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*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00123)**

**PROPOSED SHARE CONSOLIDATION  
AND  
PROPOSED CHANGE IN BOARD LOT SIZE**

**Financial adviser to the Company**



**PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the AGM. The Board also believes that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares and increase the transaction value of each board lot of Shares, thereby making investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors in order to optimise the Shareholder base and improve the value of the Shares in the long run.

**PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Shares are traded in board lots of 2,000 Existing Shares. The Board further proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 1,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

## **GENERAL**

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, details of the Share Consolidation and a notice convening the AGM is expected to be despatched to the Shareholders on or before Wednesday, 28 April 2021.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in the main text below of this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom.

### **Effects of the Share Consolidation**

As at the date of this announcement, 15,482,280,438 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 3,096,456,087 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the payment to be made to Shareholders in relation to fractional Consolidated Shares to which they would otherwise be entitled as mentioned in the paragraph headed “Fractional entitlement to Consolidated Shares” below, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders would otherwise be entitled.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the AGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be Thursday, 10 June 2021, being the seventh Business Day immediately after the date of the AGM.

### **Listing application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Fractional entitlement to Consolidated Shares**

**Fractional Consolidated Shares will be disregarded and will not be allocated to the Shareholders. Instead, as a token of appreciation for their support over the years, the Board has decided that subject to the Share Consolidation becoming effective, the Company will pay each such Shareholder whose name appears on the register of members of the Company at 8:00 a.m. on the effective date of the Share Consolidation a sum equivalent to the closing price per Consolidated Share on the Stock Exchange on the effective date of the Share Consolidation multiplied by a fraction equal to the fraction of the Consolidated Share to which such Shareholder would otherwise be entitled.** Fractional Consolidated Share which would otherwise arise would be determined based on the entire shareholding of a holder of the Existing Shares of the Company regardless of the number of share certificates held by such holder. Any investor whose Shares are maintained with its/his/her licensed securities dealer/custodian bank through CCASS or have been lodged with its/his/her Investor Participant Account with CCASS or otherwise held through a nominee should note that HKSCC Nominees Limited or the relevant nominee (as the case may be) will be regarded as a single Shareholder according to the register of members of the Company.

Shareholders concerned about losing out on fractional entitlement to which they would otherwise be entitled and/or any investor whose Shares are not held in its/his/her own name concerned about losing out on payment mentioned in the preceding paragraph which they would be entitled to receive had such Shares been registered in its/his/her own name are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares and/or arrange for the Shares to be registered in its/his/her own name (as the case may be).

### **Arrangement on odd lots trading**

The Company has appointed Yue Xiu Securities to provide a matching service, on a best efforts basis from 9:00 a.m. on Friday, 25 June 2021 to 4:00 p.m. on Friday, 16 July 2021, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots trading arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

## **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 10 June 2021, being the seventh Business Day immediately after the date of the AGM, the Shareholders may during the business hours, on or after Thursday, 10 June 2021 and until Tuesday, 20 July 2021 (both days inclusive) submit existing share certificates in the colour of orange for the Existing Shares to the Company's share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new share certificates in the colour of pink for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Friday, 16 July 2021, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

## **Other securities of the Company**

The Company does not have any derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

## **PROPOSED CHANGE IN BOARD LOT SIZE**

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 1,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$1.89 per Existing Share (equivalent to the theoretical closing price of HK\$9.45 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$3,780; (ii) the value of each board lot of 2,000 Consolidated Shares would be HK\$18,900 assuming the Share Consolidation becoming effective; and (iii) the

estimated market value per board lot of 1,000 Consolidated Shares would be HK\$9,450 assuming that the Change in Board Lot Size had also been effective. The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

## **REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

The Group has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimisation to create value. The Board believes that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares and increase in the transaction value of each board lot of Shares, thereby making investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors in order to optimise the Shareholder base and improve the value of the Shares in the long run. When deciding to invest in any particular company, institutional and professional investors tend to consider, among other factors, the stability of the share price performance and how it compares with its peers in a particular sector, including its per share price and per board lot value. By aligning the Share price level and board lot value of the Company with its major industry peers, it is expected that such parameters of the Shares will achieve a level playing field with its major industry peers when being assessed by different types of investors who are considering investment in the industry as part of their portfolios. Therefore, the Company believes that an upward adjustment in the trading price of the Consolidated Shares will make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors, which is also expected that the corporate image and profile of the Company would be uplifted.

The Company is also of the view that the new board lot size will minimise the creation of odd lots and the impact of odd lots on Shareholders (if any). Moreover, with a higher trading price in respect of the Consolidated Shares, the Company considers that the Change in Board Lot Size would achieve a reasonable level of overall transaction and handling costs of dealings in each board lot of the Consolidated Shares for members of the investing public and would improve the liquidity of the Consolidated Shares.

The Group is financially strong and healthy. The Board believes that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation and the Change in Board Lot Size are justifiable notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, (i) the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation; and (ii) the Company currently does not have any plan to conduct any equity fundraising activities in the next 12 months.

**EXPECTED TIMETABLE**

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is as follows:

<b>Event</b>	<b>Time and Date</b>
Despatch date of circular with notice of the AGM.....	Wednesday, 28 April 2021
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM .....	4:30 p.m. on Wednesday, 26 May 2021
Closure of register of members for the entitlement to attend and vote at the AGM.....	Thursday, 27 May 2021 to Tuesday, 1 June 2021 (both days inclusive)
Latest date and time for lodging forms of proxy for the AGM .....	10:30 a.m., Sunday, 30 May 2021
Record date for attending the AGM.....	Tuesday, 1 June 2021
Date and time of the AGM .....	10:30 a.m., Tuesday, 1 June 2021
Announcement of voting results of the AGM .....	Tuesday, 1 June 2021

**The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation**

Effective date of the Share Consolidation ..... Thursday, 10 June 2021

First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares ..... Thursday, 10 June 2021

Dealings in the Consolidated Shares commences ..... 9:00 a.m. on Thursday, 10 June 2021

Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes ..... 9:00 a.m. on Thursday, 10 June 2021

Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens ..... 9:00 a.m. on Thursday, 10 June 2021

Original counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of new share certificates) re-opens ..... 9:00 a.m. on Friday, 25 June 2021

Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences ..... 9:00 a.m. on Friday, 25 June 2021

Designated broker (being Yue Xiu Securities) starts to stand in the market to provide matching services for odd lots of the Consolidated Shares ..... 9:00 a.m. on Friday, 25 June 2021

Designated broker (being Yue Xiu Securities)  
ceases to stand in the market to provide  
matching services for odd lots of the  
Consolidated Shares ..... 4:00 p.m. on  
Friday, 16 July 2021

Temporary counter for trading in the  
Consolidated Shares in board lots of 400  
Consolidated Shares (in the form of existing  
share certificates) closes ..... 4:10 p.m. on  
Friday, 16 July 2021

Parallel trading in Consolidated Shares (in form  
of new share certificates and existing share  
certificates) ends ..... 4:10 p.m. on  
Friday, 16 July 2021

Last day for free exchange of existing share  
certificates for new share certificates for the  
Consolidated Shares ..... Tuesday, 20 July 2021

All times and dates in this announcement refer to Hong Kong local times and dates.  
The expected timetable set out above is indicative only and may be subject to change.  
Any changes to the expected timetable will be announced in a separate announcement  
by the Company as and when appropriate.

## **GENERAL**

As disclosed in the Annual Results Announcement, the Board has proposed the payment of a final dividend for 2020 of HK\$0.063 per Existing Share, which is equivalent to RMB0.053 per Existing Share payable to Shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 9 June 2021. Such final dividend is to be approved by the Shareholders at the AGM without taking into account the Share Consolidation.

Given that the Share Consolidation, if approved by the Shareholders at the AGM, will become effective on Thursday, 10 June 2021, which is after the last day of the closure of the Register of Members of the Company for the purpose of ascertaining the Shareholders' entitlement to the final dividend, which is Wednesday, 9 June 2021, the proposed Share Consolidation is not expected to have an impact on the Shareholders' entitlement to the proposed final dividend per Existing Share as set out in the Annual Results Announcement.

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and a notice convening the AGM will be despatched to the Shareholders on or before Wednesday, 28 April 2021. Shareholders are recommended to consult their professional adviser if they are in doubt about any of the above matters.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company to be held on 1 June 2021
“Annual Results Announcement”	the annual results announcement of the Company dated 16 March 2021
“Board”	the board of Directors
“Business Day”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC

“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Existing Shares to 1,000 Consolidated Shares
“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)
“Consolidated Share(s)”	share(s) of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the directors of the Company
“Existing Share(s)”	share(s) of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be

“Share Consolidation”	the proposed share consolidation on the basis that every five (5) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yue Xiu Securities”	Yue Xiu Securities Company Limited, a limited liability company incorporated under the laws of Hong Kong, which is a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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

Hong Kong, 19 April 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*