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POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

**INSIDE INFORMATION
PROFIT WARNING**

This announcement is made by Powerlong Real Estate Holdings 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 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 that, based on a preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2022 and the other information currently available, for the year ended 31 December 2022, the profit for the year of the Group is expected to be within the range of approximately RMB1,600 million to RMB2,000 million (for the year ended 31 December 2021: approximately RMB7,336 million), and the core earnings attributable to the owners of the Company (being the profit excluding the attributable fair value gains/(losses) on investment properties, revaluation gains/(losses) on completed properties held for sale transferred to investment properties and foreign exchange gains/(losses) on financing activities during the year under review) is expected to be within the range of approximately RMB2,400 million to RMB2,800 million (for the year ended 31 December 2021: approximately RMB3,766 million). The expected decrease in profit in 2022 as compared to 2021 is mainly attributable to the following factors: (1) as a result of the severe operating environment in the real estate industry and the continuous impact of the COVID-19 pandemic: (i) there was a decrease in revenue and profit recognised from the sales of properties due to the decline in delivery; (ii) there was an increase in provision of impairment for property projects based on the principle of prudence; and (iii) there was a decrease in fair value gain on investment properties; and (2) the expected net foreign exchange losses due to foreign exchange fluctuations.

As at the date of this announcement, the Company is in the process of preparing and finalizing the annual results of the Group for the year ended 31 December 2022. The information contained in this announcement is only based on a preliminary assessment by the Company's management team with reference to the unaudited management accounts of the Group for the year ended 31 December 2022 and the other information currently available, which have not been audited or reviewed by the Company's auditors or the audit committee of the Company, and may be subject to further adjustments or amendments. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Group for the year ended 31 December 2022, which is expected to be published on or about 30 March 2023.

Shareholders of the Company and potential investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.

By order of the Board
Powerlong Real Estate Holdings Limited
Hoi Kin Hong
Chairman

Hong Kong, 21 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping, Ms. Shih Sze Ni Cecilia and Mr. Zhang Hong Feng; the non-executive director of the Company is Ms. Hoi Wa Fan; and the independent non-executive directors of the Company are Dr. Ngai Wai Fung, Dr. Mei Jian Ping and Dr. Ding Zu Yu.