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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED TRANSFER

The Board is pleased to announce that on 30 March 2018, the Transferor and the Transferee entered into the Transfer Agreement, pursuant to which, the Transferor agreed to transfer to the Transferee, and the Transferee agreed to acquire from the Transferor, the Car Park for a total consideration of RMB31,963,500.

LISTING RULES IMPLICATIONS

The Transferee is indirectly wholly-owned by GZYYX, the controlling shareholder of the Company, and is therefore a connected person of the Company. As such, the Transfer constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as calculated in accordance with Rule 14.07 of the Listing Rules) of the Transfer exceeds 0.1% but is less than 5%, the Transfer is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

BACKGROUND

The Company is pleased to announce that on 30 March 2018, the Transferor and the Transferee entered into the Transfer Agreement, pursuant to which, the Transferor agreed to transfer to the Transferee, and the Transferee agreed to acquire from the Transferor, the Car Park for a total consideration of RMB31,963,500.

TRANSFER AGREEMENT

Date: 30 March 2018

Parties

Transferor: 廣州市城市建設開發有限公司 (Guangzhou City Construction & Development Co. Ltd.)

Transferee: 廣州市城市建設開發集團有限公司 (Guangzhou City Construction & Development Group Company Limited*)

Assets to be transferred

Pursuant to the Transfer Agreement, the Transferor agreed to transfer to the Transferee, and the Transferee agreed to acquire from the Transferor, the Car Park for a total consideration of RMB31,963,500 (the “**Transfer Consideration**”). The Car Park, which is beneficially owned by the Transferor prior to the signing of the Transfer Agreement, has a total gross floor area of approximately 7,137 square metres. Based on the valuation conducted by the Independent Property Valuer, the market value of the Car Park as at 31 December 2017 was approximately RMB30,400,000.

The Car Park shall be transferred to the Transferee on an “as is” basis.

Transfer Consideration and payment terms

The Transfer Consideration shall be paid in full by the Transferee to the Transferor within fifteen business days from the date on which the Transfer Agreement becomes effective (the “**Effective Date**”). The Transferee shall pay such Transfer Consideration to the designated bank account of the Transferor.

The Transfer Consideration was determined after arm’s length negotiation between the Transferor and the Transferee with reference to, among other things, the market value of the Car Park as at 31 December 2017 in the amount of RMB30,400,000 as valued by the Independent Property Valuer.

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

Completion of the Transfer

Completion of the Transfer shall take place on the date when the Transfer Consideration is paid to the Transferor by the Transferee in full (the “**Completion Date**”). Subject to the Transferee having paid the compensation amount payable pursuant to the terms of the Transfer Agreement (if any), on the Completion Date, the Transferor shall deliver the Car Park to the Transferee, upon which the Car Park are transferred to the Transferee.

Termination and penalty in the event of breach

In the event that the Transferee fails to fulfil its payment obligations in accordance with the terms under the Transfer Agreement, the Transferee shall pay penalty interest at the rate specified in the Transfer Agreement for every day that the abovementioned breach subsists, and if the abovementioned breach continues to subsist for a period of 30 days after the relevant deadline stipulated in the Transfer Agreement, the Transferor may terminate the Transfer Agreement and the Transferee shall pay the Transferor damages resulting from the abovementioned breach.

The Transfer Agreement shall be legally binding on the Parties from the Effective Date and shall not be unilaterally modified, rescinded or terminated, except that the Transfer Agreement may be: (i) modified or rescinded upon mutual agreement by the Parties in writing; (ii) terminated on the occurrence of any force majeure events or in the event that the purpose of the Transfer Agreement cannot be realized; or (iii) terminated in accordance with the applicable laws, regulations or other provisions of the Transfer Agreement.

FINANCIAL INFORMATION OF THE CAR PARK

The unaudited financial information of the Car Park prepared in accordance with the PRC Generally Accepted Accounting Principles for the financial years ended 31 December 2017 and 2016, respectively, is as follows:

	For the financial year ended 31 December 2017	For the financial year ended 31 December 2016
Revenue	RMB1,490,000	RMB1,650,000
Net profit before taxation	RMB2,510,000	RMB2,790,000
Net profit after taxation	RMB1,720,000	RMB1,910,000

As at 31 December 2017, the book value of the Car Park is approximately RMB30,400,000.

FINANCIAL EFFECTS OF THE TRANSFER

It is expected that the Group will record a gain of approximately RMB730,000 (after taxation) as a result of the Transfer. Such gain is calculated by reference to the book value of the Car Park as at 31 December 2017.

USE OF PROCEEDS

It is expected that the net proceeds from the Transfer will be applied towards the working capital of the Group.

REASONS FOR AND BENEFITS OF THE TRANSFER

The Board considers that the Car Park is relatively low in terms of economic efficiency given its current status, and therefore the Company is making the Transfer at the market price in order realize its investment in the Car Park.

INFORMATION OF THE COMPANY, THE TRANSFEROR AND THE TRANSFEREE

Information of the Company

The Company is 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). The Group is principally engaged in property development and investment, mainly focusing on properties in Guangzhou and gradually expanding into the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

Information of the Transferor

The Transferor is principally engaged in the development, operation, leasing and management of properties.

Information of the Transferee

The Transferee is principally engaged in real estate development.

IMPLICATIONS OF THE LISTING RULES

The Transferee is indirectly wholly-owned by GZYYX, the controlling shareholder of the Company, and is therefore a connected person of the Company. As such, the Transfer constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as calculated in accordance with Rule 14.07 of the Listing Rules) of the Transfer exceeds 0.1% but is less than 5%, the Transfer is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Car Park”	the real property being operated as an underground car park named Ersha Island District 15 Underground Car Park* (二沙島15區地下停車場) located at No. 4 Chunxiao Street, Ersha Island, Yuexiu District, Guangzhou City, Guangdong Province, the PRC
“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)
“Completion Date”	has the meaning ascribed to it under the section “Transfer Agreement - Completion of the Transfer”
“Connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Effective Date”	has the meaning ascribed to it under section “Transfer Agreement — Transfer Consideration and payment terms”
“Group”	the Company and its subsidiaries
“GZYX”	廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited*), a limited liability company incorporated in the PRC which is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Property Valuer”	Greater China Appraisal Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Transferor and the Transferee, each a “Party”
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it under the Listing Rules
“Transfer”	the transfer of the Car Park by the Transferor to the Transferee as contemplated by and pursuant to the Transfer Agreement
“Transferee”	廣州市城市建設開發集團有限公司(Guangzhou City Construction & Development Group Company Limited*), an indirect wholly owned subsidiary of GZYX incorporated under the laws of PRC with limited liability
“Transferor”	廣州市城市建設開發有限公司 (Guangzhou City Construction & Development Co. Ltd.), a company incorporated in the PRC which is indirectly owned as to 95% by the Company and as to 5% by 廣州市城市建設開發集團有限公司 (Guangzhou City Construction & Development Group Company Limited*) respectively, the latter of which is in turn indirectly wholly-owned by GZYX

“Transfer Agreement” the Transfer Agreement dated 30 March 2018 entered into between the Transferor and the Transferee in respect of the Transfer

“Transfer Consideration” has the meaning ascribed to it under the section “Transfer Agreement — Assets to be transferred”

* *for identification purposes only*

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

Hong Kong, 2 April 2018

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

Executive Directors: ZHANG Zhaoxing (Chairman), ZHU Chunxiu, LIN Zhaoyuan, LI Feng and CHEN Jing

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