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LONGFOR¹
龙湖
LONGFOR GROUP HOLDINGS LIMITED
龍湖集團控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 960)

INSIDE INFORMATION – PROFIT WARNING

This announcement is made by Longfor Group Holdings 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 (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders and potential investors of the Company that based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2023 and the information currently available to the Company, as compared to the profit attributable to the owners of the Company of RMB24.36 billion and the core net profit attributable to shareholders (excluding effects of fair value changes) of RMB22.54 billion for the year ended 31 December 2022, both the profit attributable to the owners of the Company and the core net profit attributable to shareholders (excluding effects of fair value changes) for the year ended 31 December 2023 are expected to record a decrease of approximately 45% to 50%, mainly due to the decline in contracted sales and price pressure resulted from the downturn in the real estate industry in 2022 and 2023, which resulted in the decline in revenue recognized and gross profit margin recognized of the property development segment.

For the year ended 31 December 2023, the Group recorded positive operating cash flow while actively reducing the size of debt and optimising the structure of debt. Looking ahead, the Group will adhere to its established growth model generating positive cash flow, with focus on its three main business segments: property development, operation of rental property, and provision of services. This structure captures synergies between the business segments and aims to continuously increase the proportion of profits from recurrent income sources of property rentals and services provision. The strategy aims to produce a resilient, high quality corporate structure.

As the Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2023, and the information contained in this announcement is presented only based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts and has not been audited or reviewed by the auditor of the Company or the audit committee of the Company, shareholders and potential investors of the Company are advised to read carefully the financial results announcement of the Company for the year ended 31 December 2023, which is expected to be published on or before 31 March 2024.

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

By Order of the Board
Longfor Group Holdings Limited
Chen Xuping
Chairman

Hong Kong, 8 March 2024

As at the date of this announcement, the Board comprises nine members: Mr. Chen Xuping, Mr. Zhao Yi, Mr. Zhang Xuzhong and Ms. Shen Ying who are executive directors; Mr. Xia Yunpeng who is non-executive director; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Leong Chong who are independent non-executive directors.