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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)

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FOREIGN EXCHANGE TRANSACTIONS

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FX TRANSACTIONS

Reference is made to the 2022 Announcement in relation to the existing continuing connected transaction contemplated under the 2022 Foreign Exchange Framework Agreement.

As the 2022 Foreign Exchange Framework Agreement will expire on 31 December 2024, the Company has entered into the 2025 Foreign Exchange Framework Agreement with CHB on 30 December 2024 to renew the 2022 Foreign Exchange Framework Agreement which governs the FX Transactions (namely, the Spot Contracts and the Forward Contracts) to be entered into between the Group and the CHB Group for a term of three years commencing from 1 January 2025 and ending on 31 December 2027.

PROPOSED ANNUAL CAPS

The proposed Annual Caps for the Spot Contracts, based on aggregate amount of the Spread, will be HK\$5.0 million, HK\$5.3 million and HK\$5.7 million for each of the three years ending 31 December 2025, 2026 and 2027, respectively.

The proposed Annual Caps for the Forward Contracts, based on aggregate amount of the Hedging Cost, will be HK\$57.5 million, HK\$164.0 million and HK\$172.5 million for each of the three years ending 31 December 2025, 2026 and 2027, respectively.

LISTING RULES IMPLICATIONS

As CHB is a subsidiary of YXE, the controlling shareholder of the Company, CHB is a connected person of the Company. The FX Transactions between the Group and the CHB Group therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to renew continuing connected transactions contemplated under the 2022 Foreign Exchange Framework Agreement, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the highest applicable percentage ratio (other than the profits ratio) set out in Rule 14.07 of the Listing Rules for the proposed Annual Caps under the 2025 Foreign Exchange 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 the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FX TRANSACTIONS

Reference is made to the 2022 Announcement in relation to the existing continuing connected transaction contemplated under the 2022 Foreign Exchange Framework Agreement.

As the 2022 Foreign Exchange Framework Agreement will expire on 31 December 2024, the Company has entered into the 2025 Foreign Exchange Framework Agreement with CHB on 30 December 2024 to renew the 2022 Foreign Exchange Framework Agreement, which governs the FX Transactions (namely, the Spot Contracts and the Forward Contracts) to be entered into between the Group and the CHB Group for a term of three years commencing from 1 January 2025 and ending on 31 December 2027.

As the Group's principal operations are in the PRC, its income and expenses are primarily denominated in RMB. At the same time, the Group has certain operations outside the PRC and a portion of the Group's indebtedness is denominated in a Foreign Currency. The Group has the need to enter into spot contracts to convert one currency into another currency for its business and operations, and it has the need to enter into, among others, forward contracts to manage its foreign exchange exposure, from time to time.

Pursuant to the 2025 Foreign Exchange Framework Agreement, the Group may enter into spot contracts and forward contracts with the CHB Group from time to time during the term of the 2025 Foreign Exchange Framework Agreement. Standard documentation for such FX Transactions, as prescribed by the CHB Group in accordance with usual banking practices in Hong Kong and in such form acceptable to the Group, may be entered into between the relevant members of the Group and the CHB Group from time to time to effect such FX Transactions.

Duration

The term of the 2025 Foreign Exchange Framework Agreement shall commence from 1 January 2025 and continue up to and including 31 December 2027. Subject to compliance with the then relevant requirements under the Listing Rules, the 2025 Foreign Exchange Framework Agreement may be renewed by the Company and CHB by agreement in writing.

Pricing Policy

In order to ensure that the FX Transactions between the Group and the CHB Group are fair and reasonable and on normal commercial terms, the Group will, before entering into a FX Transaction with the CHB Group, compare the quotation that it receives from the CHB Group with quotations from two independent banks and that the Group will only enter into the FX Transactions with the CHB Group if the quotation from the CHB Group is no less favourable to the Group when compared with quotations from the two independent banks.

Historical Amounts

The historical aggregate amount of the Spread of spot contracts and the Hedging Cost of forward contracts entered into between the Group and the CHB Group for the years ended 31 December 2021, 2022 and 2023 and the eight months ended 31 August 2024 are set out as follows:

	For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023	For the eight months ended 31 August 2024
Historical aggregate amount of the Spread of spot contracts entered into between the Group and the CHB Group	HK\$1,475,000	HK\$346,000	HK\$1,406,990	HK\$792,922
Historical aggregate amount of the Hedging Cost of forward contracts entered into between the Group and the CHB Group	HK\$70,350,000	HK\$10,383,000	Nil	HK\$6,551,169

Proposed Annual Caps

The proposed Annual Caps for each of the three years ending 31 December 2025, 2026 and 2027 are set out as follows:

	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
Spot Contracts — Aggregate amount of the Spread of the Spot Contracts	HK\$5.0 million	HK\$5.3 million	HK\$5.7 million
Forward Contracts — Aggregate amount of the Hedging Cost of the Forward Contracts	HK\$57.5 million	HK\$164.0 million	HK\$172.5 million

Basis of determining the proposed Annual Caps

In determining the Annual Caps, the management of the Company has taken into account various factors, including:

- (1) the historical volumes of spot contracts and forward contracts entered into between the Group and the CHB Group for the years ended 31 December 2021, 2022 and 2023 and the eight months ended 31 August 2024, respectively;
- (2) the projected aggregate amount of the Spot Contracts and the Forward Contracts to be entered into with the CHB Group;
- (3) the estimated Spread and Hedging Cost (as the case may be) in 2025;
- (4) the Group's growing business size;
- (5) fluctuation in the RMB exchange rate amid global trade uncertainty and other external factors; and
- (6) a buffer to cater for any possible unexpected increase in the volume of FX Transactions to be entered into between the Group and the CHB Group.

INTERNAL CONTROL PROCEDURES

The Group has established internal control procedures as follows:

- (1) The Group will enter into foreign exchange transactions with the CHB Group only on a non-exclusive basis and subject always to the quotations comparison procedure as described in the sub-section "Pricing Policy" under the section headed "Renewal of Existing Continuing Connected Transactions in relation to FX Transactions" above.
- (2) The Group will monitor the aggregate amounts of FX Transactions before entering into any new FX Transactions to ensure that the relevant Annual Caps will not be exceeded.
- (3) The Group will prepare a continuing connected transaction report once every six months on the FX Transactions which will be submitted to the Group's audit committee for consideration, such report to include, among other things, the status of compliance with the Annual Caps and utilization of the Annual Caps.
- (4) The Group's audit committee will in its meetings discuss and assess the implementation of the continuing connected transactions of the Group at least twice a year.
- (5) The auditors of the Group will, in addition to its interim review and year-end audit, conduct annual review of the FX Transactions and confirm to the Board as to whether such FX Transactions are indeed conducted in accordance with the terms of the 2025 Foreign Exchange Framework Agreement in all material respects, on normal commercial terms and in accordance with the pricing policy of the Group and whether the Annual Caps have been complied with. 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 Group. The Company is

satisfied that it has an adequate system of controls to safeguard the FX Transactions, and to provide information for the independent non-executive Directors and auditors to properly review the FX Transactions annually.

REASONS FOR AND BENEFITS OF THE FX TRANSACTIONS

As discussed in the section headed “Renewal of Existing Continuing Connected Transactions in relation to FX Transactions” above, the Group has the need to enter into spot contracts for its business and operations and to enter into, among others, forward contracts to manage its foreign exchange exposure from time to time. CHB, as a reputable and long-established authorized institution in Hong Kong, is able to provide different banking and related services in support of the Group’s business and treasury activities. The Company believes that it would be in the interest of the Group to enter into the FX transactions with the CHB Group on a non-exclusive basis in accordance with the 2025 Foreign Exchange Framework Agreement, subject always to the Group’s internal control procedures.

The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the relevant board resolutions of the Company) are of the view that the 2025 Foreign Exchange Framework Agreement has been entered into on normal commercial terms and in the ordinary and usual course of the Group’s business, and that the transactions contemplated thereunder (together with the Annual Caps) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As CHB is a subsidiary of YXE, the controlling shareholder of the Company, CHB is a connected person of the Company. The FX Transactions between the Group and the CHB Group therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to renew continuing connected transactions contemplated under the 2022 Foreign Exchange Framework Agreement, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the highest applicable percentage ratio (other than the profits ratio) set out in Rule 14.07 of the Listing Rules for the proposed Annual Caps under the 2025 Foreign Exchange 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 the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As Mr. LIN Zhaoyuan, Ms. CHEN Jing, Mr. LEE Ka Lun and Mr. YU Lup Fat Joseph are also serving as directors of CHB, each of them is regarded as having a material interest in the transactions contemplated under the 2025 Foreign Exchange Framework Agreement and has abstained from voting on the relevant board resolutions. Other than those Directors, no other Directors have a material interest in the agreement and the transactions contemplated thereunder or are required to abstain from voting on the resolutions of the Board approving the same.

INFORMATION ON THE GROUP AND CHB

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 RMB423.54 billion, with a landbank totalling 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.

CHB

CHB is incorporated in Hong Kong with limited liability. CHB and its subsidiaries are principally engaged in the provision of banking and related financial services.

DEFINITIONS

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

“2022 Announcement”	the announcement of the Company dated 5 January 2022 in relation to the existing continuing connected transactions contemplated under the 2022 Foreign Exchange Framework Agreement
“2022 Foreign Exchange Framework Agreement”	the framework agreement dated 5 January 2022 entered into between the Company and CHB in relation to the FX Transactions
“2025 Foreign Exchange Framework Agreement”	the framework agreement dated 30 December 2024 entered into between the Company and CHB to renew the 2022 Foreign Exchange Framework Agreement
“Annual Caps”	the maximum aggregate amount of the Spread of the Spot Contracts and the aggregate amount of the Hedging Cost of the Forward Contracts for each of the financial years set out in this announcement

“Board”	the board of Directors
“CHB”	Chong Hing Bank Limited, a limited liability company incorporated under the laws of Hong Kong
“CHB Group”	CHB and its subsidiaries
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors (including the independent non-executive directors) of the Company
“Foreign Currency(ies)”	currency(ies) other than RMB
“Forward Contract(s)”	the forward contract(s) entered into or to be entered into between the Group and the CHB Group in relation to the purchase of one currency with another currency by the Group from the CHB Group at a future date under the 2025 Foreign Exchange Framework Agreement
“FX Transactions”	the Spot Contracts and the Forward Contracts
“Group”	the Company and its subsidiaries
“Hedging Cost”	the difference between the forward rate under a Forward Contract and the spot exchange rate as quoted by independent external financial information service providers (e.g. Bloomberg, Thomson Reuters, etc.) on the date of such Forward Contract as multiplied by the notional amount under such Forward Contract
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on 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
“Shareholders”	shareholders of the Company

“Spot Contract(s)”	the spot contract(s) entered into or to be entered into between the Group and the CHB Group in relation to the purchase of one currency with another currency by the Group from the CHB Group under the 2025 Foreign Exchange Framework Agreement
“Spread”	the difference between the exchange rate under a Spot Contract and the exchange rate as quoted by independent external financial information service providers (e.g. Bloomberg, Thomson Reuters, Wind, CFETS, etc.) on the date of such Spot Contract as multiplied by the notional amount under such Spot Contract
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“YXE”	Yue Xiu Enterprises (Holdings) Limited, a limited company incorporated under the laws of Hong Kong and the controlling shareholder of each of the Company and CHB

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

Hong Kong, 30 December 2024

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

<i>Executive Directors:</i>	<i>LIN Zhaoyuan (Chairman), ZHU Huisong, HE Yuping, CHEN Jing and LIU Yan</i>
<i>Non-executive Directors:</i>	<i>ZHANG Yibing and SU Junjie</i>
<i>Independent Non-executive Directors:</i>	<i>YU Lup Fat Joseph, LEE Ka Lun, LAU Hon Chuen Ambrose and CHEUNG Kin Sang</i>