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CONNECTED TRANSACTION FX FORWARD CONTRACT

FX FORWARD CONTRACT

The Board is pleased to announce that on 20 April 2021, the Company entered into the FX Forward Contract with YXE to purchase USD in the amount of US\$300 million with RMB on the terms stated therein.

LISTING RULES IMPLICATIONS

As YXE is the controlling Shareholder of the Company, it is a connected person of the Company. As such, the FX Forward Contract between the Group and YXE constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the FX Forward Contract are more than 0.1% but less than 5%, the FX Forward Contract is subject to the reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 April 2021, the Company entered into the FX Forward Contract with YXE to purchase USD in the amount of US\$300 million with RMB on the terms stated therein.

FX FORWARD CONTRACT

Under the FX Forward Contract, the Company agreed to use the forward rate (i.e. a pre-agreed foreign exchange rate determined by the parties after arms' length negotiations and in compliance with the Group's internal control policy), to purchase USD with RMB on the relevant settlement date.

Major Terms of the FX Forward Contract

Trade date	:	20 April 2021
Parties	:	(1) the Company (as purchaser of USD) and (2) YXE (as seller of USD)
Principal amount and currency	:	US\$300 million
Forward rate	:	RMB7.0486 per USD1.00
Settlement currency	:	USD
Settlement date	:	20 January 2026
Settlement	:	Non-deliverable
Valuation date	:	Two business days prior to the settlement date

Pursuant to the FX Forward Contract, either YXE or the Company may, by notice in writing to each other, elect to early terminate any outstanding transaction under the FX Forward Contract in full or in part where the USD Notes are cancelled, repaid or prepaid in full or, as applicable, in part, or is declared prematurely due and payable under and in accordance with the relevant documents in relation to issuance of the USD Notes.

REASONS AND BENEFITS FOR ENTERING INTO THE FX FORWARD CONTRACT

As the Group's principal operations are in the PRC, its income and expenses are primarily denominated in RMB. The Company and most of its subsidiaries consider RMB as their functional currency. As such, any transaction that is denominated or requires settlement in a currency other than RMB would result in foreign exchange exposure to the Group.

In January 2021, the Company, through a wholly-owned subsidiary, Westwood Group Holdings Limited, issued US\$650 million 2.80% guaranteed notes due 2026 ("USD Notes"). With a view to managing the Group's foreign exchange exposure in relation to the USD Notes, the Company entered into the FX Forward Contract with YXE.

In accordance with the Group's internal policy, for determination of the forward rate in the FX Forward Contract through arm's length negotiation with YXE, the Group has compared the quotation that it received from YXE with quotations from three independent banks and entered into the FX Forward Contract on the basis that the quotation from YXE was no less favourable to the Group when compared with quotations from the three independent banks. The Company considers that it would be in the interest of the Company and its Shareholders as a whole for the Group to enter into the FX Forward Contract with YXE as this would result in lower hedging costs for the Group.

In view of the reasons and benefits described above, the Directors (including the independent non-executive Directors) believe that the terms of the FX Forward Contract and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The Company is principally engaged in property development and investment, focusing on property development in Guangdong-Hong Kong-Macau Greater Bay Area, Eastern China Region, Central China Region and Northern China Region.

INFORMATION ABOUT YXE

Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong with limited liability, is the controlling shareholder of the Company directly and indirectly holding approximately 39.78% of the total issued share capital of the Company as at the date of this announcement. YXE, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure, construction and others.

LISTING RULES IMPLICATIONS

As YXE is the controlling Shareholder of the Company, it is a connected person of the Company. As such, the FX Forward Contract between the Group and YXE constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the FX Forward Contract are more than 0.1% but less than 5%, the FX Forward Contract is subject to the reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the transactions contemplated under the FX Forward Contract. Accordingly, no Director was required to abstain from voting on the board resolutions in respect of the FX Forward Contract.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“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
“Director(s)”	director(s) of the Company
“FX Forward Contract”	the foreign exchange forward contract entered into between the Company and YXE with principal amount of US\$300 million and settlement date falling on 20 January 2026
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Share(s)”	share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“USD Notes”	has the meaning ascribed to it under the section headed “Reasons and Benefits for entering into the FX Forward Contract” in this announcement

“RMB”	Renminbi, the lawful currency of the PRC
“YXE”	Yue Xiu Enterprises (Holdings) Limited, a limited company incorporated under the laws of Hong Kong and the controlling shareholder of the Company
“%”	per cent.

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

Hong Kong, 20 April 2021

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

<i>Executive Directors:</i>	<i>LIN Zhaoyuan (Chairman), LIN Feng, LI Feng, CHEN Jing and LIU Yan</i>
<i>Non-Executive Director:</i>	<i>OUYANG Changcheng</i>
<i>Independent Non-executive Directors:</i>	<i>YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen Ambrose</i>