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

(Incorporated in Hong Kong with limited liability)
(Stock code: 00123)

CONNECTED TRANSACTION IN RELATION TO THE DEVELOPMENT OF LAND PARCEL THROUGH CAPITAL INCREASE

THE CAPITAL INCREASE AND THE COOPERATION AGREEMENT

The Board is pleased to announce that on 1 September 2026, Hangzhou Yile, which is an indirect non-wholly owned subsidiary of the Company, has entered into the Cooperation Agreement with Hangzhou Binjiang, the Target Company and the Project Company, pursuant to which the parties have conditionally agreed that, among others, the registered capital of the Target Company shall be increased from RMB50,000,000 to RMB900,000,000, and Hangzhou Yile and Hangzhou Binjiang shall subscribe for such additional registered capital of the Target Company by making capital contributions in the amount of RMB459,000,000 and RMB391,000,000, respectively. Upon Completion, the equity interests in the Project Company will be effectively owned by Hangzhou Yile and Hangzhou Binjiang as to 51% and 49%, respectively, and the shareholder loans provided by Hangzhou Yile and Hangzhou Binjiang to the Target Company will also be in the proportion of 51% and 49%, respectively.

The Total Consideration comprises (i) the capital contribution to be made by Hangzhou Yile for its subscription of the additional registered capital of the Target Company in the amount of RMB459,000,000; (ii) the Interest which is expected to be in the amount of approximately RMB648,516 payable by Hangzhou Yile; and (iii) the Shareholder Loan which is expected to be in the amount of RMB489,839,700 provided by Hangzhou Yile. It was determined based on Hangzhou Yile's attributable effective interests in the Project Company upon Completion (i.e. 51%) of the Total Land Premium and the Project Company Funding, together with the Interest payable to Hangzhou Binjiang.

The Directors (including the independent non-executive Directors) consider that the Total Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

As Hangzhou Binjiang is a substantial shareholder of certain project companies which are indirect non-wholly owned subsidiaries of the Company, each of Hangzhou Binjiang, the Target Company and the Project Company is a connected person of the Company at the subsidiary level. Therefore, the transactions contemplated under the Cooperation Agreement (including (i) the subscription by Hangzhou Yile for its portion of the additional registered capital of the Target Company and payment of the Interest to Hangzhou Binjiang and (ii) the provision of the Shareholder Loan by Hangzhou Yile) constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The highest applicable percentage ratio in respect of the Capital Increase (taking into account the Total Consideration payable by Hangzhou Yile) is higher than 5%. Given that (i) each of Hangzhou Binjiang, the Target Company and the Project Company is a connected person at the subsidiary level of the Company only; (ii) the Board has approved the Cooperation Agreement and the transactions contemplated thereunder; and (iii) all the independent non-executive Directors have confirmed that the terms of the Cooperation Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Cooperation Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Since the development of the Land Parcel into residential properties for sale through the Capital Increase is of a revenue nature and conducted in the ordinary and usual course of business of the Group, the transactions contemplated under the Cooperation Agreement are not regarded as transactions falling under Rule 14.04(1) of the Listing Rules.

As none of the Directors had a material interest in the Cooperation Agreement, no Director has abstained from voting on the relevant board resolutions of the Company.

INTRODUCTION

The Board is pleased to announce that on 1 September 2026, Hangzhou Yile, which is an indirect non-wholly owned subsidiary of the Company, has entered into the Cooperation Agreement with Hangzhou Binjiang, the Target Company and the Project Company, pursuant to which the parties have conditionally agreed that, among others, the registered capital of the Target Company shall be increased from RMB50,000,000 to RMB900,000,000, and Hangzhou Yile and Hangzhou Binjiang shall subscribe for such additional registered capital of the Target Company by making capital contributions in the amount of RMB459,000,000 and RMB391,000,000, respectively. Upon Completion, the equity interests in the Project Company will be effectively owned by Hangzhou Yile and Hangzhou Binjiang as to 51% and 49%, respectively, and the shareholder loans provided by Hangzhou Yile and Hangzhou Binjiang to the Target Company will also be in the proportion of 51% and 49%, respectively.

THE CAPITAL INCREASE AND THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are set out below:

Date

1 September 2026

Parties

Hangzhou Binjiang, Hangzhou Yile, the Target Company as the target company and the Project Company as the project company.

Subject matter

The Target Company has participated in and won the bidding of the Land Parcel on 21 July 2026 for a total land premium of RMB1,810,470,000 (the "**Total Land Premium**"), following which the Project Company was newly established by the Target Company for the development of the Land Parcel.

Pursuant to the Cooperation Agreement, the registered capital of the Target Company shall be increased from RMB50,000,000 to RMB900,000,000, and Hangzhou Yile and Hangzhou Binjiang shall subscribe for such additional registered capital of the Target Company by making additional capital contributions in the amount of RMB459,000,000 and RMB391,000,000, respectively. Hangzhou Yile and Hangzhou Binjiang has also agreed to provide funding to the Project Company (through the Target Company) in the proportion of 51% and 49%, respectively for the development of the Land Parcel.

Total Land Premium

As at the date of the Cooperation Agreement, Hangzhou Binjiang (through the Target Company) has paid the Deposit in the amount of RMB260,100,000 to the Land Bureau, out of (i) paid-up registered capital of the Target Company of RMB50,000,000 (being the total registered capital of the Target Company as at the date of this announcement); and (ii) shareholder loan of RMB210,100,000 from Hangzhou Binjiang to the Target Company.

In accordance with the Cooperation Agreement, the First Land Premium Payment in the amount of RMB645,135,000 shall be paid to the Land Bureau on or before 3 September 2026. The Second Land Premium Payment, being the balance of the Total Land Premium in the amount of RMB905,235,000, shall be paid to the Land Bureau on or before 3 August 2027.

Consideration and payment terms

It was agreed that (a) the Total Land Premium (including the Deposit, the First Land Premium Payment and the Second Land Premium Payment) and the Project Company Funding will be borne by Hangzhou Yile and Hangzhou Binjiang in proportion to their respective attributable effective interests in the Project Company upon Completion (i.e. 51%: 49%); and (b) the funding provided by Hangzhou Binjiang (through the Target Company) to the Project Company shall be in the form of paid-up capital contribution and shareholder loan to the Target Company, whereas the earnest money provided by Hangzhou Yile to

Hangzhou Binjiang shall be converted to shareholder loan to the Target Company upon Completion. It was further agreed under the Cooperation Agreement that Hangzhou Yile shall make payments in the following manner:

(1) within five working days after the registration of the Equity Interests Pledge in accordance with the Cooperation Agreement, Hangzhou Yile shall pay an amount of RMB132,651,000, which is equivalent to 51% (i.e. Hangzhou Yile's attributable effective interests in the Project Company upon Completion) of the Deposit (the "**First Subscription Instalment**"), to Hangzhou Binjiang in the form of earnest money;

(2) simultaneously with the payment of the First Subscription Instalment as described in (1) above, Hangzhou Yile shall pay an interest to Hangzhou Binjiang in respect of the equivalent amount of the First Subscription Instalment which has been paid by Hangzhou Binjiang (the "**Interest**"). The Interest will be calculated at 4% per annum commencing on the day following the date of payment of the Deposit by Hangzhou Binjiang (through the Target Company) to the Land Bureau, and ending on the date immediately before the payment of the First Subscription Instalment by Hangzhou Yile to Hangzhou Binjiang, and is expected to be in the amount of approximately RMB648,516;

(3) within five working days after the registration of the Equity Interests Pledge in accordance with the Cooperation Agreement, an amount of RMB50,000,000 (the "**Project Company Funding**") shall be paid to the Project Company (through the Target Company) and shall be borne by Hangzhou Binjiang and Hangzhou Yile in proportion to their respective attributable effective interests in the Project Company upon Completion (i.e. 49%: 51%), in the form of shareholder loan from Hangzhou Binjiang and earnest money from Hangzhou Yile, respectively;

(4) on the date of payment of the First Land Premium Payment by the Project Company to the Land Bureau which is expected to take place on or before 3 September 2026, Hangzhou Yile shall pay RMB329,018,850 (representing the pro rata amount of the First Land Premium Payment in proportion to its attributable effective interests in the Project Company upon Completion) to Hangzhou Binjiang in the form of further earnest money;

(5) on the date of the payment of the Second Land Premium Payment by the Project Company to the Land Bureau which is expected to take place on or before 3 August 2027, Hangzhou Yile shall pay RMB461,669,850 (representing the pro rata amount of the Second Land Premium Payment in proportion to its attributable effective interests in the Project Company upon Completion) to Hangzhou Binjiang in the form of further earnest money; and

(6) the earnest money in the amount of RMB948,839,700 paid by Hangzhou Yile as described above shall, upon Completion, be converted into shareholder loan from Hangzhou Yile to the Target Company. Within seven working days of the date of Completion, Hangzhou Yile and Hangzhou Binjiang shall make paid-up capital contributions of RMB459,000,000 and RMB391,000,000, respectively, for their respective subscriptions of the additional registered capital of the Target Company and on the same day as the payment of such additional capital contributions, (i) an amount

of RMB459,000,000 of the shareholder loan shall be repaid to Hangzhou Yile, and (ii) the remaining balance of RMB489,839,700 shall remain outstanding as shareholder loan from Hangzhou Yile to the Target Company (the "**Shareholder Loan**").

Upon Completion, the equity interests in the Project Company will be effectively owned by Hangzhou Yile and Hangzhou Binjiang as to 51% and 49%, respectively, and shareholder loan provided by Hangzhou Yile and Hangzhou Binjiang to the Target Company will be in the proportion of 51% and 49%, respectively.

Transitional arrangements

Within five working days of the date of the Cooperation Agreement, the Target Company shall pledge 51% equity interests in the Project Company to Hangzhou Yile (the "**Equity Interests Pledge**"), as security for the payments by Hangzhou Yile prior to Completion. The Equity Interests Pledge will be cancelled and discharged within two working days after Completion.

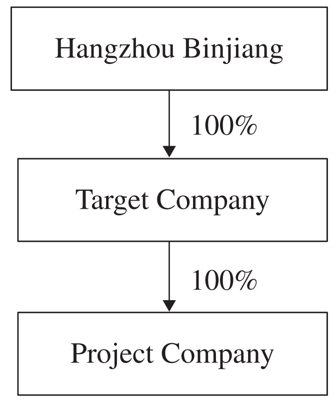
During the transitional period between the date of the Cooperation Agreement and the completion of the registration of the Capital Increase at the relevant administration for market regulations, each of Hangzhou Binjiang, the Project Company and the Target Company shall not, without the prior written consent of Hangzhou Yile, engage in any activities which would incur any material obligations or result in any material amendments to the business scope of the Project Company and the Target Company. After Hangzhou Yile has paid the First Subscription Instalment and the Interest (as applicable), Hangzhou Yile shall be entitled to (i) appoint personnel to participate in the daily operation and management of the Project Company and the Target Company and (ii) enjoy the shareholder rights in respect of the Project Company and the Target Company in proportion to its attributable effective interests in the Project Company upon Completion.

Conditions precedent and Completion

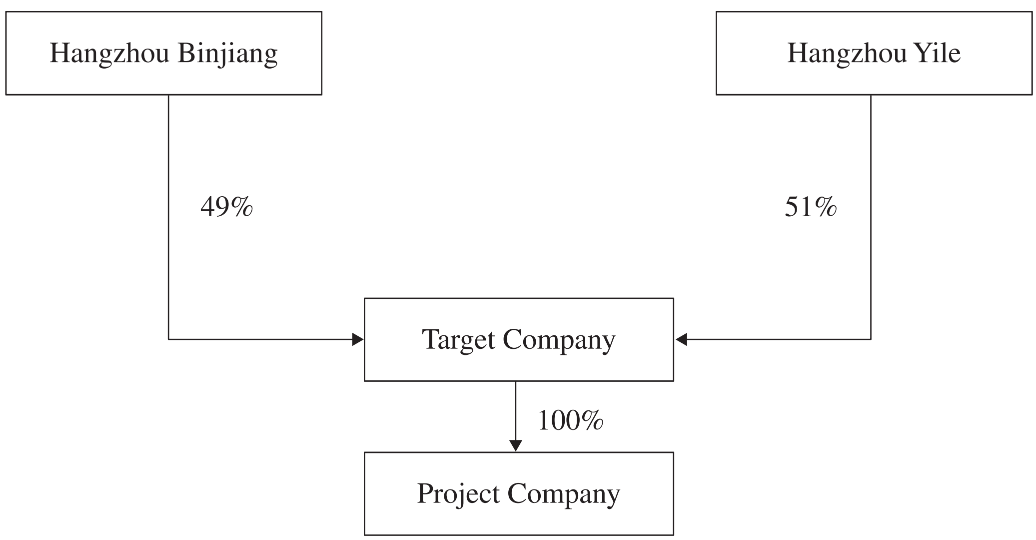
Completion is conditional on (i) the Project Company having obtained the certificate of real estate ownership of the Land Parcel and having completed more than 25% of the total development investment amount (exclusive of the Total Land Premium) in the Land Parcel, and (ii) Hangzhou Yile having completed the necessary state-owned assets evaluation and filings and registration procedures in respect of Project Company and the Target Company. Completion shall take place within five working days of the satisfaction of conditions (i) and (ii) above and upon completion of the registration at the relevant administration for market regulations.

Upon Completion, Hangzhou Yile will hold 51% of the equity interests in the Target Company, which in turn wholly owns the Project Company. The Project Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Project Company will be consolidated into the consolidated financial results of the Company.

Set out below is a chart in relation to the equity interests structure of the Project Company as at the date of this announcement:



Set out below is a chart in relation to the intended equity interests structure of the Project Company upon Completion:



MANAGEMENT OF THE PROJECT COMPANY

Board composition and reserved matters of the Project Company

Upon Completion, the board of the Project Company shall have a total of three directors, one of whom shall be appointed by Hangzhou Binjiang and two of whom (including the chairman) shall be appointed by Hangzhou Yile. All matters requiring board approval (such as, among others, deciding on the Project Company's business, investment and financing plans, appointing or dismissing general managers and formulating general management systems of the Project Company) are subject to simple majority vote.

All matters of the Project Company requiring shareholder's approval shall first be approved by shareholders' resolutions of the Target Company. All matters of the Target Company requiring shareholders' approval shall be approved by simple majority of the shareholder voting rights at shareholders' meetings, except that certain reserved matters such as (among others) increase or reduction of the registered capital, any merger, dissolution, liquidation or change in corporate form, and amendment of articles shall be approved by at least two-thirds of the shareholder voting rights.

Project management and other operational services

As contemplated in the Cooperation Agreement, Hangzhou Binjiang and Hangzhou Yile will provide project management and other operational services to the Project Company in respect of the residential project to be developed by the Project Company, which may include project management, property sales and other operational services. The provision of such services, if materialised, may constitute a connected transaction of the Company and may be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules. Further announcement(s) will be made by the Company in compliance with the Listing Rules as and when necessary.

BASIS OF DETERMINATION OF TOTAL CONSIDERATION

The Total Consideration comprises (i) the capital contribution to be made by Hangzhou Yile for its subscription of the additional registered capital of the Target Company in the amount of RMB459,000,000; (ii) the Interest which is expected to be in the amount of approximately RMB648,516 payable by Hangzhou Yile; and (iii) the Shareholder Loan which is expected to be in the amount of RMB489,839,700 provided by Hangzhou Yile. It was determined based on Hangzhou Yile's attributable effective interests in the Project Company upon Completion (i.e. 51%) of the Total Land Premium and the Project Company Funding, together with the Interest payable to Hangzhou Binjiang. The Total Consideration shall be funded by the Group's internal resources.

The Directors (including the independent non-executive Directors) consider that the Total Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE TARGET COMPANY AND THE PROJECT COMPANY

Target Company

The Target Company is a company established in the PRC with limited liability on 8 May 2026. The principal business of the Target Company is real estate development and operations.

As at the date of this announcement, the Target Company has a registered capital of RMB50,000,000, which has been fully paid up, and is wholly owned by Hangzhou Binjiang. The Target Company wholly owns the Project Company.

Since the Target Company was established on 8 May 2026, revenue and net profit/loss are not applicable to the Target Company for the financial years ended 31 December 2024 and 31 December 2025. As at 31 July 2026, the book value of the total assets of the Target Company was approximately RMB260,237,199.

Project Company

The Project Company was established in the PRC with limited liability on 24 July 2026. The principal business of the Project Company is real estate development and operations.

As at the date of this announcement, it has a total registered capital of RMB900,000,000, which has not yet been paid up, and is wholly owned by the Target Company. The Project Company was newly established by the Target Company specifically for the development of the Land Parcel. The Land Parcel is located in the Gongshu District, Hangzhou, the PRC with a total site area of 39,938 sq. m. It will be developed for residential use. The Project Company is not expected to engage in any other business except for the development of the Land Parcel into residential properties for sale.

Since the Project Company was established on 24 July 2026, revenue and net profit/loss are not applicable to the Project Company for the financial years ended 31 December 2024 and 31 December 2025. As at 31 July 2026, the book value of the total assets of the Project Company was approximately RMB1,810,470,000.

INFORMATION OF THE GROUP, HANGZHOU YILE AND HANGZHOU BINJIANG

The Group and Hangzhou Yile

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 brand mission of "Where Good Living Starts", it has strategically established its business presence in the Greater Bay Area, Eastern China, Central and Western China and Northern China.

Hangzhou Yile is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the business of real estate development and operation.

Hangzhou Binjiang

Hangzhou Binjiang is a company established in the PRC and listed on the Shenzhen Stock Exchange. It is principally engaged in the business of real estate development and operation. It is a leading real estate company in Hangzhou and among the top 50 real estate enterprises in the PRC.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Land Parcel is located in the Gongshu District, Hangzhou with comprehensive commercial, educational, and transportation facilities in the surrounding area, providing it with excellent geographical advantages. Hangzhou Binjiang is a leading real estate company in Hangzhou, the PRC and has a strong reputation for its high-quality and customer recognition. The Group has an established track record of cooperation with Hangzhou Binjiang on property development projects in Hangzhou. The Directors believe that the collaboration with Hangzhou Binjiang will enhance the efficiency and resource allocation of the development of the Land Parcel.

In view of the above, the Directors believe that it is in the interests of the Group to participate in the development of the Land Parcel through the Capital Increase. Upon Completion, Hangzhou Yile will hold 51% of the equity interests in the Target Company. The Project Company is wholly owned by the Target Company. Accordingly, the financial results of the Project Company will be consolidated into the consolidated financial results of the Company and they are expected to contribute to the Group's overall operating scale and financial performance. Taking into account the reasons and benefits described above, the Directors (including the independent non-executive Directors) consider that the terms of the Cooperation Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As Hangzhou Binjiang is a substantial shareholder of certain project companies which are indirect non-wholly owned subsidiaries of the Company, each of Hangzhou Binjiang, the Target Company and the Project Company is a connected person of the Company at the subsidiary level. Therefore, the transactions contemplated under the Cooperation Agreement (including (i) the subscription by Hangzhou Yile for its portion of the additional registered capital of the Target Company and payment of the Interest to Hangzhou Binjiang and (ii) the provision of the Shareholder Loan by Hangzhou Yile) constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The highest applicable percentage ratio in respect of the Capital Increase (taking into account the Total Consideration payable by Hangzhou Yile) is higher than 5%. Given that (i) each of Hangzhou Binjiang, the Target Company and the Project Company is a connected person at the subsidiary level of the Company only; (ii) the Board has approved the Cooperation Agreement and the transactions contemplated thereunder; and (iii) all the independent non-executive Directors have confirmed that the terms of the Cooperation Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Cooperation Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Since the development of the Land Parcel into residential properties for sale through the Capital Increase is of a revenue nature and conducted in the ordinary and usual course of business of the Group, the transactions contemplated under the Cooperation Agreement are not regarded as transactions falling under Rule 14.04(1) of the Listing Rules.

As none of the Directors had a material interest in the Cooperation Agreement, no Director has abstained from voting on the relevant board resolutions of the Company.

DEFINITIONS

In addition to the expressions defined in the content of this announcement, the following expressions have the following meanings:

"Board"	the board of Directors
"Capital Increase"	the increase in the registered capital of the Target Company from RMB50,000,000 to RMB900,000,000 with capital contributions to be made by Hangzhou Yile and Hangzhou Binjiang in accordance with the terms of the Cooperation Agreement
"Company"	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
"Completion"	completion of the registration of the Capital Increase at the relevant administration for market regulations in accordance with the terms of the Cooperation Agreement
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules
"Cooperation Agreement"	the cooperation agreement entered into between Hangzhou Yile, Hangzhou Binjiang, the Target Company and the Project Company dated 1 September 2026 regarding the Capital Increase
"Deposit"	the amount of RMB260,100,000 paid by Hangzhou Binjiang (through the Target Company) to the Land Bureau prior to the bidding of the Land Parcel as security to participate in the bidding and as part of the Total Land Premium
"Directors"	the directors of the Company
"Equity Interests Pledge"	has the meaning given to it in the section headed "Transitional arrangements"

"First Land Premium Payment"	the amount of RMB645,135,000 to be paid to the Land Bureau as part of the Total Land Premium
"Group"	the Company and its subsidiaries
"Hangzhou Binjiang"	杭州濱江房產集團股份有限公司 (Hangzhou Binjiang Real Estate Group Co., Ltd.*), a limited liability company established in the PRC on 22 August 1996, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002244)
"Hangzhou Yile"	杭州燚樂實業投資有限公司 (Hangzhou Yile Industrial Investment Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Interest"	has the meaning given to it in the section headed "Consideration and payment terms"
"Land Bureau"	杭州市規劃與自然資源局 (Hangzhou Bureau of Planning and Natural Resources*)
"Land Parcel"	the parcel of land GS120103–10 located at Kangqiao Unit, Gongshu District, Hangzhou, the PRC with a total site area of 39,938 sq. m.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
"Project Company"	杭州濱樹房地產開發有限公司 (Hangzhou Binshu Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Target Company as at the date of this announcement
"Project Company Funding"	has the meaning given to it in the section headed "Consideration and payment terms"
"RMB"	Renminbi, the lawful currency of the PRC
"Second Land Premium Payment"	the amount of RMB905,235,000 to be paid to the Land Bureau as part of the Total Land Premium
"Shareholder(s)"	holder(s) of shares of the Company

"Shareholder Loan"	has the meaning given to it in the section headed "Consideration and payment terms"
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	杭州濱曼房地產開發有限公司 (Hangzhou Binman Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Hangzhou Binjiang as at the date of this announcement
"Total Consideration"	the aggregate consideration payable by Hangzhou Yile in connection with the transactions contemplated under the Cooperation Agreement
"Total Land Premium"	the total land premium for the Land Parcel in the amount of RMB1,810,470,000, which shall be paid to the Land Bureau in relation to the acquisition of the Land Parcel

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

Hong Kong, 1 September 2026

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*