

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in Hong Kong with limited liability)

(Stock Code: 06626)

CONNECTED TRANSACTION CAR PARKING SPACE AGREEMENT

CAR PARKING SPACE AGREEMENT

On 30 December 2022, the Assignee, an indirect wholly-owned subsidiary of the Company, entered into the Car Parking Space Agreement with the Assignor, a subsidiary of Yuexiu Property, pursuant to which the Assignee has agreed to acquire, and the Assignor has agreed to assign, the Right to Use of the Parking Spaces, at the Consideration of RMB10,400,043.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Assignor is a subsidiary of Yuexiu Property, a controlling shareholder of the Company and therefore is a connected person of the Company. Accordingly, the transaction contemplated under the Car Parking Space Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Car Parking Space Agreement exceeds 0.1% but is less than 5.0%, the transaction is subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CAR PARKING SPACE AGREEMENT

On 30 December 2022, the Assignee, an indirect wholly-owned subsidiary of the Company, entered into the Car Parking Space Agreement with the Assignor, a subsidiary of Yuexiu Property. The principal terms of the Car Parking Space Agreement are summarised as below:

- Date** : 30 December 2022
- Parties** : (a) Wuhan Jiayi (as the assignor) (the “**Assignor**”);
and
(b) Wuhan Yuefu (as the assignee) (the “**Assignee**”)
- Subject matter** : The Assignee has agreed to acquire, and the Assignor has agreed to assign, the Right to Use of the Parking Spaces, which comprise a total of 208 parking spaces located at Yuexiu Starry Emperor in Jiang’an District, Wuhan City, Hubei Province, the PRC.

The Assignee will have the Right to Use of the Parking Spaces until the relevant land use right expires on 20 June 2072.

After the expiry of such period, the Assignee’s Right to Use of the Parking Spaces will be subject to the relevant laws, regulations and policies at that time.

- Consideration** : The Consideration (inclusive of tax) is RMB10,400,043, which was determined after arm’s length negotiations between the Assignor and the Assignee, having taken into account, among other things, the valuation of the Right to Use of the Parking Spaces in the amount of RMB11,600,000 conducted by Cushman & Wakefield, an independent valuer, as of 8 December 2022 and the prices of Parking Spaces in the surrounding areas of Jiang’an District of Wuhan City.

- Payment terms** : The Consideration will be funded by the working capital of the Group and shall be paid in two instalments into the Assignor's designated bank account in cash as follow:
- (1) the first instalment of RMB5,200,043 be paid by 31 December 2022; and
 - (2) the balance of RMB5,200,000 be paid by 30 April 2023.
- Delivery of the Parking Spaces** : The Assignor will deliver the Parking Spaces to the Assignee in two batches:
- (1) 104 Parking Spaces within 30 days after the payment of the first instalment of the Consideration; and
 - (2) the remaining 104 Parking Spaces within 30 days after the payment of the balance of the Consideration.
- Management of the Parking Spaces** : The Assignee should pay a monthly management fee of RMB96 per Parking Space from the date of delivery of the Parking Spaces, subject to the agreement to be entered into between the Assignee and the property management company, which is a Group company.
- Liabilities of Breach** : If the Assignee defaults to pay the Consideration or any of the expenses under the Car Parking Space Agreement for more than 30 days, the Assignee shall pay liquidated damages in accordance with the relevant terms of the Car Parking Space Agreement and the Assignor shall have the right to terminate the Car Parking Space Agreement.
- If the Assignor defaults to deliver the Parking Spaces to the Assignee in accordance with the Car Parking Space Agreement for more than 30 days, the Assignor shall pay liquidated damages in accordance with the relevant terms of the Car Parking Space Agreement and the Assignee shall have the right to terminate the Car Parking Space Agreement.

Special provisions

: The parties also agreed that:

- (1) within the two years after the Consideration payable under the Car Parking Space Agreement has been fully settled by the Assignee, if any property owner in Yuexiu Starry Emperor designated by the Assignee (the “**Designated Party**”) requests to apply for the ownership registration of the Parking Spaces, the Assignor will assist the registration procedures and enter into the relevant sale and purchase agreement and supplemental agreement with the Designated Party in accordance with the terms of the Car Parking Space Agreement;
- (2) the registration charges and tax to be incurred for the ownership registration should be borne by the Assignor, the Assignee or the Designated Party in accordance with the relevant laws and regulations but the Assignee and the Designated Party will not be liable to pay any land transfer fee (土地出讓金) to be incurred during the registration;
- (3) in the event that the Car Parking Space Agreement is void, rescinded or early terminated due to any policy or legal reasons, the Assignor should refund the Consideration to the Assignee in accordance with the Car Parking Space Agreement; and
- (4) if the Assignee cannot use the Parking Spaces due to any governmental or administrative reasons, the Assignor will not be liable to pay any damages to the Assignee but the Assignor will pay any relevant administrative compensation received or refund the Consideration to the Assignee.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CAR PARKING SPACE AGREEMENT

The Group is of the view that the demand for car parking spaces by the owners of Yuexiu Starry Emperor is growing steadily, given that (i) car parking spaces to units ratio is 0.59 only; and (ii) the occupancy rate of Yuexiu Starry Emperor is increasing. The acquisition of the Right to Use of the Parking Spaces under the Car Parking Space Agreement will enable the Group to gain greater control over the timing and pricing of the sale of the Parking Spaces, thus expanding the Group's revenue stream and increasing its profitability through trading the Parking Spaces. Besides, the cash and cash equivalents of the Group as at 30 June 2022 amounted to approximately RMB4.15 billion. Such acquisition of the Right to Use of the Parking Spaces would enable the Group to take advantage of its strong cash position to increase the capital efficiency and generate better returns to the Shareholders.

The Directors (including independent non-executive Directors) consider that, the terms of the Car Parking Space Agreement (including the Consideration) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. Its major businesses comprise (i) non-commercial property management and value-added services, which consist of property management services, value-added services to non-property owners and community value-added services; and (ii) commercial property management and operational services, which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

Wuhan Jiayi

Wuhan Jiayi, the Assignor, is a company established in the PRC with limited liability and is majority owned by Yuexiu Property, a controlling shareholder of the Company. Wuhan Jiayi is engaged in the business of property development and is the developer of Yuexiu Starry Emperor.

Wuhan Yuefu

Wuhan Yuefu, the Assignee, is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Wuhan Yuefu is engaged in the business of property agent and consultation for property sales and rentals.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Assignor is a subsidiary of Yuexiu Property, a controlling shareholder of the Company and therefore is a connected person of the Company. Accordingly, the transaction contemplated under the Car Parking Space Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Car Parking Space Agreement exceeds 0.1% but is less than 5.0%, the transaction is subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Save for Mr. Lin Feng and Mr. Zhang Jianguo, none of the other Directors has or is deemed to have a material interest in the Car Parking Space Agreement and the transaction contemplated thereunder. Hence, only Mr. Lin Feng and Mr. Zhang Jianguo are required to abstain from voting on the relevant Board resolution(s) of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Car Parking Space Agreement”	the agreement dated 30 December 2022 entered into between the Assignee and the Assignor pursuant to which the Assignee has conditionally agreed to acquire the Right to Use of the Parking Spaces
“Company”	Yuexiu Services Group Limited (越秀服務集團有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6626)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the acquisition of the Right to Use of the Parking Spaces pursuant to the Car Parking Space Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parking Spaces”	208 parking spaces located at Yuexiu Starry Emperor
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Right to Use”	the right to occupy, use, operate or transfer such rights of the Parking Spaces
“RMB”	renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holders of the shares in the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Jiayi”	Wuhan Yuexiu Jiayi Real Estate Development Company Limited* (武漢越秀嘉益房地產開發有限公司), a company incorporated in the PRC and a subsidiary of Yuexiu Property
“Wuhan Yuefu”	Wuhan Yuefu Real Estate Brokerage Co., Ltd* (武漢樾服房地產經紀有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company

“Yuexiu Property”

Yuexiu Property Company Limited (越秀地產股份有限公司), 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) and a controlling shareholder of the Company

“Yuexiu Starry Emperor”

Yuexiu Starry Emperor (越秀星滙君泊), a property project developed by Yuexiu Property located in Jiang'an District, Wuhan City, Hubei Province, the PRC. It has a total of 807 saleable car parking spaces, out of which 599 had been sold as of the date of this announcement

“%”

per cent.

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

Hong Kong, 30 December 2022

As at the date of this announcement, the Executive Directors are Mr. Zhang Jianguo, Mr. Mao Liangmin and Mr. Zhang Jin; the Non-executive Directors are Mr. Lin Feng, Mr. Yao Xiaosheng and Mr. Yang Zhaoxuan; and the Independent Non-executive Directors are Mr. Hung Shing Ming, Ms. Hui Lai Kwan and Mr. Chan Yuen Hang Kenneth.

** For identification purpose only*