

*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 this announcement.*



## 禹洲集團控股有限公司

YUZHOU GROUP HOLDINGS COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 01628)

### PROFIT WARNING

This announcement is made by Yuzhou Group Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) wishes to inform shareholders and potential investors of the Company that based on the preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2020 (the “**Year**”), it is expected that the consolidated net profit of the Group for the Year will decrease significantly, as compared to that for the year ended 31 December 2019.

Based on the unaudited management accounts of the Group for the Year, taking into account the overall operating performance and healthy cash flow of the Group, the Board expects that the total dividend per share for the Year will not be lower than that for 2019 (being HK33 cents per share, exclusive of the special dividends). As the deferred profit is expected to be recognised in 2021, the Board also expects that the dividend for 2021 will not be lower than that for the Year. If a scrip dividend scheme will be adopted by the Company, Mr. Lam Long On and Ms. Kwok Ying Lan, the controlling shareholders of the Company, expect to elect to receive the dividend wholly in the form of scrip shares, demonstrating their confidence in the overall development prospects and growth potential of the Group.

The Board considers that the Group’s overall operating performance is going well and the Group’s cash flow is healthy. The overall operating performance and cash flow of the Group were not affected by the deferred recognition of revenue and profit. Based on the unaudited management accounts of the Group for the Year, as at 31 December 2020, the consolidated contract liabilities of the Group (representing the amount of payment received or due from customers before delivery of the properties by the Group) amounted to approximately RMB22.37 billion, together with gross contract liabilities of approximately RMB37.67 billion and RMB11.93 billion of joint ventures and associates respectively. The Board believes that majority of the property projects pre-sold corresponding to these contract liabilities will be delivered in the coming two years. The aggregate contracted sales of properties of the Group (including its joint ventures and associates) amounted to approximately RMB104.97 billion for the Year, representing an increase of 39.74% over that for the year ended 31 December 2019. The Board remains optimistic about the future long-term development of the Group.

The decrease in profit was mainly attributable to (i) delay in the development progress of certain property projects and the delivery of properties as affected by the COVID-19 outbreak, leading to deferred recognition of revenue and profit; and (ii) decrease in the gross profit margin of the Group due to certain national real estate-related regulatory control measures causing selling price of the property projects to be lower than expected.

The Company is in the process of finalizing the annual results of the Group for the Year. The information contained in this announcement is only based on a preliminary assessment of the unaudited management accounts of the Group, which have not been audited or reviewed by the Company's auditors or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020 which is expected to be published by the end of March 2021.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Yuzhou Group Holdings Company Limited**  
**Lam Lung On**  
*Chairman*

Hong Kong, 21 March 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Lam Lung On (Chairman, J.P.), Ms. Kwok Ying Lan, Mr. Lin Conghui and Ms. Lam Yu Fong, the non-executive director of the Company is Ms. Xie Mei, and the independent non-executive directors of the Company are Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Dr. Zhai Pu.*