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中国地利集团
China Dili Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1387)

PROFIT WARNING

This announcement is made by China Dili Group (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 the potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Accounts**”) and other information currently available to the Board, the Group expects to record a loss attributable to equity shareholders of the Company of approximately RMB1,190 million for the six months ended 30 June 2022 as compared to the profit attributable to equity shareholders of the Company of approximately RMB159 million for the corresponding period in 2021.

The expected turnaround of the Group’s results is primarily attributable to (i) the recognition of impairment loss on property and equipment of approximately RMB941 million; (ii) the net valuation losses on investment properties of approximately RMB548 million as compared to that of RMB38 million for the corresponding period in 2021; and (iii) the decrease in revenue from commission and lease income by approximately RMB110 million as compared to that of the corresponding period in 2021, which arose as a result of the resurgence of coronavirus pandemic that led to the implementation of stricter pandemic control and lockdown measures in various major cities of the People’s Republic of China (the “**PRC**”) in the first six months of 2022, disruptions to the supply chain and business activities of many PRC enterprises including the Group and its business partners, impact on operations and transaction volume of the agriculture wholesale markets, subsidies to traders and commission and lease income concessions. The said impairment loss on property and equipment and net valuation losses on investment properties referred to in (i) and (ii) above resulted from among others, the concessions and subsidy payout to traders in affected agriculture wholesale market(s) whose operations have been disrupted during the first six months of 2022. In addition, a reversal of deferred tax of approximately RMB363 million is expected to arise from (i) and (ii) above.

The Company is still in the process of preparing the unaudited consolidated financial results of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the Accounts, which have not been reviewed or confirmed by the independent auditors and/or the audit committee of the Company and accordingly, the actual financial results of the Group for the six months ended 30 June

2022 may differ from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2022, which will be published in due course in accordance with the requirements of the Listing Rules.

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

By Order of the Board
China Dili Group
Wang Yan
Chairman

Hong Kong, 8 August 2022

As at the date of this announcement, the Board comprises Mr. Wang Yan, Mr. Dai Bin and Ms. Qin Xiang as executive directors; Mr. Yin Jianhong and Mr. Liu Lizhen as non-executive directors; and Mr. Fan Ren-Da, Anthony, Mr. Wang Yifu, Mr. Leung Chung Ki and Mr. Tang Hon Man as independent non-executive directors.