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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 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).

Reference is made to the announcement of the Company dated 21 March 2021 in relation to the profit warning of the Company (the “**Announcement**”).

The board (the “**Board**”) of directors (the “**Directors**”) wishes to further 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**”) and information currently available, the profit of the Group for the Year and the profit attributable to owners of the parent amounted to approximately RMB228.2 million and approximately RMB117.0 million respectively, as compared to the profit of the Group of approximately RMB3,966.8 million and the profit attributable to owners of the parent of approximately RMB3,605.8 million respectively for the year ended 31 December 2019. As disclosed in the Announcement, 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 Board considers that 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 Group had (i) total bank and other borrowings, corporate bonds and senior notes balance of approximately RMB63,899.7 million, as compared to approximately RMB55,668.5 million as at 31 December 2019; (ii) cash and cash equivalents, restricted cash and non-pledged time deposits with original maturity of over three months of approximately RMB34,468.8 million, as compared to approximately RMB35,511.3 million as at 31 December 2019; and (iii) total equity of approximately RMB34,302.9 million, as compared to approximately RMB28,727.6 million as at 31 December 2019. As such, as at 31 December 2020, the Group's net gearing ratio (calculated as the interest-bearing bank and other borrowings, corporate bonds and senior notes less cash and cash equivalents, restricted cash and non-pledged time deposits with original maturity of over three months and then divided by total equity) was approximately 85.80%, as compared to approximately 70.17% as at 31 December 2019.

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 and information currently available, 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 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, 25 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.