

[For Immediate Release]



(Incorporated in Hong Kong with limited liability)
(Stock Code: 119)

Poly Property Group Announced 2022 Interim Results Climbed to 24th on the CRIC Sales List

(28 Aug 2023 – Hong Kong) Poly Property Group Co., Limited (“the Group” or “Poly Property”; stock code: 119) is pleased to announce its interim results for the period ended 30 Jun 2023.

Financial Highlights

In the first half of 2023, the Group recorded revenue of HK\$15,639 million, representing a year-on-year decrease of 16.4%. Gross profit margin declined 3.1 pts to 25.2%. Fees expenses grew as the contracted sales doubled during the Period, while the recognized sales were relatively low compared to the whole year. Profit attributable to owners of the company decreased 49.6% to HK\$639 million. Core net profit decreased 45.4% to HK\$853 million with the core net profit margin of 5.5%.

All three red line ratios were improved. The ratio of cash to short debt increased to 1.97 from 1.72 as at the end of last year. The liability to asset ratio excluding presales deposits declined by 1.6 pts to 73.5% and the net gearing ratio declined by 18.6 pts to 97.3% as compared to the end of last year. The scale of total debt was stable and slightly decreased, with debt structure continually optimized. The average funding cost achieved 4.05%, indicating a decrease of 0.21 pts as compared to the last year end.

Property Sales

In the first half of 2023, Poly Property Group (together with its subsidiaries, its joint ventures and associated companies) recorded contracted sales of RMB37.4 billion, representing a year-on-year increase of 127%. The Group ranked 24th on the CRIC list in term of the total sales amount, a significant rise

of 16 rankings compared with that at the end of 2022.

Sales from Pearl River Delta and Greater Bay Area accounted for 71% of the contracted sales during the Period. Average contracted selling price increased by 32% year on year to RMB25,231 per square metre, driven by an increase in the proportion of high-tier cities. During the period, the Group achieved high-quality sales, with contracted sales collection of RMB35.9 billion and a collection ratio of 96%.

Land Bank

The Group has continued to invest its expansion resources in high capability cities, giving priority to projects with quick turnover of cash flow and cash profit. In the first half of the year, the Company acquired five projects in Shanghai, Guangzhou, Suzhou, Kunshan and Nanning, with newly acquired land reserve of 1,050,000 square metres and average land cost of RMB18,462 per sq. m.. As at 30 June 2023, the Group had a total land bank of approx. 18.35 million sq. m. with average land cost of approx. RMB10,500 per sq. m.. The percentage of attributable land reserves in Yangtze River Delta and Greater Bay Area was 48%, representing an increase of five percentage points as compared with the end of last year, while the percentage of attributable land reserves in first-tier cities was 25%, representing an increase of three percentage points as compared with the end of last year.

Mr. Wan Yuqing, Chairman of Poly Property Group, said, 'The Conference of the Central Politburo held in late July planned the layout for economic work in the second half of the year. The meeting concluded that it is necessary to adjust and optimise property policies when applicable, and make good use of the policy toolkit to implement policies in response to the actual situations in their respective cities to better satisfy the rigid and improved housing demand of residents and promote the stable and healthy development of the property market. Poly Property adheres to the corporate DNA of "red genes to forge the soul, blue genes to create success", insists on the improvement of product strength and market share amid the adversity, continues to practice the principle of "ensuring safety, quality and delivery" and strives to realise a better life for the people and a high-quality development for the industry.'

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About Poly Property Group Co., Limited

Poly Property Group Co., Limited is one of the foremost property developers in China as well as the real estate offshore listed flagship of China Poly Group Corporation Limited (a state-owned enterprise). Its major businesses include property development, investment and management. The Group develops residential and commercial properties in Yangtze River Delta, Pearl River Delta, Southwestern region, other regions, as well as Hong Kong and Macau and overseas. Projects of the Group are located in 30 major cities within and outside China, including Shanghai, Hong Kong, Shenzhen, Guangzhou, Wuhan, Suzhou, Jinan, Harbin, Ningbo, Guiyang and Nanning, among others. The Group maintains a high-quality investment property portfolio in various cities comprising landmark properties such as Shanghai Poly Plaza, Shanghai Stock Exchange Building and Beijing Poly Plaza. For more information, please visit <http://www.polyhongkong.com>

For media enquiries, please contact:

Wonderful Sky Financial Group

Annie Lu

Tel: (852) 3977 1862

Email: annielugw@wsfg.hk

Juliet Zhong

Tel: (852) 3977 1873

Email: julietzhongzy@wsfg.hk