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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)

PROFIT WARNING ANNOUNCEMENT

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 of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Reporting Period**”) and other information currently available to the Board, it is expected that the Group will record a total revenue of approximately RMB26,737 million for the Reporting Period, which is a slight decline but still close to the record level of approximately RMB27,071 million recorded for the year ended 31 December 2021, which was mainly due to the Company’s adherence to the policy objective of “guaranteeing completion and ensuring delivery” proposed by real estate market regulatory authorities during the Reporting Period. However, (1) due to the compounded effects of repeated outbreaks of the COVID-19 epidemic, the severe slowdown in real estate market, and the tightening of the financing markets, the gross profit of projects delivered by the Group during the Reporting Period decreased; (2) being affected by the market environment, where there were indications of impairment on some real estate projects of the Company, the provision for impairment of inventories and other assets increased based on the principle of prudence and the fair value loss on investment properties; and (3) due to the decrease in the portion of capitalised interest during the Reporting Period, the financial costs of the Group significantly increased, it is expected that the Group will record a net loss attributable to the Shareholders of approximately RMB12,000 million during the Reporting Period, compared to the net profit attributable to the Shareholders of approximately RMB862 million for the same period in 2021.

As of the date of this announcement, the Company is still in the process of finalizing the annual results of the Group for the Reporting Period. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the Reporting Period, which have not been finalized or reviewed by the Company's auditors or the audit committee of the Company. The actual financial results of the Group for the Reporting Period may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the Reporting Period, which is expected to be published by the Company by the end of March 2023.

Investors are advised to read carefully the annual results announcement of the Company for the Reporting Period, and the 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
Kwok Ying Lan
Chairman

Hong Kong, 15 March 2023

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