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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)

Offer to Exchange the Following Notes (collectively, the “Exchange Notes”)

Description of Notes	ISIN/Common Code	Outstanding Principal	Exchange Consideration (per US\$1,000 in principal amount)
6.00% Senior Notes due 2022 (the “2022 Notes”) (stock code: 05361)	XS1555300497/155530049	US\$340,000,000	Upfront principal payment in cash, the incentive cash consideration and US\$950 in aggregate principal amount of the New Notes.
8.625% Senior Notes due 2022 (the “2022 II Notes”) (stock code: 05561)	XS1938265474/193826547	US\$242,069,000	Upfront principal payment in cash, the incentive cash consideration and US\$950 in aggregate principal amount of the New Notes.

and

Solicitation of Consents to Amend the Indentures Governing the Following Notes (collectively, the “Consent Solicitation Notes”, and together with the “Exchange Notes”, the “Existing Notes”)

Description of Notes	ISIN/Common Code	Outstanding Principal	Consent Fee (per US\$1,000 in principal amount)
12.00% Senior Notes due 2022 (the “2022 III Notes”)	XS2361260131/236126013	US\$100,000,000	US\$2.5

Description of Notes	ISIN/Common Code	Outstanding Principal	Consent Fee (per US\$1,000 in principal amount)
8.50% Green Senior Notes due 2022 (the “ 2022 IV Notes ”)	XS2388913290/238891329	US\$115,000,000	US\$2.5
6.00% Senior Notes due 2023 (the “ 2023 Notes ”) (stock code: 05830)	XS1508493498/150849349	US\$650,000,000	US\$2.5
8.50% Senior Notes due 2023 (the “ 2023 II Notes ”) (stock code: 05719)	XS1945941786/194594178	US\$500,000,000	US\$2.5
9.95% Senior Notes due 2023 (the “ 2023 III Notes ”) (stock code: 40828)	XS2379568004/237956800	US\$179,000,000	US\$2.5
8.50% Senior Notes due 2024 (the “ 2024 Notes ”) (stock code: 05798)	XS1954963580/195496358	US\$500,000,000	US\$2.5
8.375% Senior Notes due 2024 (the “ 2024 II Notes ”) (stock code: 40043)	XS2073593274/207359327	US\$497,000,000	US\$2.5
8.30% Senior Notes due 2025 (the “ 2025 Notes ”) (stock code: 40079)	XS2085045503/208504550	US\$486,000,000	US\$2.5
7.70% Senior Notes due 2025 (the “ 2025 II Notes ”) (stock code: 40159)	XS2121187962/212118796	US\$400,000,000	US\$2.5
7.375% Senior Notes due 2026 (the “ 2026 Notes ”) (stock code: 40112)	XS2100653778/210065377	US\$636,500,000	US\$2.5
7.85% Green Senior Notes due 2026 (the “ 2026 II Notes ”) (stock code: 40343)	XS2215399317/221539931	US\$295,000,000	US\$2.5
6.35% Green Senior Notes due 2027 (the “ 2027 Notes ”) (stock code: 40517)	XS2277549155/227754915	US\$557,000,000	US\$2.5

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).

Introduction

On January 25, 2017, the Company issued the 2022 Notes with an aggregate principal amount of US\$350,000,000. The 2022 Notes are listed on the SEHK. The ISIN and Common Code are XS1555300497 and 155530049, respectively, for the 2022 Notes. As of the date of this announcement, the outstanding principal amount of the 2022 Notes is US\$340,000,000.

On January 23, 2019, the Company issued the 2022 II Notes with an aggregate principal amount of US\$500,000,000. The 2022 II Notes are listed on SEHK. The ISIN and Common Code are XS1938265474 and 193826547, respectively, for the 2022 II Notes. As of the date of this announcement, the outstanding principal amount of the 2022 II Notes is US\$242,069,000.

On July 8, 2021, the Company issued the 2022 III Notes with an aggregate principal amount of US\$100,000,000. The ISIN and Common Code are XS2361260131 and 236126013, respectively, for the 2022 III Notes. As of the date of this announcement, the outstanding principal amount of the 2022 III Notes is US\$100,000,000.

On September 23, 2021, the Company issued the 2022 IV Notes with an aggregate principal amount of US\$120,000,000. The ISIN and Common Code are XS2388913290 and 238891329, respectively, for the 2022 IV Notes. As of the date of this announcement, the outstanding principal amount of the 2022 IV Notes is US\$115,000,000.

On October 25, 2016 and July 10, 2019, the Company issued the 2023 Notes with an aggregate principal amount of US\$650,000,000. The 2023 Notes are listed on the SEHK. The ISIN and Common Code are XS1508493498 and 150849349, respectively, for the 2023 Notes. As of the date of this announcement, the outstanding principal amount of the 2023 Notes is US\$650,000,000.

On February 4, 2019, the Company issued the 2023 II Notes with an aggregate principal amount of US\$500,000,000. The 2023 II Notes are listed on the SEHK. The ISIN and Common Code are XS1945941786 and 194594178, respectively, for the 2023 II Notes. As of the date of this announcement, the outstanding principal amount of the 2023 II Notes is US\$500,000,000.

On September 8, 2021, the Company issued the 2023 III Notes with an aggregate principal amount of US\$200,000,000. The 2023 III Notes are listed on the SEHK. The ISIN and Common Code are XS2379568004 and 237956800, respectively, for the 2023 III Notes. As of the date of this announcement, the outstanding principal amount of the 2023 III Notes is US\$179,000,000.

On February 26, 2019, the Company issued the 2024 Notes with an aggregate principal amount of US\$500,000,000. The 2024 Notes are listed on the SEHK. The ISIN and Common Code are XS1954963580 and 195496358, respectively, for the 2024 Notes. As of the date of this announcement, the outstanding principal amount of the 2024 Notes is US\$500,000,000.

On October 30, 2019, the Company issued the 2024 II Notes with an aggregate principal amount of US\$500,000,000. The 2024 II Notes are listed on the SEHK. The ISIN and Common Code are XS2073593274 and 207359327, respectively, for the 2024 II Notes. As of the date of this announcement, the outstanding principal amount of the 2024 II Notes is US\$497,000,000.

On November 27, 2019, the Company issued the 2025 Notes with an aggregate principal amount of US\$500,000,000. The 2025 Notes are listed on the SEHK. The ISIN and Common Code are XS2085045503 and 208504550, respectively, for the 2025 Notes. As of the date of this announcement, the outstanding principal amount of the 2025 Notes is US\$486,000,000.

On February 20, 2020, the Company issued the 2025 II Notes with an aggregate principal amount of US\$400,000,000. The 2025 II Notes are listed on the SEHK. The ISIN and Common Code are XS2121187962 and 212118796, respectively, for the 2025 II Notes. As of the date of this announcement, the outstanding principal amount of the 2025 II Notes is US\$400,000,000.

On January 13, 2020, the Company issued the 2026 Notes with an aggregate principal amount of US\$645,000,000. The 2026 Notes are listed on the SEHK. The ISIN and Common Code are XS2100653778 and 210065377, respectively, for the 2026 Notes. As of the date of this announcement, the outstanding principal amount of the 2026 Notes is US\$636,500,000.

On August 12, 2020, the Company issued the 2026 II Notes with an aggregate principal amount of US\$300,000,000. The 2026 II Notes are listed on the SEHK. The ISIN and Common Code are XS2215399317 and 221539931, respectively, for the 2026 II Notes. As of the date of this announcement, the outstanding principal amount of the 2026 II Notes is US\$295,000,000.

On January 13, 2021, the Company issued the 2027 Notes with an aggregate principal amount of US\$562,000,000. The 2027 Notes are listed on the SEHK. The ISIN and Common Code are XS2277549155 and 227754915, respectively, for the 2027 Notes. As of the date of this announcement, the outstanding principal amount of the 2027 Notes is US\$557,000,000.

The Exchange Offer, once consummated, will improve the overall financial condition of the Group and extend the maturity profile of the Exchange Notes. The Consent Solicitation, once adopted and effected, will introduce certain amendments to the terms of the indentures governing the Consent Solicitation Notes (the “**Proposed Amendments**”) which would allow the Company to avoid certain Events of Defaults under the Consent Solicitation Notes in order to increase its flexibility to implement its business plans in the future.

Background and Purpose of the Exchange Offer and the Consent Solicitation

Since mid-2021, sales for residential property in China slowed significantly and prices for residential units suffered a substantial reduction. In the same period, a number of high-profile Chinese property developers began to experience difficulties in securing external financing from PRC banks and the offshore capital markets. Many companies in the Chinese property sector, including the Company, have been negatively affected by this downturn in different respects:

- **Difficulty raising onshore and offshore financing:** Many companies within the real estate sector, including the Company, have been unable to access typical financing channels, such as bank lending and capital markets for equity and debt. This has created significant pressure on the Company's short-term liquidity. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending for mortgage finance for buyers, as well as concerns of buyers about the ability of property developers to complete projects, has resulted in reduced property sales. Adverse reaction to these onshore events by offshore capital markets has limited the Company's funding sources to address upcoming maturities on its outstanding indebtedness. Since mid-2021, Chinese property developer have been subject to widespread downgrades by the international ratings agencies. On October 19, 2021, Moody's Investors Service downgraded the Company from B1 to B2. On November 3, 2021, Fitch Ratings downgraded the Company from B+ to B. At the end of 2021, the Company has asked these rating agencies to withdraw their credit ratings of the Company. The offshore bond market, on which the Company relies heavily for refinancing and growth capital, is effectively closed to the private-owned Chinese property developers. The difficulty faced by the Company in raising onshore and offshore financing has significantly exacerbated the Company's current liquidity pressures.
- **Decreased cash flows and liquidity in a deteriorating market:** In 2021, the Company's accumulated contracted sales was RMB105,019 million (approximately US\$16,497 million), which fell short of the Company's sales target for the year, primarily due to a significant decrease in the Company's GFA sold by 15.5% compared to 2020, which reflects a deteriorating real estate market, partially offset by an increase in average sales price in the same period. The market downturn has in turn materially and adversely impacted the Company's ability to realize its inventory or implement any significant disposal of the Company's investment properties to generate sufficient cash to service the Company's debt in a timely manner and sustain the Company's operations.

- Tightening of supervision of financing activities and cash balances: Furthermore, there has also been significant tightening of supervision of the Company's cash balances by onshore and offshore banks which significantly reduced the Company's unrestricted cash. The Company's project companies have been subject to significant restrictions on their cash deployment. The tightening of supervision has significantly constrained the Company's ability to remit cash offshore. Since the fourth quarter of 2021, many of the Company's creditors, whether onshore or offshore, have also required the Company to enhance the security or provide cash deposit as a condition to maintain or extend the credit provided to the Company. These measures have drastically reduced the amount of cash freely deployable by the Company for servicing the Company's financial and other obligations.

Until these recent severe difficulties affecting the Chinese property development sector, the Company has met its debt servicing obligations as they became due. The Company's management has demonstrated its resolution and commitment to mitigate the effects of these recent adverse market conditions, including close management of expenditures, reduction of land banking, opportunistic financing and asset disposals. The Company continues to exert its utmost effort to meet its obligations to creditors and noteholders. As of the date of this announcement, the Company has not defaulted on any of its payment obligations. Since June 30, 2021, the Company has made payments of more than US\$2,458 million of interest and principal payments to fulfil its debt obligations, including approximately US\$898.9 million of interest and principal payments to offshore creditors. During the same period, the Company had only raised approximately US\$320.0 million of new financing offshore (and the net proceeds of which were mostly applied for refinancing of existing indebtedness). The Company has principally been relying on its internal cash resources and remitting significant amounts of cash from onshore to meet these payment obligations. Such remittances have become increasingly difficult in light of the deteriorating credit environment faced by the Company.

The Company has been working diligently to explore options to generate sufficient cash flow to meet its financial commitments, including, among others, by seeking to extend the maturities of the Company's outstanding indebtedness. In addition, on January 5, 2022, the Company entered into a framework agreement with a third-party purchaser to dispose the entire issued share capital of Yuzhou Property Services Co., Ltd., an indirect wholly-owned subsidiary of the Company, at a consideration not exceeding RMB1,060 million (approximately US\$166 million). However, these options have proven to be difficult and time-consuming to implement in light of the adverse market conditions. Notwithstanding the Company's efforts to meet its current and future obligations as they come due, the Company is likely to come under continued pressure to generate sufficient cash flows to meet its future obligations.

As part of the Company's efforts to meet its financial commitments, the Company is conducting this Exchange Offer and Consent Solicitation to extend its debt maturity profile, alleviate its cashflow pressure and manage its default risk. The Company is inviting all Eligible Holders of the Exchange Notes to exchange their Exchange Notes for New Notes with an extended maturity and terms designed to give the Company necessary financial stability to continue as a going concern.

As of the date of this announcement, the Company does not anticipate having sufficient funds to repay immediately holders of the Exchange Notes who do not agree to exchange the Exchange Notes for the New Notes at their maturity, which would likely trigger an Event of Default under the Exchange Notes and cross default under the other US dollar denominated notes issued or guaranteed by the Company and its other financings. Concurrently with the Exchange Offer, the Company is conducting the Consent Solicitation to obtain the requisite consent from holders of the other US dollar denominated notes with an aggregate outstanding principal amount of US\$4,915.5 million to amend the terms of these notes which would allow the Company to avoid cross-acceleration and final judgments events of defaults under these notes. However, even if the Company receives requisite consents from the holders of the other US dollar denominated notes, the Company's existing bank facilities and other indebtedness obligations may also have event of default provisions that provide for cross-acceleration as a result of the non-payment of the Exchange Notes. The Company intends to communicate with each of its other creditors to seek waivers and/or amendments to any such events of default and cross-acceleration under the relevant agreements governing the Company's bank facilities and other indebtedness obligations. The Company cannot assure you that it will be able to obtain such waivers or amendments. If the Company is unable to obtain such waivers or amendments, its other creditors may seek to exercise their rights of enforcement under the relevant agreements.

The Company intends to communicate actively with its other creditors to address the Company's liquidity issues consensually and amicably and within a reasonable timeframe. In the meantime, the Company will continue to prioritize the stabilization of its operations with a view to preserve its pre-sale and cash generation.

In preparation for this Exchange Offer, the Company has set up a designated bank account for safe custody of the cash consideration for the Exchange Offer and/or the Consent Solicitation. As of the date of this announcement, the Company has deposited US\$50 million into the designated bank account. The Company will continue to deposit further cash into the designated bank account and the Company expects to be able to deposit sufficient funds for payment of the Cash Consideration before the expiry of the exchange deadline and will provide updates on the deposited amount through the Company's Information, Exchange and Tabulation Agent as appropriate.

In light of the significant pressure on its short-term liquidity, the Company will prioritize all offshore cash resources for this Exchange Offer and the Consent Solicitation, and as such, the Company (i) does not anticipate having sufficient funds to repay immediately holders of the Exchange Notes who do not agree to exchange the Exchange Notes for the New Notes at their maturity and (ii) expect to delay the coupon payments on the Company's 2026 Notes and 2027 Notes in the amount of approximately US\$41 million, which will become due on January 13, 2022, coupon payments on the Company's 2023 II Notes in the amount of approximately US\$21 million, which will become due on February 4, 2022, coupon payments on the Company's 2026 II Notes in the amount of approximately US\$12 million, which will become due on February 12, 2022, coupon payments on the Company's 2025 II Notes in the amount of approximately US\$15 million, which will become due on February 20, 2022, and coupon payments on the Company's 2024 Notes in the amount of approximately US\$21 million, which will become due on February 26, 2022. The Company will make every effort to pay any missed coupon payments within the 30-day grace period under the indentures governing such two series of notes to avoid any event of default if the Exchange Offer is successfully consummated. Nevertheless, at the current time, the Company cannot assure you that the Company will be able to make such payments to avoid defaults and acceleration of the underlying obligations. In addition, as of the date of this announcement, the Company has a number of outstanding notes which will mature in the near-to –mid-term. Even if the Exchange Offer is consummated, the Company cannot assure you that its cash resources will be sufficient to meet its payment obligations under its outstanding indebtedness.

If the Exchange Offer is not successfully consummated, the Company may not be able to repay the Exchange Notes upon maturity, which may lead to one or more events of default being triggered. There is no assurance that the Consent Solicitation will be successful. Even if the Consent Solicitation is successful, the Company may not be able to avoid a default under the Exchange Notes. In such circumstances, a successful completion of the Consent Solicitation would merely allow the Company to isolate the default under the Exchange Notes which may help the Company mitigate the impact of such default. If the Company is not able to contain the impact of the default of the Exchange Notes, the Company would have to consider alternative debt restructuring options, including holistic restructuring plans through one or more schemes of arrangement to restructure all Existing Notes and the Company's other offshore indebtedness, as well as the possibility of insolvency.

The Exchange Offer

The Exchange Offer commenced on January 12, 2022 and will expire at 4:00 p.m., London time, on January 19, 2022 (the "**Exchange Expiration Deadline**"), unless otherwise extended or earlier terminated by the Company at its sole discretion. An appropriate announcement will be made if and when the applicable Exchange Expiration Deadline is extended or earlier terminated.

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum including the Minimum Acceptance Amount, the Company is offering to exchange the outstanding Exchange Notes for New Notes to be issued by the Company.

Any tendering Eligible Holder must tender its entire holding of the Exchange Notes for exchange. The Company reserves its right not to accept any partial tender of Exchange Notes by any Eligible Holders.

Eligible holders of the Exchange Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Exchange Notes (other than the right to receive the relevant components of the Exchange Consideration and, if such holders were the Holders as of the applicable Interest Record Date, the accrued interest on any Exchange Notes payable on the respective maturity date of the Exchange Notes) and will release and discharge the Company from any and all claims such holder may have, now or in the future, arising out of or related to such Exchange Notes.

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in, the United States or to any U.S. person (as defined under Regulation S). The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to any U.S. person (as defined under Regulation S) or any other jurisdiction where it is unlawful to offer such securities, including the New Notes and any guarantees with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration. The New Notes and the related guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to any U.S. person (as defined under Regulation S).

Exchange Consideration

For each US\$1,000 principal amount of outstanding Exchange Notes that is validly tendered by or prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder will receive the Exchange Consideration consisting of: (a) US\$50 principal repayment in cash, (b) US\$10 in cash ((a) and (b) together, the “**Cash Consideration**”), and (c) US\$950 in aggregate principal amount of the New Notes.

The New Notes will bear interest at 7.8125% per annum, payable in arrears. The New Notes will mature on January 21, 2023.

Application will be made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation for the New Notes on the Official List of the SGX-ST.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer.

Date	Event
January 12, 2022	<p>Commencement of the Exchange Offer and announcement via The Hong Kong Stock Exchange Limited (the “SEHK”), the Exchange Website and through Euroclear or Clearstream, as applicable.</p> <p>The Exchange Offer Memorandum will be made available to Eligible Holders of the Exchange Notes who are non-U.S. persons outside the United States on the Exchange Website.</p> <p>An Eligible Holder of Exchange Notes who wishes to participate in the Exchange Offer must tender the Exchange Notes it holds for exchange with respect to the entire holding of Exchange Notes and in accordance with the terms, and subject to the conditions, of the Exchange Offer.</p>
January 19, 2022 (4:00 p.m., London time)	Exchange Expiration Deadline. This being the last date and time on which holders of the Exchange Notes can participate in the Exchange Offer and validly tender Exchange Notes in order to be eligible to receive the Exchange Consideration.
As soon as practicable after the Exchange Expiration Deadline	Announcement of (i) the amount of valid tenders for exchange received prior to the Exchange Expiration Deadline, (ii) the final aggregate principal amount of Exchange Notes accepted for exchange, and (iii) the final aggregate principal amount of the New Notes to be issued to investors in exchange for the Exchange Notes validly tendered, accepted and exchanged.
On or about January 20, 2022	Settlement Date. Subject to satisfaction of the conditions as set forth under the Exchange Offer Memorandum, settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Exchange Notes have been validly tendered and accepted for exchange.
On or about January 21, 2022	Listing of the New Notes on the SGX-ST.

Conditions to the Exchange Offer

The Company's obligation to consummate the Exchange Offer is conditioned upon the following:

- (a) not less than 90% in aggregate outstanding principal amount of each of the 2022 Notes and the 2022 II Notes with respect to which the Exchange Offer is being conducted having been validly tendered prior the Exchange Expiration Deadline;
- (b) there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- (c) an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the Exchange Offer contemplated hereby are in the Company's best interests; and
- (d) the satisfaction or waiver of the conditions described in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. The Company will give you and the Exchange Notes Trustees notice of any amendments, modifications or waivers as and if required by applicable law. The Exchange Offer is not conditional upon the Consent Solicitation.

Purpose of the Exchange Offer

In light of the financial difficulties affecting the Chinese property development sector and as part of its efforts to generate sufficient cash flow to meet its financial commitments, the Company is conducting the Exchange Offer to improve its financial condition, extend its debt maturity profile and strengthen its balance sheet. Please refer to the section headed "Background and Purpose of the Exchange Offer and Consent Solicitation" of this announcement.

The Consent Solicitation

The Consent Solicitation commenced on January 12, 2022 and will expire at 4:00 p.m., London time, on January 19, 2022 (the "**Consent Expiration Deadline**"), unless otherwise extended or earlier terminated by the Company at its sole discretion. An appropriate announcement will be made if and when the applicable Consent Expiration Deadline is extended or earlier terminated.

Summary of the Proposals

The Company is seeking the following amendments and waivers to each of the indentures governing the Consent Solicitation Notes:

Amendments in relation to Events of Default

The events of default under each of the indentures governing the Consent Solicitation Notes include, among others:

- (a) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$15 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (ii) the failure to make a principal payment when due; and
- (b) one or more final judgments or orders for the payment of money are rendered against the Company or any of its restricted subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$15 million (or the dollar equivalent thereof), in excess of amounts which the Company's insurance carriers have unconditionally agreed to pay under applicable policies, during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect.

The proposed amendments (the “**Proposed Amendments**”) are to exclude, with respect to (a) in the preceding paragraph (the “**Cross Default Provision**”), any indebtedness attributable to, and with respect to (b) in the preceding paragraph (the “**Judgment Default Provision**”), any final judgment or order that arises out of, in each case, the indenture governing the 2022 Notes, the indenture governing the 2022 II Notes, or any debt documents in connection with the 2022 Notes or the 2022 II Notes. If there are validly delivered (and not validly revoked) consents from the holders of not less than a majority in aggregate principal amount of each and every series of the outstanding Notes (the “**Requisite Consents**”) pursuant to the terms of the Consent Solicitation Statement on or prior to the Expiration Date, upon execution of the supplemental indentures, such amendments will become effective (such time, the “**Effective Time**”).

Waivers of past defaults

If the Requisite Consents are received, upon execution of the supplemental indentures, all holders and every subsequent holder of each of the Consent Solicitation Notes shall be bound by the following waivers (the “**Waivers**”) of the relevant indentures and Consent Solicitation Notes:

- (a) any default or event of default under the Cross Default Provision of each of the indentures governing the Consent Solicitation Notes that is alleged to have, has or may have arisen or materialized prior to the Effective Time in connection with, related to or as a result of the failure by the Company to make payments due in respect of the Exchange Notes, or any debt document in connection with the Exchange Notes;
- (b) any default or event of default under the Judgment Default Provision of each of the indentures governing the Consent Solicitation Notes that is alleged to have, has or may have arisen or materialized prior to the Effective Time in connection with, related to or as a result of the holders of the Exchange Notes having obtained final judgments or orders for the payment of moneys against the Company, such moneys having not been paid for more than 60 consecutive days, or holders or creditors under any debt document having obtained final judgments or orders for the payment of moneys against the Company, in connection with the Exchange Notes, and such moneys have not been paid within the applicable payment periods;
- (c) any default or event of default under each of the indentures governing the Consent Solicitation Notes that is alleged to have, has or may have arisen or materialized prior to the Effective Time as a result of or in connection with any default or Event of Default described in clause (a) or (b) above.

These Proposed Amendments and Waivers together constitute a single proposal and a consenting holder must consent to the Proposed Amendments and Waivers as an entirety and may not consent selectively with respect to certain Proposed Amendments or the Waivers.

Consent Fees

Subject to the terms and conditions of the Consent Solicitation, each Holder who has validly delivered (and not validly revoked) a consent on or prior to the Consent Expiration Deadline will receive a consent fee of US\$2.5 for each US\$1,000 principal amount of outstanding Consent Solicitation Notes (the “**Consent Fee**”).

Summary Timetable

The following summarizes the anticipated timetable for the Consent Solicitation.

Date	Event
January 12, 2022	Commencement of the Consent Solicitation and announcement via the SEHK, the Consent Website and through Euroclear or Clearstream, as applicable. Consent Solicitation Statement will be made available to Holders of the Consent Solicitation Notes on the Consent Website.
January 19, 2022 (4:00 p.m., London time)	Consent Expiration Deadline. This being the last date and time on which holders of the Consent Solicitation Notes can participate in the Consent Solicitation and validly delivered a consent in order to be eligible to receive the Consent Fee.
As soon as practicable after the Consent Expiration Deadline and after satisfaction of the conditions described in the Consent Solicitation Statement	Payment of Consent Fee. Subject to the conditions described in the Consent Solicitation Statement, the payment of the Consent Fee will be made to each Holder who has validly delivered (and not validly revoked) a consent on or prior to the Consent Expiration Deadline, and relevant supplemental indentures will be executed.

Conditions to the Consent Solicitation

The acceptance of the consents from the Holders by the Company and the payment of Consent Fee is conditional upon, among other things, (i) there being validly delivered (and not validly revoked) consents from the Holders of not less than a majority in aggregate principal amount of the outstanding Consent Solicitation Notes pursuant to the terms of the Consent Solicitation Statement on or prior to the Consent Expiration Deadline and (ii) in the case the Requisite Consents have been received, an affirmative determination by the Company that accepting the Consents, paying the Consent Fee and effecting the transactions contemplated thereby are in the best interest of the Company.

If the Requisite Consents are not received on or prior to the Consent Expiration Deadline or if the Company has not accepted any consents in respect of the Consent Solicitation Notes, (i) the proposed amendments to the terms of the indentures governing the Consent Solicitation Notes will not be effected, and (ii) no Consent Fee will be paid to any Holder.

If the Requisite Consents are received on or prior to the Consent Expiration Deadline and the proposed amendments to the terms of the indentures governing the Consent Solicitation Notes become effective, the proposed amendments will be binding on all Holders, including non-consenting Holders. However, non-consenting Holders will not receive any Consent Fee.

The Consent Solicitation is not conditional upon the Exchange Offer.

Purpose of the Consent Solicitation

The Company is conducting the Consent Solicitation to introduce certain amendments to the terms of the indentures governing the Consent Solicitation Notes which would allow the Company to avoid certain Events of Defaults under the Consent Solicitation Notes in order to increase its flexibility to implement its business plans in the future. Please refer to the section headed “Background and Purpose of the Exchange Offer and Consent Solicitation” of this announcement.

Further Details

The Company has appointed BOCI Asia Limited and Haitong International Securities Company Limited as the Dealer Managers and Solicitation Agents, and Morrow Sodali as Information, Exchange and Tabulation Agent with respect to the Exchange Offer and Consent Solicitation (each as stipulated in the Exchange Offer Memorandum, the Consent Solicitation Statement and their related documents). The Exchange Offer Memorandum, this announcement and all documents related to the Exchange Offer can be found on the Exchange Website: <https://bonds.morrowsodali.com/yuzhouexchange>. The Consent Solicitation Statement, this announcement and all documents related to the Consent Solicitation can be found on the Consent Website: <https://bonds.morrowsodali.com/yuzhouconsent>. Requests for copies of the Exchange Offer Memorandum, the Consent Solicitation Statement and their related documents may be directed to the Information, Exchange and Tabulation Agent at the address and telephone number as set forth below. The contact information of BOCI Asia Limited and Haitong International Securities Company Limited and Morrow Sodali is set out as follows:

BOCI Asia Limited

26/F Bank Of China Tower
1 Garden Road Hong Kong
Attention: Head of Debt Capital Markets
Facsimile: +852 2840 1032

Haitong International

22/F Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong
Attention: Debt Capital Markets
Facsimile: +852 2973 6741

Morrow Sodali

In London

103 Wigmore Street, 9th Floor
London, W1U 1QS
United Kingdom
Tel: +44 20 4513 6933

In Hong Kong

The Hive, 33-35 Hillier Street
Sheung Wan
Hong Kong
Tel: +852 2319 4130

Email: yuzhou@investor.morrowsodali.com

Exchange Website: <https://bonds.morrowsodali.com/yuzhouexchange>

Consent Website: <https://bonds.morrowsodali.com/yuzhouconsent>

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER MEMORANDUM AND THE CONSENT SOLICITATION STATEMENT.

SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER AND/OR THE CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND/OR THE CONSENT SOLICITATION AS SET FORTH IN THE EXCHANGE OFFER MEMORANDUM AND/OR THE CONSENT SOLICITATION STATEMENT AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER AND/OR THE CONSENT SOLICITATION WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER AND/OR THE CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND/OR THE CONSENT SOLICITATION. AS THE EXCHANGE OFFER AND/OR THE CONSENT SOLICITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Exchange Offer or the Consent Solicitation are not being made to (nor will the tender of the Existing Notes) Holders in any jurisdiction where the making or acceptance of the Exchange Offer or the Consent Solicitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer or the Consent Solicitation would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer or the Consent Solicitation will not be made to any Holder residing in such jurisdiction.

Forward Looking Statements

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer and/or the Consent Solicitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

Definitions

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

2022 Notes	the 6.00% Senior Notes due 2022 issued by the Company;
2022 II Notes	the 8.625% Senior Notes due 2022 issued by the Company;
2022 III Notes	the 12.00% Senior Notes due 2022 issued by the Company;
2022 IV Notes	the 8.50% Senior Notes due 2022 issued by the Company;
2023 Notes	the 6.0% Senior Notes due 2023 issued by the Company;
2023 II Notes	the 8.50% Senior Notes due 2023 issued by the Company;
2023 III Notes	the 9.95% Senior Notes due 2023 issued by the Company;
2024 Notes	the 8.50% Senior Notes due 2024 issued by the Company;
2024 II Notes	the 8.375% Senior Notes due 2024 issued by the Company;
2025 Notes	the 8.30% Senior Notes due 2025 issued by the Company;
2025 II Notes	the 7.7% Senior Notes due 2025 issued by the Company;

2026 Notes	the 7.375% Senior Notes due 2026 issued by the Company;
2026 II Notes	the 7.85% Green Senior Notes due 2026 issued by the Company;
2027 Notes	the 6.35% Green Senior Notes due 2027 issued by the Company;
Board	the board of Directors of the Company;
Clearstream	Clearstream Banking S.A.;
Company	Yuzhou Group Holdings Company Limited (formerly known as “Yuzhou Properties Company Limited”) 禹洲集團控股有限公司, a company incorporated in the Cayman Islands with limited liability;
Consent Solicitation	the solicitation of consent by the Company upon the terms and subject to the conditions set forth in the Consent Solicitation Statement;
Consent Solicitation Notes	the 2022 III Notes, the 2022 IV Notes, the 2023 Notes, the 2023 II Note, the 2023 III Notes, the 2024 Notes, the 2024 II Notes, the 2025 Notes, the 2025 II Notes, the 2026 Notes, the 2026 II Notes and the 2027 Notes;
Consent Solicitation Statement	the consent solicitation statement dated January 12, 2022 in relation to the Consent Solicitation;
Consent Solicitation Trustees	Deutsche Bank Trust Company Americas;
Consent Website	https://bonds.morrowsodali.com/yuzhouconsent ;
Director(s)	the director(s) of the Company;
Eligible Holders	holders who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S under the Securities Act) in exchange for their Exchange Notes through Euroclear and Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined in Regulation S under the Securities Act) with the Exchange Notes held through Euroclear and Clearstream;

Euroclear	Euroclear Bank SA/NV;
Exchange Notes	the 2022 Notes and the 2022 II Notes;
Exchange Notes Trustees	Deutsche Bank Trust Company Americas;
Exchange Offer	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
Exchange Offer Memorandum	the exchange offer memorandum dated January 12, 2022 in relation to the Exchange Offer;
Exchange Website	https://bonds.morrowsodali.com/yuzhouexchange;
Existing Notes	Consent Solicitation Notes and Exchange Notes;
Group	the Company and its subsidiaries;
Holder	the holder of the relevant Existing Notes;
Hong Kong	the Hong Kong Special Administrative Region of the PRC;
New Notes	the U.S. dollar denominated guaranteed senior notes to be issued in the Exchange Offer;
PRC	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
Regulation S	Regulation S under the U.S. Securities Act;
SEHK	The Hong Kong Stock Exchange Limited;
Settlement Date	on or about January 20, 2022, unless the exchange offer is extended or earlier terminated;
SGX-ST	Singapore Exchange Securities Trading Limited;
Subsidiary Guarantors	certain of the Company’s existing subsidiaries providing unconditional and irrevocable guarantee to the New Notes;

U.S. or United States	the United States of America;
U.S. Securities Act	the United States Securities Act of 1933, as amended;
US\$	United States dollars, the lawful currency of the United States; and
%	per cent.

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

Hong Kong, January 12, 2022

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