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偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

PROFIT WARNING

This announcement is made by Realord Group 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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under 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 the Group’s unaudited consolidated management accounts for the year ended 31 December 2023 (the “**Management Accounts**”), the Group is expected to record a net profit attributable to the Shareholders ranging from HK\$70 million to HK\$80 million for the year ended 31 December 2023 (“**FY2023**”), as compared to a net profit attributable to the Shareholders of approximately HK\$112.8 million for the year ended 31 December 2022 (“**FY2022**”).

The gross profit of the Group FY2023 has increased by approximately HK\$32.0 million to HK\$319.4 million (FY2022: HK\$287.4 million). However, the net profit attributable to Shareholders for FY2023 recorded a decrease compared to FY2022 as a result of the followings:

- (i) the decrease of net exchange gain for FY2023 by HK\$298.7 million to HK\$59.4 million (FY2022: HK\$358.1 million). The net exchange gain was mainly resulted from the depreciation of Renminbi against Hong Kong Dollar and corresponding translation of liabilities denominated in Renminbi;
- (ii) an impairment loss on goodwill on department store business in the amount of approximately HK\$63.2 million (FY2022: Nil), which was mainly resulted from the slow economic recovery and increased trend of online shopping behavior in retail sector; and
- (iii) the increase in finance costs by approximately HK\$38.6 million.

The aforesaid negative effect on the net profit attributable to Shareholders for FY2023 is partially offset by the followings:

- (i) the decrease in administrative expenses for FY2023 by approximately HK\$40.0 million, which was mainly attributable to the reduction of staff cost, and legal and professional fees;
- (ii) a reversal of provision for impairment loss in properties under development, net of deferred tax expenses, of approximately HK\$46.6 million (FY2022: provision for properties under development, net of deferred tax credit: approximately HK\$75.2 million), which was primarily related to the effect of commencement of construction work of the Qiankeng Property project in fourth quarter of 2023; and
- (iii) net gain on fair value change (net of deferred expenses) of investment properties attributable to Shareholders in an amount of approximately HK\$828.6 million (FY2022: HK\$658.8 million).

Save for the above, there are no other material items attributing to the decrease in the net profit attributable to the Shareholders for FY2023, as compared to FY2022.

The Company is in the process of finalising the audit of the financial results of the Group in respect of FY2023. The information contained in this announcement is based on the Management Accounts. Details of the audited financial information of the Group shall be disclosed in the Company's results announcement for FY2023 which is expected to be published on 25 March 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Realord Group Holdings Limited
Lin Xiaohui
Chairman

Hong Kong, 22 March 2024

As at the date of this announcement, the executive directors of the Company are Dr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive directors of the Company are Mr. Yu Leung Fai, Mr. Fang Jixin and Mr. Ho Chun Chung Patrick.