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VOLUNTARY ANNOUNCEMENT

PUBLIC ISSUANCE BY A SUBSIDIARY OF GUARANTEED CORPORATE BONDS IN THE PRC

The board of directors of the Company (the “**Board**”) is pleased to announce that Guangzhou City Construction & Development Company Limited (廣州市城市建設開發有限公司) (the “**Issuer**”), a 95%-owned indirect PRC subsidiary of the Company, was approved by the China Securities Regulatory Commission to undertake public issuance of corporate bonds with an aggregate principal amount of up to RMB8,000,000,000 (the “**Corporate Bonds**”), which are used for repayment of the Issuer’s Corporate Bonds at maturity. The Issuer’s obligations to pay the principal and interest under the Corporate Bonds are guaranteed by Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), the ultimate controlling shareholder of the Company.

The first tranche of Corporate Bonds (the “**2021 Corporate Bonds**”) shall have an aggregate principal amount of up to RMB2,500,000,000 (inclusive). The 2021 Corporate Bonds will be divided into two types: (i) the first tranche of Corporate Bonds with a term of five years at a fixed coupon rate (“**Type 1 Bonds**”), with the Issuer’s option to adjust the coupon rate at the end of the third year. Further, at the end of the third year: (a) the Issuer shall have the right to redeem the Type 1 Bonds; and (b) the holders of the Type 1 Bonds shall have the right to sell back the Type 1 Bonds to the Issuer; and (ii) the first tranche of Corporate Bonds with a term of seven years at a fixed coupon rate (“**Type 2 Bonds**”), with the Issuer’s option to adjust the coupon rate at the end of the fifth year. Further, at the end of the fifth year: (a) the Issuer shall have the right to redeem the Type 2 Bonds; and (b) the holders of the Type 2 Bonds shall have the right to sell back the Type 2 Bonds to the Issuer. The Issuer will determine the coupon rates for Type 1 Bonds and the Type 2 Bonds after book-building.

The 2021 Corporate Bonds have received a credit rating of “AAA” from a credit rating agency, China Chengxin International Credit Rating Co., Ltd.* (中誠信國際信用評級有限責任公司).

The Company considers that the issuance of the Corporate Bonds for financing is conducted in its ordinary and usual course of business, and this announcement is made to keep investors informed of the Company’s business development.

FURTHER INFORMATION OF THE ISSUER

Further information in relation to the proposed issuance of the 2021 Corporate Bonds is published on the website of the Shanghai Stock Exchange (the “SSE”) (<http://bond.sse.com.cn/disclosure/info/index.shtml?BONDCODE=188438>) (<http://bond.sse.com.cn/disclosure/info/index.shtml?BONDCODE=188439>), which includes the offering circular in relation to the Corporate Bonds that contains (among other things) financial information of the Issuer (consolidation/company level) for the three months ended 31 March 2021.

In connection with the proposed issuance of the 2021 Corporate Bonds and in the interests of keeping the shareholders of the Company and the market informed, the Company would like to disclose the following financial information of the Issuer (consolidation/company level) for the three months ended 31 March 2021, which is extracted from the offering circular of the 2021 Corporate Bonds published on the website of the SSE (<http://bond.sse.com.cn/disclosure/info/index.shtml?BONDCODE=188438>) (<http://bond.sse.com.cn/disclosure/info/index.shtml?BONDCODE=188439>):

GUANGZHOU CITY CONSTRUCTION & DEVELOPMENT COMPANY LIMITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(All amounts in RMB unless otherwise stated)

	As at 31 March 2021 Consolidated Unaudited	As at 31 December 2020 Consolidated Audited
ASSETS		
Current assets		
Cash and cash equivalents	43,843,848,873	31,940,089,396
Trade receivables	21,126,979	17,144,903
Prepayments	4,205,184,804	4,344,861,797
Other receivables	39,698,068,379	32,781,987,897
Inventories	136,138,109,643	138,513,178,965
Other current assets	3,826,979,215	3,670,267,003
Total current assets	<u>227,733,317,893</u>	<u>211,267,529,961</u>
Non-current assets		
Available-for-sale financial assets	1,279,407,991	1,269,565,262
Long investment	8,705,286,258	7,873,177,539
Investment properties	11,460,825,402	11,445,940,000
Inventories	6,336,289,260	6,330,243,657
Property, plant and equipment	1,671,074,488	1,701,706,611
Constructions under development	1,473,053,200	1,423,737,592
Intangible assets	3,830,332,281	3,290,596,029
Deferred tax assets	786,399,030	785,407,496
Other non-current assets	61,069,760	61,069,760
Total non-current assets	<u>35,603,737,670</u>	<u>34,181,443,946</u>
TOTAL ASSETS	<u>263,337,055,563</u>	<u>245,448,973,907</u>

LIABILITIES AND OWNERS' EQUITY	As at 31 March 2021 Consolidated Unaudited	As at 31 December 2020 Consolidated Audited
Current liabilities		
Short-term borrowings	224,720,882	90,377,720
Notes payables	1,419,035,548	1,555,008,893
Accounts payable	18,363,334,378	19,003,407,056
Advances from customers	63,599,517,618	53,157,081,861
Employee benefits payable	926,098,635	1,136,278,086
Taxation payable	8,921,898,726	10,687,975,373
Lease liabilities	110,833,902	–
Other payables	41,609,905,446	34,201,213,352
Current portion of non-current assets	10,337,377,272	6,450,172,269
Total current liabilities	145,512,722,407	126,281,514,610
Non-current liabilities		
Long-term borrowings	25,538,983,209	23,052,320,708
Bonds payable	9,274,747,267	12,474,436,190
Deferred tax liabilities	3,331,265,737	3,245,799,681
Deferred revenue	50,240,595	52,034,902
Lease liabilities	451,847,187	–
Other non-current liabilities	7,583,247,098	9,732,885,021
Total non-current liabilities	46,230,331,093	48,557,476,502
Total liabilities	191,743,053,500	174,838,991,112
Owners' equity		
Paid-in capital	1,908,610,000	1,908,610,000
Capital surplus	21,607,650,563	21,607,404,609
Other comprehensive income	1,514,621,277	1,507,239,229
Surplus reserve	750,009,634	750,009,634
Undistributed profits	26,178,852,728	25,643,242,249
Total equity attributable to equity owners of the Company	51,959,744,202	51,416,505,721
Minority interests	19,634,257,861	19,193,477,074
Total owners' equity	71,594,002,063	70,609,982,795
TOTAL LIABILITIES AND OWNERS' EQUITY	263,337,055,563	245,448,973,907

GUANGZHOU CITY CONSTRUCTION & DEVELOPMENT COMPANY LIMITED
BALANCE SHEET OF THE COMPANY AS AT 31 MARCH 2021

(All amounts in RMB unless otherwise stated)

ASSETS	As at 31 March 2021 Company Unaudited	As at 31 December 2020 Company Audited
Current assets		
Cash and cash equivalents	7,456,905,717	2,163,846,016
Trade receivables	1,729,215	851,065
Prepayments	8,339,219	7,798,576
Other receivables	92,427,325,049	88,808,099,869
Inventories	1,318,273,107	1,163,107,425
Total current assets	<u>101,212,572,307</u>	<u>92,143,702,951</u>
Non-current assets		
Available-for-sale financial assets	1,257,746,047	1,247,903,317
Long investment	31,976,343,644	31,914,193,518
Investment properties	613,300,000	613,300,000
Property, plant and equipment	6,766,480	8,713,472
Constructions under development	38,942,268	19,060,557
Total non-current assets	<u>33,893,098,439</u>	<u>33,803,170,864</u>
TOTAL ASSETS	<u>135,105,670,746</u>	<u>125,946,873,815</u>

LIABILITIES AND OWNERS' EQUITY	As at 31 March 2021 Company Unaudited	As at 31 December 2020 Company Audited
Current liabilities		
Accounts payable	1,667,156,121	1,329,864,982
Advances from customers	244,667,570	427,921,487
Employee benefits payable	462,318,453	499,249,392
Taxation payable	1,347,112,927	1,235,637,863
Lease liabilities	24,603,412	—
Other payables	80,015,018,508	71,196,644,018
Current portion of non-current assets	8,000,000,000	4,796,938,795
	<u>91,760,876,991</u>	<u>79,486,256,537</u>
Total current liabilities		
Non-current liabilities		
Bonds payable	9,274,747,267	12,474,436,190
Deferred tax liabilities	270,951,600	301,038,032
Deferred revenue	50,240,595	52,034,902
Other non-current liabilities	612,795,384	612,795,383
	<u>10,208,734,846</u>	<u>13,440,304,507</u>
TOTAL NON-CURRENT LIABILITIES		
	<u>101,969,611,837</u>	<u>92,926,561,044</u>
Total liabilities		
Owners' equity		
Paid-in capital	1,908,610,000	1,908,610,000
Capital surplus	25,864,410,722	25,856,226,328
Other comprehensive income	879,799,716	838,396,920
Surplus reserve	750,009,634	750,009,634
Undistributed profits	3,733,228,837	3,667,069,889
	<u>33,136,058,909</u>	<u>33,020,312,771</u>
Total owners' equity		
	<u>135,105,670,746</u>	<u>125,946,873,815</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		

GUANGZHOU CITY CONSTRUCTION & DEVELOPMENT COMPANY LIMITED
CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS ENDED
31 MARCH 2021

(All amounts in RMB unless otherwise stated)

Item	Three months ended 31 March 2021 Consolidated Unaudited
I, REVENUE	6,229,156,842
Less: Cost of sales	(4,663,839,741)
Taxes and surcharges	(449,415,187)
Selling and distribution expenses	(218,370,259)
General and administrative expenses	(178,172,797)
Financial expenses	72,417,039
Add: Investment income	71,631,434
Including: Share of profit of associates and joint ventures	(12,490,281)
Gains on disposal of assets	—
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II, Operating profit	863,407,331
Add: Non-operating income	16,831,148
Including: Disposal gain from non-current assets	140,130
Less: Non-operating expenses	(6,438,847)
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III, Total profit	873,799,632
Less: Income tax expenses	(244,408,366)
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IV, Net profit	629,391,266
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Attributable to equity owners of the Company	535,610,479
Attributable to minority interests	93,780,787
V, Other comprehensive income, net of tax	7,382,047
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Attributable to equity owners of the Company, net of tax	7,382,047
Other comprehensive income that will not be reclassified to profit or loss	—
Changes in fair value of available-for-sale financial assets	7,382,047
Attributable to minority interests	—
VI, Total comprehensive income	636,773,313
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Attributable to equity owners of the Company	542,992,526
Attributable to minority interests	93,780,787
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GUANGZHOU CITY CONSTRUCTION & DEVELOPMENT COMPANY LIMITED
INCOME STATEMENTS OF THE COMPANY FOR THE THREE MONTHS ENDED
31 MARCH 2021

(All amounts in RMB unless otherwise stated)

Item	Three months ended 31 March 2021 Company Unaudited
I, Revenue	52,580,326
Less: Cost of sales	(50,525,495)
Taxes and surcharges	(3,124,597)
Selling and distribution expenses	(8,139,848)
General and administrative expenses	(46,631,554)
Financial expenses	(84,118,428)
Add: Investment income	229,346,751
Including: Share of profit of associates and joint ventures	–
Gains on disposal of assets	1,794,618
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II, Operating profit	91,181,773
Add: Non-operating income	(48,964)
Including: Disposal gain from non-current assets	(83,810)
Less: Non-operating expenses	(1,356,420)
Including: Disposal loss from non-current assets	–
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III, Total profit	89,776,389
Less: Income tax expenses	(23,617,441)
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IV, Net profit	66,158,948
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V, Other comprehensive income, net of tax	7,382,047
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Other comprehensive income that will not be reclassified to profit or loss	–
Changes in fair value of available-for-sale financial assets	7,382,047
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VI, Total comprehensive income	<u><u>73,540,995</u></u>

GUANGZHOU CITY CONSTRUCTION & DEVELOPMENT COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED
31 MARCH 2021

(All amounts in RMB unless otherwise stated)

Item	Three months ended 31 March 2021 Consolidated Unaudited
I, Cash flows from operating activities	
Cash received from sales of goods or rendering of services	12,788,419,525
Cash received relating to other operating activities	<u>374,286,554</u>
Sub-total of cash inflows from operating activities	<u>13,162,706,079</u>
Cash paid for goods and service	(2,457,543,195)
Cash paid to and on behalf of employees	(540,237,426)
Payments of taxes and surcharges	(2,096,861,779)
Cash paid relating to other operating activities	<u>(4,198,500,034)</u>
Sub-total of cash outflows from operating activities	<u>(9,293,142,434)</u>
Net cash flows from operating activities	<u>3,869,563,645</u>
II, Cash flows from investing activities	
Cash received from returns on investments	82,161,715
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	27,896,167
Cash received relating to other investing activities	<u>16,414,411,456</u>
Sub-total of cash inflows from investing activities	<u>16,524,469,338</u>
Cash paid to acquire fixed assets, investment properties and intangible assets	(62,241,010)
Cash paid for equity investments	<u>(844,599,000)</u>
Sub-total of cash inflows from investing activities	<u>(906,840,010)</u>
Net cash flows from investing activities	<u>15,617,629,328</u>

Item	Three months ended 31 March 2021 Consolidated Unaudited
III, Cash flows from financing activities	
Cash received from equity investments	347,000,002
Cash received from borrowings	<u>4,857,436,507</u>
Sub-total of cash inflows from financing activities	<u>5,204,436,509</u>
Cash repayments of borrowings	(1,538,029,396)
Cash repayments of interests	(715,418,615)
Cash paid relating to other financing activities	<u>(14,434,258,826)</u>
Sub-total of cash outflows from investing activities	<u>(16,687,706,837)</u>
Net cash flows from financing activities	<u>(11,483,270,328)</u>
IV, Effect of foreign exchange rate changes on cash	<u>(93,648)</u>
V, Net increase in cash and cash equivalents	8,003,828,997
Add: Cash at beginning of period	<u>22,988,842,003</u>
VI, Cash at end of period	<u><u>30,992,671,000</u></u>

GUANGZHOU CITY CONSTRUCTION & DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENTS OF THE COMPANY FOR THE THREE MONTHS ENDED
31 MARCH 2021

(All amounts in RMB unless otherwise stated)

Item	Three months ended 31 March 2021 Company Unaudited
I, Cash flows from operating activities	
Cash received from sales of goods or rendering of services	42,153,046
Cash received relating to other operating activities	<u>260,892,345</u>
Sub-total of cash inflows from operating activities	<u>303,045,391</u>
Cash paid for goods and service	(32,561,964)
Cash paid to and on behalf of employees	(45,020,842)
Payments of taxes and surcharges	(78,543,738)
Cash paid relating to other operating activities	<u>(63,940,040)</u>
Sub-total of cash outflows from operating activities	<u>(220,066,584)</u>
Net cash flows from operating activities	<u>82,978,807</u>
II, Cash flows from investing activities	
Dividends received	11,077,657
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	31,068
Cash received relating to other investing activities	<u>4,712,715,815</u>
Sub-total of cash inflows from investing activities	<u>4,723,824,540</u>
Cash paid for investments	<u>(72,000,000)</u>
Sub-total of cash outflows from investing activities	<u>(72,000,000)</u>
Net cash flows from investing activities	<u>4,651,824,540</u>

Item	Three months ended 31 March 2021 Company Unaudited
III, Cash flows from financing activities	
Cash received relating to other financing activities	<u>705,174,582</u>
Sub-total of cash inflows from financing activities	<u>705,174,582</u>
Cash repayments of interests	<u>(8,741,145)</u>
Sub-total of cash outflows from financing activities	<u>(8,741,145)</u>
Net cash flows from financing activities	<u>696,433,437</u>
IV, Effect of foreign exchange rate changes on cash	<u>(18,057)</u>
V, Net increase in cash and cash equivalents	5,431,218,727
Add: Cash at beginning of period	<u>1,943,329,679</u>
VI, Cash at end of period	<u><u>7,374,548,406</u></u>

GENERAL

The Company would like to remind the shareholders and investors of the Company that the financial information of the Issuer as published on website of the SSE (<http://bond.sse.com.cn/disclosure/info/index.shtml?BONDCODE=188438>) (<http://bond.sse.com.cn/disclosure/info/index.shtml?BONDCODE=188439>) and the extract of such financial information as disclosed in this announcement were prepared under the People's Republic of China Accounting Standards for Business Enterprises. This information is published for the references of the investors of 2021 Corporate Bonds only.

Shareholders and investors of the Company are reminded that the financial information disclosed in this announcement is the financial information of a subsidiary of the Company, rather than that of the Company. Shareholders and investors of the Company are also reminded that the Company prepares its financial statements in accordance with the Hong Kong Financial Reporting Standards. In view of this, the aforesaid financial information of the subsidiary of the Company may be significantly different if such financial information is prepared under the Hong Kong Financial Reporting Standards.

FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in respect of the issuance and listing of the 2021 Corporate Bonds as and when appropriate in compliance with Listing Rules.

As the issuance of the 2021 Corporate Bonds is subject to a number of conditions, including but not limited to approvals of the SSE and any other relevant governmental or regulatory authorities, it may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 16 July 2021

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

Executive Directors: *LIN Zhaoyuan (Chairman), LIN Feng, LI Feng, CHEN Jing and LIU Yan*

Non-Executive Director: *OUYANG Changcheng*

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