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禹洲地產股份有限公司
YUZHOU PROPERTIES COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01628)

**COMPLETION OF THE ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN THE CENTER (58) LIMITED**

Reference is made to the announcement of Yuzhou Properties Company Limited (the “**Company**”) dated 25 March 2019 (the “**Announcement**”) in relation to the acquisition of the entire equity interest in The Center (58) Limited (the “**Target Company**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide below further information in respect of the Acquisition and Completion. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated herein.

BASIS FOR DETERMINING THE CONSIDERATION

As at the date of the Sale and Purchase Agreement, the Property, the Sale Share and the Debt are all subject to the Existing Property Mortgage and Existing Share Mortgage (collectively the “**Mortgages**”). Therefore, the consideration amount under the Principal SPA is equivalent to the redemption amount for release and discharge of the Mortgages.

Immediately after the completion of the Principal SPA, the Vendor (i.e. the purchaser under the Principal SPA) will sell and the Purchaser will purchase the Sale Share and Debt. In the circumstance, and after arm’s length negotiation between the Vendor and the Purchaser, the Vendor agrees not to gain any profit under the Sale and Purchase Agreement. Therefore, it is mutually agreed that the Consideration shall be equal to the consideration amount under the Principal SPA, which represents the Vendor’s acquisition costs for acquisition of the Target Company.

Besides, the Company has also referred to the market value (approximately HK\$1.21 billion) of the Property as set out in the valuation report prepared by an independent valuer. Accordingly, the Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting) consider that the Acquisition and the Consideration are fair and reasonable and on normal commercial terms

UPDATED FINANCIAL INFORMATION OF THE TARGET COMPANY

Based on the Target Company's unaudited financial statements as at 31 December 2018 provided by the Principal Vendor (the "Management Accounts"), the financial information of the Target Company for the year ended 31 December 2018 are as follows:

	For the year ended 31 December 2018 (unaudited) <i>HK\$'000</i>
Revenue	22,628
Profit before tax	299,886
Profit after tax	296,880

Based on the Management Accounts, the net asset value of the Target Company and the book value of the Property as at 31 December 2018 amounted to approximately HK\$361.3 million and approximately HK\$898.7 million respectively, and the book value of the Debt as at 31 December 2018 amounted to approximately HK\$536.5 million.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all of the Conditions Precedent have been fulfilled, and accordingly completion of the Acquisition took place on 3 April 2019 pursuant to the terms of the Sale and Purchase Agreement. Upon Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Company will be consolidated into the Group's consolidated financial statement.

By Order of the Board
Yuzhou Properties Company Limited
Lam Lung On
Chairman

Hong Kong, 3 April 2019

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.