越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock code: 00123)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by Yuexiu Property Company Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors ("**Board**") of the Company 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 six months ended 30 June 2026 ("**1H2026**") and information currently available to the Board, it is expected that, for 1H2026, the profit attributable to equity holders would decrease to approximately RMB50 million to RMB100 million, representing a period-to-period decrease of approximately 90% to 95%, as compared to those for the six months ended 30 June 2025 ("**1H2025**"), and the core net profit would decrease to approximately RMB50 million to RMB100 million, representing a period-to-period decrease of approximately 90% to 95%, as compared to 1H2025. The core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised 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/period) and the related tax effect and impairment of intangible assets.

The decrease in profit attributable to equity holders and core net profit was mainly due to: (1) as a result of cyclical fluctuations of projects that recognised sales, the value of the recognised sales and share of profits from joint ventures and associates in 1H2026 decreased compared to 1H2025, leading to a decline in revenue and profit attributable to equity holders; and (2) the PRC property market remained in a profound adjustment phase, with pressure on project profit margins, resulting in a period-to-period decrease in the gross profit of the Group's property development business in 1H2026.

Amid ongoing profound adjustment of the property market, the Group adhered to a prudent operation strategy, and its financial position remained healthy and secure. The Group is expected to record net cash inflows from operating activities exceeding RMB10 billion in 1H2026, with its cash balances (including cash and bank balances, time deposits, time deposits and other restricted deposits) exceeding RMB50 billion at the end of the period, indicating its sufficient capital reserves. The Group continued to optimise its debt structure, with its financing costs remaining at the lower end of the industry range while maintaining stable total borrowings at the end of the period. The Group's "Three Red Lines" indicators remained in "green lights" and the Group maintained its investment-grade credit ratings by S&P and Fitch with a "stable" outlook.

In the first half of 2026, the Group recorded the value of contracted sales (including contracted sales of projects of joint ventures and associates) of approximately RMB50.5 billion, securing an eighth place on the industry ranking by China Real Estate Information Corporation (CRIC). This solidified its position as one of the top 10 developers in the industry. Looking forward to the second half of the year, the Group will accelerate destocking and maintain its industry-leading position. It will also adhere to a precise investment strategy and continue to optimise its resource allocation. The Group will remain committed to prioritising healthy financial condition and secure liquidity, ensuring net cash inflows from operating activities and maintaining its "Three Red Lines" indicators all in "green lights" and its investment-grade credit ratings.

As the Group is still in the process of compiling and finalising its interim results for 1H2026, the information contained in this announcement is based solely on a preliminary assessment made by the Board with reference to the information currently available, and is not based on any data or information audited or reviewed by the Company's auditors. Such information is therefore subject to adjustments upon further review and finalisation of the Group's interim results for 1H2026 by the Board.

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, 17 July 2026

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*