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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)

CONTINUING CONNECTED TRANSACTIONS LEASE FRAMEWORK AGREEMENT

LEASE FRAMEWORK AGREEMENT

The Board is pleased to announce that on 29 December 2025, the Company (as lessee) and GZYG (as lessor) entered into the Lease Framework Agreement, pursuant to which the Group may lease the Lease Properties from the GZYG Entities, subject to the terms of the Lease Framework Agreement and the Annual Caps.

LISTING RULES IMPLICATIONS

GZYG is the ultimate controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. The transactions contemplated under the Lease Framework Agreement between the Group and the GZYG Entities therefore will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) for the Annual Caps under the Lease Framework Agreement exceeds 0.1% but is below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board (including the independent non-executive Directors) considers that: (i) the terms of the Lease Framework Agreement and the Annual Caps are fair and reasonable and on normal commercial terms; (ii) the Lease Transactions contemplated under the Lease Framework Agreement are in the ordinary and usual course of business of the Group; (iii) the entering into of the Lease Framework Agreement is in the interests of the Company and the Shareholders as a whole.

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The Group has been leasing certain Lease Properties located at the Yuexiu Financial Tower (越秀金融大厦) in its ordinary course of business. Upon completion of the Acquisition in October 2025, the lease arrangements in respect of the Lease Properties constitute connected transactions of the Company. Accordingly, the Lease Framework Agreement was entered into to govern and facilitate the renewal of the Lease Transactions in compliance with the requirements under the Listing Rules.

The principal terms of the Lease Framework Agreement are summarised as follows:

Date

29 December 2025

Parties

1. the Company (as lessee); and
2. GZYZ (as lessor).

Duration

The term of the Lease Framework Agreement shall commence on 1 January 2026 and continue up to 31 December 2028 (both days inclusive).

Subject to compliance with the then relevant requirements under the Listing Rules, the Lease Framework Agreement may be renewed by the Company and GZYZ by agreement in writing.

Pricing Policy

The rents payable by the Group to the GZYZ Entities shall be subject to the provisions of the Lease Framework Agreement and the rental rate as set out in the Lease Agreement(s) to be entered into between the Group and the GZYZ Entities, which:

- (1) shall be on normal commercial terms, fair and reasonable, and no less favourable to the Group, as lessee, than the terms under which the Group leases comparable properties from other independent third party lessors and/or the GZYZ Entities, as lessors, lease the comparable properties located at Yuexiu Financial Tower to independent third party lessees;

- (2) shall be determined after arm's length negotiations and in good faith between the parties with reference to, among other factors: (i) the Lease Properties' location, type, quality and size; (ii) the prevailing market rent for comparable properties in the same or nearby areas offered by independent third party lessors and/or leased by the GZYZX Entities to independent third party lessees for comparable properties at Yuexiu Financial Tower; and (iii) for Lease Properties where no comparable benchmark properties exist in the same or nearby area (i.e. the helipad and the entire carpark), the Group's projected reasonable profit margin and other factors such as the market price for operating similar properties;
- (3) shall ensure that during each financial year within the term of the Lease Framework Agreement, the aggregate annual value of the Lease Transactions does not exceed the applicable Annual Caps for such Lease Transactions; and
- (4) shall be on payment terms in accordance with the principles of the Lease Framework Agreement.

The Group and the GZYZX Entities shall enter into separate Lease Agreements, which shall set out specific terms and conditions. Unless otherwise agreed by the parties after arm's length negotiations in the separate Lease Agreement(s), rental payments shall be made on a quarterly or semi-annual basis, pursuant to the principles set forth in the Lease Framework Agreement.

Annual Caps

The Annual Caps for each of the three years ending 31 December 2026, 2027 and 2028 are set out as follows:

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
Maximum aggregate amount of rents payable by the Group to the GZYZX Entities	RMB110,000,000	RMB120,000,000	RMB120,000,000

Notes:

1. In accordance with HKFRS 16 — Leases, property leases with a term of more than one year entered into by the Group as lessee will be recognised as right-of-use assets by the Group and lease payments for leases with a term of one year or less will be recognised as expenses to be incurred by the Group.
2. The Annual Caps as set out above represent the estimated maximum aggregate value comprising (i) the total value of right-of-use assets relating to leases with a term of more than one year (long-term leases); and (ii) the total lease payments for leases with a term of one year or less (short-term leases), for each of the three years ending 31 December 2026, 2027 and 2028.

Basis of Determination of the Annual Caps

The Annual Caps were determined with reference to:

- (1) the historical rent with respect to the Lease Properties paid by the Group before such lease arrangements became subject to compliance requirements under Chapter 14A of the Listing Rules, amounting to approximately RMB64,228,000 and RMB69,925,000 for each of the years ended 31 December 2023 and 2024, respectively, and an estimated rent of RMB62,501,000 for the year ending 31 December 2025 based on the lease agreements signed by the Group prior to completion of the Acquisition;
- (2) the terms of the Lease Agreement(s) expected to be entered into between the Group and the GZYZ Entities;
- (3) the Group's leasing plans with respect to the Lease Properties;
- (4) the expected market rental rate for comparable properties in the same or nearby areas; and
- (5) the provision of buffer to cover the possible increase in demand for leasing the Lease Properties and possible rental adjustment.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE FRAMEWORK AGREEMENT

The Yuexiu Financial Tower is conveniently located in the central axis of the Zhujiang New Town (廣州珠江新城) of the central business district in Guangzhou and is positioned as an international grade-A office building. Given the sizeable and well-established operations of various members of the Group, the Company considers Yuexiu Financial Tower to be a suitable location that meets the Group's operational and business needs. The continual leasing of the Lease Properties from the GZYZ Entities will enable the Group to maintain a consistent corporate image and brand presence, while ensuring operational stability and convenience through a centralized, high-quality office location.

In addition, the Company considers that the Lease Framework Agreement provides a structured framework to streamline the leasing arrangements for the Lease Properties between the Group and the GZYZ Entities. It also establishes a unified basis for the Company to comply with the relevant reporting, announcement and annual review requirements under the Listing Rules, thereby enhancing administrative efficiency.

Having considered the above factors and the basis for determining the Annual Caps, the Board (including the independent non-executive Directors) is of the view that: (i) the terms of the Lease Framework Agreement and the Annual Caps are fair and reasonable, and on normal commercial terms; (ii) the Lease Transactions contemplated under the Lease Framework Agreement are in the ordinary and usual course of business of the Group; and (iii) the entering into of the Lease Framework Agreement is in the interests of the Company and the Shareholders as a whole.

As Mr. LIN Zhaoyuan is also serving as a director, vice chairman and general manager of GZYY, he is regarded as having a material interest in the Lease Framework Agreement and has abstained from voting on the relevant Board resolutions. Other than Mr. LIN Zhaoyuan, none of the other Directors has or is deemed to have a material interest in the Lease Framework Agreement and the transactions contemplated thereunder.

INTERNAL CONTROL PROCEDURES

The Group has established internal control procedures as follows:

- (1) The Group will monitor the total amounts of rents payable by the Group to the GZYY Entities under the Lease Agreements on a monthly basis to ensure that the applicable Annual Caps will not be exceeded.
- (2) The Group will prepare a CCT Report once every six months covering the Lease Transactions under the Lease Framework Agreement which will be submitted to the audit committee of the Board for consideration. The content of the CCT Report shall include: (a) the total amounts of rents paid and payable to the GZYY Entities under the Lease Agreements recorded for the reporting period; (b) a summary and comparison of the rental payable or paid by the Group to the GZYY Entities in accordance with the agreed pricing policy; and (c) the status of compliance with the applicable Annual Caps.
- (3) The audit committee of the Board will, in its meetings, discuss and assess the implementation of the continuing connected transactions of the Group at least twice a year.
- (4) The auditor of the Company will be engaged to report on the continuing connected transactions of the Group disclosed in the Company's annual report in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor will issue a letter containing their conclusions in respect of the continuing connected transactions disclosed in the annual report of the Company in accordance with Rule 14A.56 of the Listing Rules. According to the letter, the auditor will express a conclusion, whether anything has come to their attention that causes them to believe that the disclosed continuing connected transactions: (i) have not been approved by the Board; (ii) were not entered into, in all material respects in accordance with the pricing policies of the Group for the Lease Transactions; (iii) were not entered into, in all material respects, in accordance with the Lease Framework Agreement; and/or (iv) have exceeded the Annual Caps. In addition, the independent non-executive Directors will also provide their annual confirmations with respect to the continuing connected transactions of the Group in the annual reports of the Company in accordance with Rule 14A.55 of the Listing Rules.

The Company is satisfied that it has an adequate system of controls to safeguard the transactions contemplated under the Lease Framework Agreement, and to provide information for the independent non-executive Directors and the auditor to properly review these transactions annually.

LISTING RULES IMPLICATIONS

GZYG is the ultimate controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. The transactions contemplated under the Lease Framework Agreement between the Group and the GZYG Entities therefore will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) for the Annual Caps under the Lease Framework Agreement exceeds 0.1% but is below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For the avoidance of doubt, since the completion of the Acquisition and up to the date of this announcement, the Group did not enter into any new Lease Agreement in respect of Lease Properties, and in respect of the existing short-term leases for Lease Properties which are continuing following the completion of the Acquisition, the relevant rents payable for the period ending 31 December 2025 did not exceed 0.1% and are therefore not required to be disclosed under the requirements of the Listing Rules.

INFORMATION ON THE GROUP AND GZYG

The Group

The Company is incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123). The Group is principally engaged in development, selling and management of properties and holding of investment properties. Guided by the core motto of "Where Good Living Starts", the Group has strategically established its business presence in the Greater Bay Area, Eastern China, Central and Western China and Northern China. The Company adheres to the Group's core brand value of "Quality, Responsibility, Innovation and Mutual Benefit", keeps on breaking new ground to be a leading pioneer of good urban life.

GZYG

GZYG, the ultimate controlling shareholder of the Company, is a company established in the PRC with limited liability and is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYG 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.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of 50% equity interests in the target companies holding Yuexiu Financial Tower by 廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd.*) (an indirect wholly-owned subsidiary of GZYX)
“Annual Caps”	the annual aggregate maximum amount payable by the Group to the GZYX Entities under the Lease Transactions for the term as set out in the section headed “ANNUAL CAPS” of this announcement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCT Report”	the continuing connected transaction report
“Company”	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong, 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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“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
“GZYX Entities”	collectively, GZYX, its subsidiaries and its associates (but excluding the Company and its subsidiaries)
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third parties”	any entity or person who is not a connected person of the Company

“Lease Agreement(s)”	the lease agreement(s) to be entered into between the relevant GZYZ Entities and the relevant members of the Group pursuant to the Lease Framework Agreement
“Lease Framework Agreement”	the lease framework agreement dated 29 December 2025 entered into between the Company and GZYZ to govern the Lease Transactions between the Group and the GZYZ Entities for the period from 1 January 2026 to 31 December 2028 (both days inclusive)
“Lease Properties”	certain spaces and units of Yuexiu Financial Tower, including office units, the helipad, the LED advertising screen and the carpark, leased or to be leased by the GZYZ Entities to the Group
“Lease Transactions”	the leasing of the Lease Properties under any Lease Agreement(s)
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 29 December 2025

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

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

Non-executive Directors: ZHANG Yibing and SU Junjie

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

* For identification purpose only