

## Proactive Explorations to Make Breakthroughs, Forging Ahead to Tackle Challenges

### Yuzhou Group (01628.HK) Announced 2024 Interim Results

#### FINANCIAL HIGHLIGHTS

For the year ended June 30, 2024:

- The revenue of the Group amounted to RMB6,377.54 million, of which the revenue from property delivery was approximately RMB6,128.39 million, accounting for 96.09% of the total revenue. The Group's accumulated contracted sales amounted to RMB 4,346.24 million, with the GFA of contracted sales amounted to 279,311 sq.m.
- The Group had land reserves amounting to approximately 11.31 million sq.m. of aggregate saleable total gross floor area ("GFA"), with 163 projects located in 38 cities in the six metropolitan areas, which are sufficient for its development over the next two to three years.
- The Group strives to shape three product lines as the "Yu Yue" brand for shopping centers, "Yuzhou Plaza" brand for office buildings and shopping streets, held 41 projects in total with a commercial area of over 1.74 million sq.m..

(August 30, 2024, Hong Kong) Yuzhou Group Holdings Company Limited ("**Yuzhou Group**" or the "**Company**", together with its subsidiary, the "**Group**", stock code: 01628.HK), announced its unaudited consolidated results for the six-month period ended 30 June 2024 (the "**Period**").

In the first half of 2024, the performance of the real estate market remained relatively sluggish, witnessing a further decline in the transaction volume of commodity housing as compared to the same period of last year, along with ongoing high downward pressure. In the first quarter, influenced by the Chinese New Year holiday and compounded by the insufficient appeal of the "short-lived resurgence" in March, the overall transaction volume of commodity housing shrank. In the second quarter, following the establishment of market-stabilizing policies and the implementation of a series of favorable real estate measures, the market witnessed a resurgence from late May to mid-June. However, the performance still fell below market expectations, with weak momentum afterward and insufficient support for growth. The overall market expectations were pessimistic, while the cautious and

conservative attitude of home buyers heightened. Facing a complex and volatile market environment and severe industry challenges, Yuzhou Group proactively adjusted its strategy. Through debt restructuring, asset disposal, strict house delivery management, in-depth cultivation, and innovative marketing, the company actively responded to market challenges, improved operational efficiency, making the Company forging ahead in adversity.

### **Steadily Advancing the “In-depth Cultivation” Strategy, Enhancing “Guaranteeing Housing Delivery” Capability**

In the first half of 2024, Yuzhou Group has completed a total of approximately 20 batches of project with well-pleasing delivery of approximately 8,000 residential units, achieving a record high in delivery satisfaction. Yuzhou Group has consistently been actively coordinating various resources, overcoming numerous challenges, and prioritizing the successful delivery of projects. The company continuously enhances its delivery capabilities from multiple dimensions, systematically ensuring an ideal homecoming experience and steadfastly fulfilling its commitments to homeowners.

Yuzhou Group adhering to its strategic deployment of leading with locality development and following the principle of “In-depth Cultivation”, the Group develops the six metropolitan areas in the Yangtze River Delta Region, West Strait Economic Zone, Bohai Rim Region, Greater Bay Area, Central China Region and Southwest Region. During the Period, the Group’s property sales revenue was approximately RMB6,128.39 million, accounting for 96.09% of the total revenue of the Group. The Group delivered a total gross floor area (“GFA”) of approximately 442,612 sq.m.. The average selling price of the properties delivered and recognized as property sales in the first half of 2024 was RMB13,846 per sq.m..

As 30 June 2024, the Group had land reserves amounting to approximately 11.31 million sq.m. of aggregate saleable GFA, with 163 projects located in 38 cities in the six metropolitan areas. The average land cost was approximately RMB6,005 per sq.m.. The Group believes that its land reserves currently held and managed are sufficient for its development over the next two to three years.

### **Proactively Responding to Market Changes, Driving Sales Growth through Innovation**

Confronting with the continued sluggish market conditions, Yuzhou Group made every effort to respond proactively. With its constantly improving skills, it was able to keenly capture the trends in the real estate market and adjust its marketing strategies in a timely manner in combination with the favorable policies introduced by the government, providing certain support for its sales performance.

In the meanwhile, in line with its “moderate and excellent” operation philosophy, Yuzhou

Group actively explored changes in customer consumption scenarios and consumption habits, upgraded the “Yuzhou New Momentums Initiative” to “Yuzhou Star Power”. It continued to upgrade and transform in terms of promotion linkage, platform transformation and image standardization. By constantly exploring the use of WeChat, Weibo, TikTok Short Video and Xiaohongshu and other platforms to promote projects, it actively expanded its digital marketing channel for customer acquisition, deeply considered and proactively explored the ways for sales closing, in a view to continuously facilitate the achievement of sales targets of the Group.

### **Diversifying Innovative Commercial Services, Leading a New Urban Vitality Ecosystem**

Yuzhou Group’s property investment segment covers a variety of commercial properties and strives to shape three product lines, namely “Yu Yue” brand for shopping centers, “Yuzhou Plaza” brand for office buildings and shopping streets, so as to meet the needs of various consumption groups in cities. The Yuzhou property investment projects, whose business is mainly operated in economically developed areas such as the West Strait Economic Zone, Yangtze River Delta Region and the Greater Bay Area, currently cover areas of Shenzhen, Shanghai, Hangzhou, Xiamen, Suzhou, Nanjing, Hefei, Wuhan and Quanzhou. There were a total of 41 projects, consisting of 32 projects under operation and 9 projects in the preparation period. These projects covered a commercial area of over 1.74 million sq.m..

At the beginning of the new year of 2024, the consumer market rebounded significantly, the commercial real estate market also returned to an active level. In 2024, guided by the annual theme of “Brand New Young Power”, Yuzhou Commercial Group (“Yuzhou Commercial”) deeply interpreted the business operation and management concepts that focused on market and consumer needs from the perspectives of fresh projects, innovative marketing and new branding, with an aim to create an exquisite business that was closer to life. At the beginning of the Year of the Dragon, Yuzhou Commercial orchestrated its first Lunar New Year Cultural Festival with the theme “Unleashing the Oriental Spirit with the Presence of the Dragon”. By introducing the notion of “Hong Kong-style Lunar New Year Celebration”, it crafted a street for Lunar New Year festive goods, namely the Spring Festival Couplets Street, created a festive art fair stopover – the Joyful House of Festivities, and hosted the Lunar New Year Cultural Bazaar and other activities to convey diversified and innovative commercial values. During the Lunar New Year, passenger flow surged by 109% compared to the previous period, achieving the first instance of double growth in passenger numbers in the post-epidemic era. At the same time, on various festivals such as Arbor Day, Book Day, Earth Day, International Youth Day, etc., Yuzhou Commercial jointly organized a number of activities for the “Uyo City Life Festival”. These activities ranged from the organizing charity exhibition and charity sale of the Joint Foundation to the hosting of cultural

festivals and public welfare activities of the Culture and Tourism Bureau and the district governments. Through utilizing business as a channel for expressing cultural values, it explored the concepts of “sustainable business” and “low-carbon business” from a modern perspective. Yuzhou Commercial integrated the firststore economy, bazaar economy and pet economy into its year-round activity planning. By connecting with outdoor spaces through markets, urban sports programs, night markets and other forms, it extended indoor consumption scenarios to the outdoors and brought a more flexible business model matrix. In the first half of 2024, Yuzhou Commercial held more than 1,000 outdoor activities with a cumulative passenger flow of over 2 million.

In the first half of 2024, the operation services of Yuzhou Plaza were comprehensively upgraded and renewed, and the U-square office commercial service system was launched. This operation service system is a multi-dimensional business system based on users, scenarios and services. Anchored on the three core elements of security, warmth, and functionality, it introduced six service systems of “Yu Professionalism, Yu Safety, Yu Housekeeper, Yu Colorfulness, Yu Space and Yu Resources”. It prioritise user needs, utilizing the rich product offerings and spaces of the Group as carriers, and emphasizing diversified resources and professional services to craft a novel experience of efficient office living. In addition, Yuzhou Commercial established an all-round, humanized, all-scenario service system with multi-dimensional space and diversified resources to shape an office experience centered on customer perception. Through a series of diversified space services including fine decoration customization, art space, shared space and multi-functional creative space, the physical boundaries of business offices were expanded.

### **Adhering to Green Development and Craftsmanship, Creating a Quality Life with Human and Nature Coexist in Harmony**

Over the years, Yuzhou Group has always adhered to the concept of low-carbon environmental protection and green development, attached great importance to sustainable development, and taken the initiative to respond to the national goal of “carbon peaking and carbon neutrality” by building green boutique projects with “craftsmanship” and continuously increasing its practice of green building, striving to construct ecological communities where people and nature can coexist in harmony. “Environmental protection and energy saving, building green communities” has always been one of the development philosophies of Yuzhou Group’s projects. As 30 June 2024, 145 property projects of the Group have achieved green building standards, of which approximately 5.55 million sq.m. have even reached two-star or above green building standards, either nationally or internationally.

Yuzhou Group always adhered to the improvement of its products, strived to provide customers with refined quality houses that return to the essence of life. The “Temperature Space” series of products were built around “1 core, 3 spaces, 5 product principles, 6 product values” and were constantly innovating and iterating. The product design combined the

natural environment and local living habits, starting from the product details. As time goes by, the highlights of life scenes are continuously presented. Owners can watch the morning glow rise from the city horizon and the sunset hide into the bay. While experiencing the leisure and happiness of urban camping downstairs of their own house, owners can also easily enjoy the leisurely gathering and chit-chatting relaxingly with friends. The Group is committed to enriching the life dimensions of the owners.

**Ms. Kwok Ying Lan, the Chairman of Yuzhou Group** stated, “Faced with the perpetually changing and persistently sluggish real estate market environment, Yuzhou Group will be committed to overcoming industry pressure. It will strictly control construction progress and quality, adhere to the principle of ‘guaranteeing project completion, guaranteeing housing delivery’, firmly fulfill its responsibilities as a real estate enterprise and carry out its commitment to deliver high-quality residential products. Yuzhou Group will constantly make every effort to promote sales and revitalize existing assets. Aligning with the latest real estate related policies, it will thoroughly study, analyze and prepare for them, tailoring strategies based on the enterprise’s actual circumstances. It will actively pursue breakthroughs and constantly explore innovative marketing strategies to promote sales and inventory clearance. Yuzhou Group will continuously adhere to the financial policy of ‘Cash dominating everything’, prioritizing operational cash flow and viewing it as the Company’s lifeblood of as well as a responsibility of all employees. It will leverage the financial policies issued by the government, reasonably plan debt arrangements and earnestly fulfill its own debt repayment obligations in a pragmatic manner. The environment ceaselessly evolves, so does demand. Seizing market demand opportunities relies on the sharply perceptive frontline awareness but also on its down-to-earth, courageous and innovative moves to make changes. Yuzhou Group actively practices the work ethic of ‘daring to voice opinions, daring to take actions and daring to assume responsibility’. It vigorously recruits outstanding talents who are down-to-earth, creative and hardworking. By engaging in proactive explorations, making breakthroughs, and demonstrating readiness to tackle upcoming challenges, the Group will ‘Forge Ahead in the 30th Anniversary’.”

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### **About Yuzhou Group Holdings Company Limited (01628.HK)**

Established in 1994, Yuzhou Group is a property developer headquartered in Shanghai and Shenzhen with a national foothold. Adhering to its strategy of “Cultivating in Regions Leading the Market”, Yuzhou Group strives to develop residential and commercial properties which align with market trends in tier-1 and tier-2 cities. As at June 30, 2024, the Company had over 163 projects under various stages of development in 38 cities including Beijing, Shanghai, Shenzhen, Tianjin, Nanjing, Hefei, Hangzhou, Suzhou, Foshan, Huizhou and Hong Kong and so on. The total GFA under construction and held for future development is 11.31 million sq.m., accounting for about 30.3%, 20.6%, 19.0%, 14.3%, 12.5% and 3.3% respectively in the Yangtze River Delta Region, West Strait Economic Zone, Bohai Rim Region, Guangdong-Hong Kong-Macao Greater Bay Area, Central China Region and Southwest Region. Renowned for its distinguished product quality, diversified product portfolio, strong brand awareness and seasoned management team, Yuzhou Group has been named “Top 100 China Real Estate Enterprises” for 11 years in a row from 2011 to 2021; and Top 50 China Real Estate Enterprises from 2013 to 2021. Yuzhou Group was rated as “BBB” by MSCI ESG Ratings, ranking in the top among Chinese Properties Companies.

For more information of Yuzhou Group, please visit the company website:

<https://yuzhou-group.com>

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