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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)**

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
U LIFE SERVICES GROUP COMPANY LIMITED  
ON THE MAIN BOARD OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**The Proposed Spin-off**

The Company proposes to spin-off and separately list the shares of U Life Services, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering of the new U Life Services Shares, including the preferential offering. The separate listing of the U Life Services Shares on the Main Board of the Stock Exchange constitutes a spin-off of U Life Services by the Company under PN15. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

**U Life Services' application for listing**

On 11 December 2020, U Life Services submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the U Life Services Shares on the Main Board of the Stock Exchange.

As at the date of this announcement, the Company indirectly holds the entire issued share capital of U Life Services. It is intended that upon completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of U Life Services and U Life Services will no longer remain as a subsidiary of the Company.

The Spin-off Group is principally engaged in the provision of property management services and commercial-operational services.

## **Listing Rules implications**

The Proposed Spin-off will be effected by way of the Global Offering and the Distribution. The Distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules. The Global Offering constitutes a deemed disposal of the entire interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is under 5%, the Proposed Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules, and is not subject to the Shareholders' approval. This announcement is published in accordance with PN15.

## **General**

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

**As the Listing is conditional upon, among other things, the approvals of the Listing Committee, the final decision of the Board and the board of directors of U Life Services, market conditions and other considerations, the Proposed Spin-off may or may not materialise and the Distribution may or may not be made. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Company proposes to spin-off and separately list the shares of U Life Services, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering and the Distribution in specie of the entire issued share capital of U Life Services to the Shareholders, which includes the preferential offering. The separate listing of U Life Services Shares on the Main Board of the Stock Exchange constitutes a spin-off of U Life Services by the Company under PN15. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 11 December 2020, U Life Services submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the U Life Services Shares on the Main Board of the Stock Exchange.

## **THE PROPOSED SPIN-OFF**

The Proposed Spin-off involves the spin-off and separate listing of the U Life Services Shares on the Main Board of the Stock Exchange by way of the Global Offering and the Distribution. The details of the Global Offering and the Distribution have yet to be finalised. As at the date of this announcement, the Company indirectly holds the entire issued share capital of U Life Services. It is intended that upon completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of U Life Services and U Life Services will no longer remain as a subsidiary of the Company.

## **THE SPIN-OFF GROUP**

U Life Services was incorporated in the Cayman Islands on 17 August 2020. The Spin-off Group is principally engaged in the provision of property management services and commercial operational services.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board considers that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole based on the following reasons:

- (a) the Proposed Spin-off will allow the Company and its shareholders an opportunity to ascribe a market value of its investment in the Spin-off Group;
- (b) the Proposed Spin-off will enable the Spin-off Group to build its identity as a separately listed group, and have a separate fund-raising platform to access public and private capital. The Proposed Spin-off would allow the Spin-off Group to gain direct access to the capital markets for equity and/or debt financing to fund its existing operations and future expansion, thereby allowing for the acceleration of the expansion and improving its operating and financial performance of the Spin-off Group which will in turn help to achieve better financial returns to the shareholders of both the Retained Group and the Spin-off Group;
- (c) as a separately listed group, the Spin-off Group will be able to build on its reputation further and be in a better position to negotiate and solicit more businesses, including as a platform to provide services to property developers other than the Company;
- (d) the Proposed Spin-off will enable the Spin-off Group to enhance its corporate profile and broaden its investor base, including increasing its ability to attract strategic investors, which could generate synergies to the Spin-off Group, for strategic investment in and forming strategic partnerships directly with the Spin-off Group, for investment in and forming strategic partnerships directly with our Group; in particular the separate listing will enable investor to appraise and assess the value and operating performance of the Spin-off Group separately and distinctly from the business of the Retained Group; and
- (e) the Proposed Spin-off would enable a more focused development and strategic planning, as well as better allocation of resources for the Retained Group and the Spin-off Group with respect to their respective businesses given their distinctive cost structures and business models. Both the Retained Group and the Spin-off Group would benefit from a more efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for the Spin-off Group to focus on its development.

## **ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT**

According to the assured entitlement requirements under PN15 and in giving due regard to the interests of the Shareholders, the Board intends to effect the Distribution of the entire issued share capital of U Life Services to the Qualifying Shareholders in accordance with the articles of association of the Company and all relevant laws and regulations, subject to certain conditions. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

## **INFORMATION ON THE COMPANY**

The Company is a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange. The Company is engaged in property development, property investment and hotel operation business.

## **LISTING RULES IMPLICATIONS**

The Proposed Spin-off will be effected by way of the Global Offering and the Distribution. The Distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules. The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is under 5%, the Proposed Spin-off is exempted from the Shareholders' approval requirements for the Company under Chapter 14 of the Listing Rules.

## **GENERAL**

A redacted form of the application proof of U Life Services' listing document (the "**Application Proof**") is expected to be available for reviewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>. The Application Proof contains, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

**As the Listing is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of U Life Services, market conditions and other considerations, the Proposed Spin-off may or may not materialise and the Distribution may or may not be made. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Yuzhou Group Holdings Company Limited (禹洲集團控股有限公司) (formerly known as Yuzhou Properties Company Limited (禹洲地產股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 23 April 2008, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01628);
“Directors”	directors of the Company;
“Distribution”	the distribution in specie of the entire issued share capital of U Life Services to the Qualifying Shareholders as a special dividend to be declared by the Company, subject to completion of the Listing and fulfillment of some other conditions;
“Global Offering”	the offer to the public in Hong Kong for subscription, and the international offering to certain professional and institutional investors and other investors, of the U Life Services Shares;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing”	the listing of the U Life Services Shares on the Main Board of the Stock Exchange;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date and whose addresses as shown in such register are in any of the specified territories and any Shareholders or beneficial Shareholders at that time who are otherwise known by the Company to be resident in any of the specified territories;
“PN15”	Practice Note 15 to the Listing Rules;
“PRC”	the People’s Republic of China;

“Proposed Spin-off”	the proposed spin-off and separate listing of the U Life Services Shares on the Main Board of the Stock Exchange;
“Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	the record date for ascertaining the Qualifying Shareholders who shall be entitled to the Distribution;
“Retained Group”	the Company and its subsidiaries, excluding the Spin-off Group;
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares with nominal value of HK\$0.01 each in the share capital of the Company;
“Spin-off Group”	U Life Services and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U Life Services”	U Life Services Group Company Limited (禹佳生活服務集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 17 August 2020;
“U Life Services Shares”	ordinary shares with nominal value of HK\$0.01 each in the share capital of U Life Services; and
“%”	Percentage.

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

Hong Kong, 13 December 2020

*As at the date of this announcement, the executive directors are Mr. Lam Lung On (Chairman, J.P.), Ms. Kwok Ying Lan, Mr. Lin Conghui and Ms. Lam Yu Fong, 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.*