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 of the Company (the "**Board**") 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 2023 and the other information currently available, for the year ended 31 December 2023, the loss for the year of the Group is expected to be within the range of approximately RMB2,400 million to RMB2,600 million (profit for the year ended 31 December 2022: approximately RMB1,614 million), and the core losses attributable to the owners of the Company*(Note)* is expected to be within the range of approximately RMB1,000 million to RMB1,200 million (core earnings attributable to the owners of the Company for the year ended 31 December 2022: approximately RMB2,451 million). The expected loss for the year ended 31 December 2023 as compared to the profit for the year ended 31 December 2022 was mainly attributable to the following: (1) as a result of the continuous impact of the severe operating environment in the real estate industry: (i) there was a decrease in revenue and profit recognised from the sales of properties due to the continued decline in delivery during the year; (ii) a provision for impairment of property projects was made based on the principle of prudence; (iii) there was a decrease in the fair value of investment properties; and (2) the expected net foreign exchange losses due to foreign exchange fluctuations.

Note: Excluding the 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.

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 2023. 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 2023 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 2023, which is expected to be published no later than the end of March 2024.

Shareholders of the Company and other investors are advised to 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, 19 March 2024

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.