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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

PROFIT WARNING

This announcement is made by Yuexiu Property Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the “**SFO**”) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company (and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2024 and information currently available to the Board, it is expected that, for the year ended 31 December 2024, the profit attributable to equity holders decreased by approximately 65-70% and the core net profit decreased by 50-55%, respectively, as compared to those for the year ended 31 December 2023. The core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recorded in the consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year) and the related tax effect and impairment of intangible assets.

The decrease in the profit attributable to equity holders and the core net profit was mainly due to:

- (1) the decrease in the gross profit margin of recognised property sales caused by the consistent adjustments in the real estate market, including the provision for impairment of properties under development and properties held for sale in the amount of approximately RMB2.27 billion (before tax) (comparing with the amount of approximately RMB1.57 billion in 2023);
- (2) the provision for impairment of particular property, plant and equipment and right-of-use assets in the amount of approximately RMB1.39 billion (before tax); and

(3) the occupancy rate and rental level falling below expectation due to the downturn in the commercial operating environment, resulting in the net revaluation loss on commercial properties of the Group in the amount of approximately RMB0.73 billion (before tax).

The impairment and net revaluation losses referred to in (1) to (3) above are expected to affect the Group's profit before taxation by a total amount of approximately RMB4.39 billion. Such losses are non-cash in nature and will not have any adverse effect on the Group's working capital.

In 2024, in the face of the profound adjustments in the real estate market, the Group recorded contracted sales value of approximately RMB114.5 billion, rising to the eighth place on the industry ranking by China Real Estate Information Corporation (CRIC). The financial condition of the Group remained healthy and secure, achieving net cash inflows from operating activities exceeding RMB20 billion in 2024. The Group continued to optimise its debt structure and lower its capital costs. The Group's "Three Red Lines" indicators all remained in "green lights", and its Fitch Ratings remained at investment grade.

In 2025, the Company will adhere to its long-term strategies, accelerating sales and destocking while making targeted investments. The Company will continue to maintain a healthy financial condition and secure liquidity, ensuring net cash inflows from operating activities and maintaining the "Three Red Lines" indicators in "green lights" and investment grade ratings.

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

By order of the Board
Yuexiu Property Company Limited
Yu Tat Fung
Company Secretary

Hong Kong, 7 March 2025

As at the date of this announcement, the Board comprises:

Executive Directors: LIN Zhaoyuan (Chairman), ZHU Huisong, JIANG Guoxiong, HE Yuping, CHEN Jing and LIU Yan

Non-executive Directors: ZHANG Yibing and SU Junjie

Independent Non-executive Directors: YU Lup Fat Joseph, LEE Ka Lun, LAU Hon Chuen Ambrose and CHEUNG Kin Sang