the Land Repossession and Reservation or execute the Land Transfer Confirmation. As at the date of this announcement, the condition precedent as referred to above has been fulfilled.

Delivery of the Jinan University North Side Land Parcel No. 2

Within 180 days after the execution of the Land Repossession and Reservation Agreement and subject to the above condition precedent having been fulfilled, Guangzhou Xinxiu, GCCD and the LDCs shall execute the Land Transfer Confirmation and Guangzhou Xinxiu and GCCD shall deliver the Jinan University North Side Land Parcel No. 2 to the LDCs.

After the delivery of the Jinan University North Side Land Parcel No. 2, to the extent any further remedial work for the soil pollution on the Jinan University North Side Land Parcel No. 2 is required by the applicable authorities within the remedial period to be set out in the Land Transfer Confirmation, Guangzhou Xinxiu and GCCD shall continue to be responsible for such remedial work until the completion of such remedial work.

Information of the Jinan University North Side Land Parcel No. 2

The Jinan University North Side Land Parcel No. 2 comprises one land parcel numbered 2021KJ01130063 with a site area of approximately 91,114 sq.m. and is located in Nancunzhen*(南村鎮), Panyu District, Guangzhou City, the PRC. It is around 600 metres away from the Xinzhao metro station*(新造站) and is also connected to Nanda Trunk Highway*(南大幹線) on its south and Xinhua Expressway*(新化高速) on its east. The Jinan University North Side Land Parcel No. 2 is currently planned for commercial and residential use, green space in parks, protective green space and land for city road. As at the date of this announcement, the Jinan University North Side Land Parcel No. 2 remains undeveloped.

Net profit/loss before/after tax

Since the Jinan University North Side Land Parcel No. 2 is a land parcel which remains undeveloped, net profit/loss is not applicable to the Jinan University North Side Land Parcel No. 2 for the years ended 31 December 2022 and 2023.

REASONS FOR AND BENEFITS OF THE LAND REPOSSESSION AND RESERVATION

As part of the local government's urban management and efforts to optimise the efficiency of land use, the Jinan University North Side Land Parcel No. 2 is to be repossessed and reserved pursuant to the Jinan University North Side Land Parcel No. 2 Land Reserve Implementation Plan.

The Jinan University North Side Land Parcel No. 2 was acquired by Guangzhou Xinxiu in September 2021. At the time of acquisition, it was originally planned that the Jinan University North Side Land Parcel No. 2 would be used for developing residential and commercial properties, green space in parks, protective green space and land for city road. As at the date of this announcement, the Jinan University North Side Land Parcel No. 2 remains undeveloped. Accordingly, the Board is of the view that the repossession and reservation of the Jinan University North Side Land Parcel No. 2 by the LDCs will not have any material adverse effect on the Group's operation management. In addition, the Compensation is considered fair and reasonable with reference to the appraised market value of the Jinan University North Side Land Parcel No. 2.

The Directors believe that the Land Repossession and Reservation would enable the Group to optimise the usage of its resources, benefiting the future development of the Group in the longer run. Following the completion of the Land Repossession and Reservation, the Group intends to participate in the land acquisition in the Panyu District in the future to the extent that the participation in such land acquisition is in the best interest of the Company and the Shareholders as a whole. If the Group identifies any opportunity which is commercially viable and attractive, the Group can acquire the land with the consideration to be settled with the notes receivable under the Land Repossession and Reservation Agreement.

The Directors (including the independent non-executive Directors) consider that the terms of the Land Repossession and Reservation are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS ON THE GROUP

The book value and the valuation (based on the valuation report which will be included in the circular to be issued by the Company regarding the Land Repossession and Reservation) of the Jinan University North Side Land Parcel No. 2 were approximately RMB5,004,780,000 and RMB5,001,000,000, respectively. The Company is expected to record an estimated net loss before tax from the Land Repossession and Reservation of approximately RMB1,743,800. The actual amount of the loss from the Land Repossession and Reservation to be recorded by the Group is subject to audit and will take into account any other costs and expenses incurred relating to the Land Repossession and Reservation. Accordingly, it may be different from the above but such difference is not expected to be material.

PROPOSED USE OF PROCEEDS

The Company currently intends that, subject to actual circumstances and decision of the Board when concrete details of proposed uses are put forward for consideration, all the proceeds from the Land Repossession and Reservation will be used for the Group's future acquisition of land parcels in the Panyu District.

INFORMATION OF THE GROUP

The Group is principally engaged in property development and investment. Guided by the core motto of "Where Good Living Starts", the Group has strategically established its business presence in 27 cities across China, with its business mainly based in the Greater Bay Area, Eastern China, Central and Western China and Northern China. As at 30 June 2024, the total assets of the Group are approximately RMB423.5 billion, with a landbank total gross floor area of approximately 25.03 million sq.m.. The Company adheres to the Group's core brand value of "quality, responsibility, innovation and mutual development", dares to pioneer and invent, and is committed to building a remarkable and sustainable future for all.

Guangzhou Xinxiu is a property development company which is indirectly owned as to approximately 95.48% by the Company.

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

INFORMATION OF THE LDCs

The Guangzhou LDC, an institution under the Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局), is responsible for, among other things, providing services for state-owned land transfer, bidding, auction, and pre-development of land in Guangzhou City.

The Panyu LDC is the Guangzhou City Panyu District People's Government Land Acquisition Office* (廣州市番禺區人民政府徵用土地辦公室), which is responsible for providing services for state-owned land transfer, bidding, auction, and pre-development of land, as well as services in relation to policy investigation and formulation of peasant collectively owned land in Panyu District, Guangzhou City.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, at the date of this announcement, the LDCs are PRC government authorities, and the LDCs and their ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

The transactions under each of the Land Repossession and Reservation Agreement and the Land Resumption Agreement (as defined in the announcement of the Company dated 30 August 2024) are separate and independent from each other as (a) the reasons for repossessing and reserving or resuming the land parcels by the applicable LDCs under the Land Repossession and Reservation Agreement and the Land Resumption Agreement are different, namely that the Land Resumption (as defined in the announcement of the Company dated 30 August 2024) under the Land Resumption Agreement was implemented for public interest reasons while the Land Repossession and Reservation under the Land Repossession and Reservation Agreement was entered into after arms' length negotiations; (b) the legal relationships among the parties under the Land Repossession and Reservation Agreement and the Land Resumption Agreement are different under the applicable PRC laws as they were entered into pursuant to different implementation opinion or plan of the relevant authorities; (c) the land parcels under the Land Repossession and Reservation Agreement and the Land Resumption Agreement are located in different geographical districts; (d) the land parcels under the Land Repossession and Reservation Agreement and the Land Resumption Agreement are being held by different entities of the Group; and (e) while the Guangzhou LDC is the only counterparty to the Land Resumption Agreement, both the Guangzhou LDC and the Panyu LDC (each responsible for 27.75% and 72.25% of the Compensation respectively) are the counterparties to the Land Repossession and Reservation Agreement. Accordingly, the Directors are of the view that the transactions contemplated under each of the Land Repossession and Reservation Agreement and the Land Resumption Agreement should not be aggregated for the purposes of the Listing Rules.

As the highest applicable percentage ratio in respect of the Land Repossession and Reservation (based on the amount of the Compensation) exceeds 25% but is less than 75%, the Land Repossession and Reservation constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Land Repossession and Reservation is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Land Repossession and Reservation. As such, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Land Repossession and Reservation.

At the date of this announcement, the members of the YX Closely Allied Group constitute a closely allied group of shareholders who together hold 2,547,777,388 Shares (representing approximately 63.29% of the issued share capital of the Company). The Company has obtained the written approval of the YX Closely Allied Group on the Land Repossession and Reservation pursuant to Rule 14.44 of the Listing Rules. As a result, no general meeting will be convened to consider the Land Repossession and Reservation. The YX Closely Allied Group comprises the following Shareholders:

Name of the Shareholders	Number of Shares held by each such Shareholder	Percentage of shareholding in the issued share capital of the Company
Bosworth International Limited ^(Note 1)	1,238,030,690	30.76%
Novena Pacific Limited ^(Note 1)	254,297,135	6.32%
Superb Master Ltd. ^(Note 1)	104,517,301	2.60%
Morrison Pacific Limited ^(Note 1)	71,049,347	1.77%
Greenwood Pacific Limited ^(Note 1)	61,019,210	1.52%
Goldstock International Limited ^(Note 1)	15,838,713	0.39%
Yue Xiu Finance Company Limited ^(Note 1)	1,971,802	0.05%
Guangzhou Metro Investment Finance (HK) Limited ^(Note 2)	801,053,190	19.90%

Notes:

- At the date of this announcement, Bosworth International Limited, Novena Pacific Limited, Superb Master Ltd., Morrison Pacific Limited, Greenwood Pacific Limited, Goldstock International Limited and Yue Xiu Finance Company Limited are wholly owned by GZYX, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX and Guangzhou Metro are parties acting in concert in respect of the Shares under the Takeovers Codes.
- At the date of this announcement, Guangzhou Metro Investment Finance (HK) Limited is wholly owned by Guangzhou Metro, which is wholly owned by the Guangzhou Municipal People's Government of the PRC. GZYX and Guangzhou Metro are parties acting in concert in respect of the Shares under the Takeovers Codes.

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Land Repossession and Reservation is required to be despatched to the Shareholders within fifteen (15) business days after the publication of this announcement, that is, on or before 24 September 2024. However, as additional time is required for the Company to prepare and finalise certain information including the financial information and other information of the Group for inclusion in the circular, the Company intends to apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in the despatch of the circular, and will make a further announcement of the expected despatch date of the circular in due course.

DEFINITIONS

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

“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)
“Compensation”	has the meaning as defined under the section headed “LAND REPOSSESSION AND RESERVATION AGREEMENT — Compensation and payment terms” of this announcement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“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 GZYX
“Group”	the Company and its subsidiaries
“Guangzhou LDC”	Guangzhou City Land Development Centre* (廣州市土地開發中心), being an institution under the Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局)
“Guangzhou 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

“Guangzhou Xinxiu”	Guangzhou Xinxiu Property Development Co., Ltd.* (廣州新秀房地產開發有限公司), a company established in the PRC with limited liability which is indirectly owned as to approximately 95.48% by the Company
“GZYX”	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), 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 of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party who is not a connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“Jinan University North Side Land Parcel No. 2”	a land parcel numbered 2021KJ01130063 with a site area of approximately 91,114 sq. m. located in Nancunzhen* (南村鎮), Panyu District, Guangzhou, the PRC, which is currently owned by Guangzhou Xinxiu
“Jinan University North Side Land Parcel No. 2 Land Reserve Implementation Plan”	the Panyu District Innovation City Jinan University North Side Land Parcel No. 2 land reserve implementation plan* (《番禺區創新城暨南大學北側地塊二土地儲備實施方案》) as approved on 29 August 2024, pursuant to which the Land Repossession and Reservation is being carried out
“Land Repossession and Reservation”	the repossession and reservation of the Jinan University North Side Land Parcel No. 2 under the Land Repossession and Reservation Agreement
“Land Repossession and Reservation Agreement”	the repossession, reservation and compensation agreement regarding state-owned land use rights* (國有土地使用權收儲補償協議) in relation to the Jinan University North Side Land Parcel No. 2 entered into among the LDCs, Guangzhou Xinxiu and GCCD on 2 September 2024 (after trading hours)
“Land Transfer Confirmation”	the confirmation to be signed by the LDCs, Guangzhou Xinxiu and GCCD pursuant to the Land Repossession and Reservation Agreement to confirm the transfer of land ownership of the Jinan University North Side Land Parcel No. 2
“LDCs”	the Guangzhou LDC and the Panyu LDC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Panyu LDC”	Guangzhou City Panyu District Land Development Centre* (廣州市番禺區土地開發中心), which is the Guangzhou City Panyu District People’s Government Land Acquisition Office* (廣州市番禺區人民政府徵用土地辦公室)
“percentage ratios”	has the meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq. m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs
“YX Closely Allied Group”	a closely allied group of Shareholders comprising Bosworth International Limited, Novena Pacific Limited, Superb Master Ltd., Morrison Pacific Limited, Greenwood Pacific Limited, Goldstock International Limited, Yue Xiu Finance Company Limited and Guangzhou Metro Investment Finance (HK) Limited, which together hold 2,547,777,388 Shares (representing approximately 63.29% of the issued share capital of the Company), as at the date of this announcement
“%”	per cent.

* *for identification purpose only*

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

Hong Kong, 2 September 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