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DaFa Properties Group Limited **大发地产集团有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6111)

PROFIT WARNING

This announcement is made by DaFa Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”), the Group is expected to record a loss attributable to the owners of the Company in the range of approximately RMB1,100 million to RMB1,300 million for the Period, as compared to a profit attributable to the owners of the Company of approximately RMB201 million for the six months ended 30 June 2021. The expected loss attributable to the owners of the Company for the Period is mainly attributable to (i) the decrease in the area of properties delivered resulting in the decrease in revenue recognised from properties sold for the Period; (ii) the decrease in the gross profit margin and the increase in impairment provision for inventory due to the lower average selling prices of property projects, which was affected by the COVID-19 pandemic and unfavourable macro market environment; and (iii) the foreign exchange loss in respect of the USD-denominated senior notes of the Group due to the depreciation of RMB against USD.

As the Company is still in the process of preparing and finalising the interim results of the Group for the Period, the information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the unaudited management accounts of the Group which have not been reviewed or audited by the auditor of the Company or the audit committee of the Company. Shareholders and potential investors of the Company should read the interim results announcement of the Company for the Period carefully, which is expected to be published by the end of August 2022.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
DaFa Properties Group Limited
GE Yiyang
Chairman

Hong Kong, 25 August 2022

As at the date of this announcement, the Board comprises Mr. Ge Yiyang, Mr. Leng Junfeng, Mr. Chi Jingyong and Mr. Yang Yongwu as the executive Directors, and Mr. Gu Jiong, Mr. Sun Bing and Mr. Fok Ho Yin Thomas as the independent non-executive Directors.