

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 33.34% EQUITY INTEREST IN A TARGET COMPANY

THE DISPOSAL

On 26 May 2026, the Company, the Vendor (a wholly-owned subsidiary of the Company), the Purchaser and Sun Hung Kai Properties (China) entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Interest (representing 33.34% equity interest in the Target Company) for the Consideration of RMB160 million (subject to adjustments).

The Target Company is principally engaged in the holding, operation and management of the Target Properties. Upon Completion, the Group will no longer hold any interest in the Target Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is 5% or more but less than 25%, the Disposal constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 26 May 2026, the Company, the Vendor (a wholly-owned subsidiary of the Company), the Purchaser and Sun Hung Kai Properties (China) entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Interest (representing 33.34% equity interest in the Target Company).

THE DISPOSAL

The principal terms of the Agreement are set out below:

Subject matter

Subject to the terms and conditions in the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Interest (representing 33.34% equity interest in the Target Company).

The Target Company is principally engaged in the holding, operation and management of the Target Properties. Upon Completion, the Group will no longer hold any interest in the Target Company.

Consideration

The consideration for the Disposal (the “**Consideration**”) is RMB160 million, which is subject to upward adjustments based on 33.34% of the corporate income tax refund amount (if any) actually received by the Target Company of not more than RMB128 million.

The Consideration will be paid as follows:

(1) First Payment: upon Completion, the Purchaser shall pay RMB160,000,000 (the “**First Payment**”) to the Vendor.

(2) Final Payment: Within five (5) business days from the date on which the Target Company has actually received the corporate income tax refund amount (if any) and the other conditions set out in the Agreement (being Completion having occurred and registration of the transfer of the Sale Interest having been completed) are met (or waived in writing by the Purchaser), the Purchaser shall pay an amount equal to 33.34% of any such corporate income tax refund amount actually received by the Target Company to the Vendor.

The Consideration was arrived at after arm’s length negotiations between the parties to the Agreement with reference to the net asset value of the Target Company of approximately RMB37 million as at 31 December 2025, the expected gain on disposal as set out in the section headed “FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS” below, and the factors considered in the section headed “REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT” below.

Conditions precedent

Completion of the Disposal is subject to the satisfaction (or, written waiver by the Purchaser) of the following conditions precedent:

(1) the Vendor and the Other Shareholder having respectively issued a notice of proposed transfer and a reply to the notice of proposed transfer, confirming that the Other Shareholder waives its preemptive right to purchase the Sale Interest;

- (2) the Guangzhou Municipal Tax Bureau having issued a written confirmation on payment of tax relating to the Disposal;
- (3) the Other Shareholder and the Vendor having signed an agreement terminating the shareholders agreement between the Vendor and the Other Shareholder in relation to the Target Company;
- (4) the Company and KWG having jointly sent a written letter to Sun Hung Kai Properties (China) and the relevant property manager to, among others, confirm that the property management and leasing of the Guangzhou IGC Mall shall be handled by Sun Hung Kai Properties (China);
- (5) all parties having (and have procured that their affiliates have) signed and delivered to the Purchaser the relevant business registration documents as required under the Agreement;
- (6) Sun Hung Kai Properties (China), KWG, and the Company having signed a consent order regarding certain Hong Kong litigation relating to the Target Properties, agreeing to, among others, discontinue such litigation, which shall be held in escrow by Sun Hung Kai Properties (China), to be filed with the court after Completion and completion of the Offshore Transaction and within the time frame as set out under the Agreement; and
- (7) the representations and warranties of the Vendor remaining true, accurate and complete and not misleading.

Completion

Upon Completion, the procedures for the transfer of the Sale Interest shall be completed.

Guarantee

The Company shall guarantee in favour of the Purchaser the obligations of the Vendor under the Agreement, which shall be effective from the date of the Agreement and shall remain in force until the date falling six years from Completion.

Sun Hung Kai Properties (China) shall guarantee in favour of the Vendor the obligations of the Purchaser under the Agreement, which shall be effective from the date of the Agreement and shall remain in force until the date falling six years from Completion.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC. As at the date of the Agreement, it is held as to 33.34% by the Vendor, and as to 66.66% by the Other Shareholder. To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Other Shareholder is ultimately held as to 50% by KWG and as to 50% by Sun Hung Kai Properties (China).

The main asset of the Target Company is the International Grand City (IGC Mall) in Tianhe District Guangzhou, Conrad Guangzhou and related underground parking spaces (i.e. the Target Properties). The Target Company is engaged in the holding, operation and management of the Target Properties.

The Target Properties are a large-scale integrated project in the central business district of the Pearl River New Town in Guangzhou, adjacent to Liede metro station on Line 5, with a total gross floor area of approximately 459,540 square meters.

Set out below is the unaudited financial information of the Target Company for each of the two years ended 31 December 2024 and 31 December 2025:

	For the year ended 31 December	
	2024	2025
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Net loss before taxation and extraordinary items	(1,696,686)	(2,293,928)
Net loss after taxation and extraordinary items	(1,696,686)	(2,293,928)

Based on the unaudited management accounts of the Target Company, as at 31 December 2025, the unaudited net asset value of the Target Company was approximately RMB37,194,342.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Target Company is a joint venture between the Company, KWG and Sun Hung Kai Properties (China). Taking into account the current financial conditions of the Group, the Directors are of the view that the Disposal would resolve the outstanding tax issues relating to the Target Company and/or the Target Properties and provide a complete exit solution for the Group, and would help the Group to optimize its resources allocation, and to provide financial resources for its operations.

The Directors are of the view that the terms of the Agreement were negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES TO THE AGREEMENT

The Company and the Vendor

The Company is a company established in the PRC with limited liability. The Company and its subsidiaries are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC.

The Vendor is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company as at the date of the Agreement. It is principally engaged in investment holding in the PRC.

Sun Hung Kai Properties (China) and the Purchaser

The Purchaser is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding.

Sun Hung Kai Properties (China) is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser is indirectly wholly owned by Sun Hung Kai Properties (China). Sun Hung Kai Properties (China) is in turn a wholly-owned subsidiary of Sun Hung Kai Properties Limited, a company incorporated with limited liability in Hong Kong whose shares are listed on the Stock Exchange (stock code: 16 (HKD counter) and stock code: 80016 (RMB counter)).

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser, Sun Hung Kai Properties (China) and their ultimate beneficial owners are independent of and not connected with the Company or connected persons (as defined under the Listing Rules) of the Company.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Group will no longer hold any interest in the Target Company. Subject to final audit, it is estimated that the Company will record a gain on disposal of approximately RMB147.6 million from the Disposal, which is calculated with reference to the difference between the initial Consideration of RMB160 million and RMB12.4 million, being 33.34% of the unaudited net asset value of the Target Company of RMB37,194,342 as at 31 December 2025. The actual amount of gain on the Disposal is subject to review by the auditors of the Company.

The Company intends to apply the net proceeds from the Disposal for its general corporate purposes.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is 5% or more but less than 25%, the Disposal constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the sale and purchase agreement dated 26 May 2026 entered into among the Company, the Vendor, the Purchaser and Sun Hung Kai Properties (China) in relation to the Disposal
-------------	---

“Board”	the board of Directors
“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 H Shares of which are listed on the main board of the Stock Exchange (stock code: 2777)
“Completion”	completion of the Disposal pursuant to the Agreement
“Consideration”	has the meaning ascribed to it under the section headed “Consideration” in this announcement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interest pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“KWG”	KWG Group Holdings Limited(合景泰富集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 1813)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offshore Transaction”	the transfer of 50% of the issued shares of the Other Shareholder indirectly held by KWG to a subsidiary of Sun Hung Kai Properties (China)
“Other Shareholder”	Quality Express Limited(雋升有限公司), a limited liability company incorporated in Hong Kong
“PRC”	the People’s Republic of China
“Purchaser”	佳富力有限公司 (Fortress Link Limited) , a limited liability company incorporated in Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	33.34% equity interest in the Target Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Hung Kai Properties (China)”	Sun Hung Kai Properties (China) Limited(新鴻基地產（中國）有限公司), a limited liability company incorporated in Hong Kong
“Target Company”	Guangzhou Fujing Real Estate Development Co., Ltd.* (廣州市富景房地產開發有限公司), a limited liability company established in the PRC
“Target Properties”	properties held by the Target Company, comprising mainly the International Grand City (IGC Mall) in Tianhe District Guangzhou, Conrad Guangzhou and related underground parking spaces
“Vendor”	Guangzhou Fujia Investment Co., Ltd. * (廣州富嘉投資有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company as at the date of the Agreement
“%”	per cent.

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

Hong Kong, 26 May 2026

As at the date of this announcement, the executive directors of the Company are Dr. Li Sze Lim, Mr. Zhang Hui, Mr. Xiang Lijun and Mr. Zhao Feng; 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 purposes only