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SUNac 融創中國
SUNAC CHINA HOLDINGS LIMITED
融創中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01918)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS HIGHLIGHTS

For the six months ended 30 June 2025:

- Contracted sales amount of the Group and its joint ventures and associates was approximately RMB23.55 billion;
- As at 30 June 2025, attributable land bank of the Group and its joint ventures and associates was approximately 86.24 million sq.m., of which approximately 63.06 million sq.m. was unsold;
- Revenue of the Group was approximately RMB19.99 billion, representing a decrease of approximately 41.7% as compared to the same period last year;
- Gross loss of the Group was approximately RMB2.08 billion, representing an increase in loss of approximately 14.9% as compared to the same period last year;
- Loss attributable to owners of the Company was approximately RMB12.81 billion, representing a decline in loss of approximately 14.4% as compared to the same period last year;
- As at 30 June 2025, the Group's total equity was approximately RMB44.88 billion, of which the equity attributable to owners of the Company was approximately RMB30.85 billion; and
- As at 30 June 2025, total borrowings of the Group were approximately RMB254.82 billion, representing a decline of approximately RMB4.85 billion as compared to approximately RMB259.67 billion as at the end of last year.

The board (the “Board”) of directors (the “Directors”) of Sunac China Holdings Limited (the “Company”) announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Revenue	3	19,987,601	34,279,616
Cost of sales	9	(22,071,876)	(36,088,266)
Gross loss		(2,084,275)	(1,808,650)
Other income and gains	10	5,614,027	2,529,694
Selling and marketing costs	9	(1,086,906)	(1,113,005)
Administrative expenses	9	(1,687,102)	(1,780,002)
Other expenses and losses	11	(7,543,512)	(6,398,392)
Net impairment losses under expected credit loss model		(1,248,503)	(1,110,822)
Operating loss		(8,036,271)	(9,681,177)
Finance income	12	45,348	102,795
Finance expenses	12	(5,290,724)	(6,486,933)
Finance expenses – net		(5,245,376)	(6,384,138)
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net	4	(285,412)	(1,296,787)
Loss before income tax		(13,567,059)	(17,362,102)
Income tax credits	13	689,210	697,076
Loss and total comprehensive loss for the period		(12,877,849)	(16,665,026)

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Loss and total comprehensive loss attributable to:			
– Owners of the Company		(12,808,660)	(14,957,186)
– Non-controlling interests		(69,189)	(1,707,840)
		<u>(12,877,849)</u>	<u>(16,665,026)</u>
Loss per share attributable to owners of the Company (expressed in RMB per share):			
	<i>14</i>		
– Basic		<u>(1.26)</u>	<u>(1.79)</u>
– Diluted		<u>(1.26)</u>	<u>(1.79)</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2025

	<i>Note</i>	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		50,677,386	52,861,880
Investment properties		18,451,921	19,237,181
Right-of-use assets		11,606,670	12,262,315
Intangible assets		2,979,009	3,084,591
Deferred tax assets		31,260,998	32,972,177
Investments accounted for using the equity method	4	61,044,126	62,848,123
Financial assets at fair value through profit or loss		9,765,064	10,068,514
Other receivables	5	45,312	47,015
Prepayments	6	34,966	34,289
		185,865,452	193,416,085
Current assets			
Properties under development		387,540,943	407,393,056
Completed properties held for sale		104,312,045	108,413,849
Inventories		563,860	541,455
Trade and other receivables	5	52,823,267	52,171,432
Contract costs		3,486,837	4,026,070
Amounts due from related companies		73,502,730	72,238,795
Prepayments	6	12,324,170	13,102,047
Prepaid income tax		10,831,107	11,177,420
Financial assets at fair value through profit or loss		904,996	642,711
Restricted cash		14,230,359	12,014,562
Cash and cash equivalents		4,404,094	7,730,669
Other current assets		28,000	15,000
		664,952,408	689,467,066
Total assets		850,817,860	882,883,151

	<i>Note</i>	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		947,517	817,490
Other reserves		49,633,855	46,624,606
Accumulated losses		(19,729,648)	(6,920,988)
		30,851,724	40,521,108
Non-controlling interests		14,024,220	14,625,260
Total equity		44,875,944	55,146,368
LIABILITIES			
Non-current liabilities			
Borrowings	8	37,723,900	73,581,837
Lease liabilities		348,152	344,611
Deferred tax liabilities		8,803,241	10,773,159
Other payables	7	18,931	50,124
		46,894,224	84,749,731
Current liabilities			
Trade and other payables	7	258,598,373	264,713,015
Contract liabilities		149,994,123	157,208,070
Amounts due to related companies		50,055,580	51,028,240
Current income tax liabilities		72,876,807	72,512,109
Borrowings	8	217,096,871	186,085,847
Derivative financial instruments		425,646	3,430,262
Lease liabilities		76,353	100,443
Provisions		9,923,939	7,909,066
		759,047,692	742,987,052
Total liabilities		805,941,916	827,736,783
Total equity and liabilities		850,817,860	882,883,151

NOTES

1 GENERAL INFORMATION

Sunac China Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the businesses of property development and investment, cultural and tourism city construction and operation, property management services and other services in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim condensed consolidated financial information is presented in Renminbi (“RMB”), unless otherwise stated.

2 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial years, except for the adoption of new standards, amendments and interpretation as set out below.

(a) New standards, amendments and interpretation adopted by the Group

The Group has applied the following new standards, amendments and interpretation for the first time for annual reporting periods commencing on 1 January 2025:

- *Lack of Exchangeability* – Amendments to HKAS 21 and HKFRS 1

The new standards, amendments and interpretation listed above did not have any material impact on the amounts recognised in prior and current periods.

(b) New standards, amendments and interpretation not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for reporting period of 2025 and have not been early adopted by the Group. The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretation to existing standards upon initial application.

	Effective for the financial year beginning on or after
<i>Contracts Referencing Nature – Dependent Electricity</i>	
– Amendments to HKFRS 9 and HKFRS 7	1 January 2026
<i>Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7</i>	1 January 2026
<i>Annual Improvements to HKFRS – Volume 11</i>	1 January 2026
<i>Presentation and Disclosure in Financial Statements – HKFRS 18</i>	1 January 2027
<i>Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Amendments to Hong Kong Interpretation 5</i>	1 January 2027
<i>Subsidiaries without Public Accountability: Disclosures – HKFRS 19</i>	1 January 2027
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures – Amendments to HKFRS 10 and HKAS 28</i>	To be determined

(c) Going concern basis

The Group incurred a net loss of approximately RMB12.88 billion for the six months ended 30 June 2025 and, as at 30 June 2025, the Group had net current liabilities of approximately RMB94.10 billion.

As at 30 June 2025, the Group's current and non-current borrowings amounted to approximately RMB217.10 billion and RMB37.72 billion respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB18.63 billion. As at 30 June 2025, the Group had not repaid borrowings in principal amount of approximately RMB112.49 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totalling of approximately RMB85.38 billion might be demanded for early repayment. Up to the date of approval of this interim condensed consolidated financial information, the Group had not repaid borrowings in principal amount of approximately RMB117.86 billion in aggregate according to their scheduled repayment dates and as a result, borrowings in principal amount totalling of approximately RMB85.30 billion might be demanded for early repayment. In addition, the Group was involved in various litigation and arbitration cases for various reasons.

The above conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

In light of the above, the Directors have given careful consideration to the future liquidity of the Group. The Directors have reviewed the Group's expected cash flow projections for the next 18 months from 30 June 2025 prepared by the management of the Company and have given due consideration to the future liquidity and performance of the Group and its available sources of financing, and accordingly, have proactively come up with debt solutions to alleviate the liquidity pressure. The Group has continued to implement the following plans and measures:

- During the period from December 2024 to January 2025, the restructuring plans in relation to the onshore corporate bonds and supply chain asset-backed plans (collectively, the "Onshore Bonds") issued by Sunac Real Estate Group Co., Ltd.* (融創房地產集團有限公司) ("Sunac Real Estate"), a wholly-owned subsidiary of the Group, have all been considered and approved at the relevant meetings of bondholders (the "Onshore Debt Restructuring Plan"). The Onshore Debt Restructuring Plan provides creditors with three options, including bond repurchase (i.e. cash tender offer), payment via equity economic income right (the "Equity Option"), and debt settlement with assets. For Onshore Bonds in respect of which the above three options have not been chosen, they will be extended for 5 to 9.5 years, and the annual interest rate of historical accrued and unpaid interest and future interest will be reduced to 1%. This plan not only significantly reduced the scale of onshore public debts, but also alleviated the Group's debt repayment pressure in the next five years. Since the launch of the Onshore Debt Restructuring Plan, Sunac Real Estate has been coordinating with the bondholders to select and allocate options under the Onshore Debt Restructuring Plan based on the amount of the Onshore Bonds they hold, in accordance with the relevant provisions of the bondholder meeting resolutions. In April 2025, Sunac Real Estate has repurchased Onshore Bonds in principal amount of approximately RMB4.00 billion pursuant to the arrangements of the bond repurchase option, at cash consideration of approximately RMB0.80 billion. In respect of the Equity Option, pursuant to the elections already made by the holders of the Onshore Bonds by 27 June 2025, the Company allotted and issued approximately 754 million shares on 9 July 2025. The consideration for the issue of such shares shall be that the holders of the Onshore Bonds under the Equity Option would agree to the cancellation or repayment of the Onshore Bonds in principal amount of approximately RMB5.59 billion in aggregate. As of the date of approval of this interim condensed consolidated financial information, the principal balance of Onshore Bonds for which no election or allocation has been made amounting to approximately RMB5.82 billion;
- On 10 January 2025, the Company received a winding-up petition (the "Petition") filed by China Cinda (HK) Asset Management Co., Limited (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region (the "High Court") in relation to the non-repayment of the loan to the Petitioner as lender by Shining Delight Investment Limited (an indirect wholly owned subsidiary of the Company) as borrower and the Company as guarantor, in the aggregate principal amount of US\$30,000,000 and accrued interests. Considering the impact of the Petition on the Company, and recognising that the current market conditions are significantly short of expectations set when the prior offshore debt restructuring plan was formulated, the Company has maintained constructive dialogue with offshore creditors. These discussions aim to formulate a viable holistic offshore debt solution to completely address the offshore debt risks, establishing a sustainable capital structure and stable

operating environment to support its long-term business recovery. On 17 April 2025, the Company officially launched a restructuring support agreement (the “Offshore Debt Restructuring Plan”). The Offshore Debt Restructuring Plan aims to provide a fair and equitable solution that maximizes recovery for creditors, while preserving the Group’s ability to operate as a going concern and creating a win-win outcome for all stakeholders. Specifically, the restructuring plan will (a) provide participating creditors with the opportunity to convert their debt into equity, allowing them to benefit from near term liquidity and potential equity upside; (b) completely address the Group’s offshore debt risks and establish a sustainable capital structure. The implementation of the shareholding structure stability arrangement and the employee stock ownership plan (the “ESOP”) is expected to further reinforce stakeholder confidence, thereby supporting future project delivery, debt risk resolution, assets revitalization, and long-term business recovery. As of the date of approval of this interim condensed consolidated financial information, holders of more than 75% of the aggregate outstanding principal amount of the existing debt subject to the Offshore Debt Restructuring Plan have submitted letters to accede to the restructuring support agreement. Upon the occurrence of the debt restructuring effective date, the Company will distribute two series of mandatory convertible bonds (the “MCB”) to the scheme creditors as restructuring consideration. MCB 1 and MCB 2 together shall have an aggregate principal amount equal to the total amount of all scheme creditors’ claims. Subject to the terms of the restructuring and to the extent permitted by applicable laws and regulations, scheme creditors may elect for MCB 1, MCB 2, or a combination of MCB 1 and MCB 2. Meanwhile, the Group intends to adopt an ESOP. Under this plan, the Group intends to grant ordinary shares of the Company (the “Shares”) to its selected employees as a long-term supplementary form of remuneration and also to incentivize future continuous contribution of the grantees to the Group, by way of allotting and issuing new Shares in accordance with the Listing Rules. The convening hearing in respect of the Offshore Debt Restructuring Plan, at which an order will be sought from the High Court of the Hong Kong Special Administrative Region of the People’s Republic of China to convene the scheme meeting for the purpose of scheme creditors considering and, if thought fit, approving (with or without modification) the scheme, is scheduled to be heard before the aforementioned court at 10:00 a.m. (Hong Kong time) on 15 September 2025;

- The Group has been actively negotiating with other lenders on the extension of borrowings, and up to the date of approval of this interim condensed consolidated financial information, extension of loans of approximately RMB36.58 billion has been agreed. In addition, approximately RMB180.87 billion of the Group’s borrowings are secured by the Group’s assets. The Group is actively in discussions with other existing lenders to extend, refinance or restructure the Group’s borrowings and not to demand immediate repayment until the Group generates sufficient cash flows. Due to the diverse lender base and changing market environment, it takes time to finalise the extension plans case-by-case. Having considered the market environment, the successful extension of certain loans, the Group’s credit history and longstanding relationships with the relevant lenders, the Group is confident that it will have the extension agreements for relevant outstanding loans gradually signed or have the relevant issues gradually resolved in other comprehensive ways;

- The Group is actively seeking new financing or additional capital inflows through various channels, including but not limited to new financing from asset management companies or financial institutions, special loan for guaranteed home delivery and ancillary borrowings, business cooperation with partners, asset disposal, etc., and up to the date of approval of this interim condensed consolidated financial information, the Group and its joint ventures and associates have obtained special loans for guaranteed home delivery approved by local governments with an aggregate amount of approximately RMB22.80 billion, ancillary bank financing approvals of approximately RMB11.08 billion, and received “whitelist project” financing approvals of approximately RMB4.68 billion. Additionally, the Group secured funding approvals with an amount of approximately RMB5.20 billion through the implementation of collaborative development projects with asset management companies in 2025. The Group will actively respond to various supportive policies of the national and local governments, revitalise resources through all kinds of acquisition and reserve policies, and consider disposal of assets when necessary to generate more cash inflows;
- The Group has been actively communicating with creditors to resolve the pending onshore lawsuits. Up to the date of approval of this interim condensed consolidated financial information, the Group has completed the settlement arrangements with certain creditors. The Group will continue to pursue diligently to reach an amicable settlement as soon as possible, taking account of the availability of financial resources to the Group, so as to deal with the litigations which have not yet come to a definitive conclusion at this stage;
- The Group has adjusted its organizational structure to be more flat, reducing the management levels, reducing the headcount, enhancing management efficiency and effectively control costs and expenses;
- The Group will take measures to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group will continue to implement initiatives to expedite the collection of sales proceeds and recovery of other receivables. The Group believes that with the intensifying policy support from the central government, coupled with the stabilization and recovery of the overall economy and the restoration of market confidence, the long-term supply and demand dynamics in the real estate market will rebalance, leading to a gradual stabilization of the market. Therefore, the Group will proactively adjust its sales and pre-sale strategies to respond to market changes and seize emerging demand opportunities; and
- The Group will always actively assume the primary responsibility, respond to the government’s call for guaranteed home delivery, and continue to strive to complete the guaranteed home delivery. The government has been constantly adjusting and optimising its real estate regulation and control policies and introducing supportive policies, with a view to stabilising market expectations and facilitating the gradual recovery of the market. The Group will proactively keep up with the current policy window and make full use of the industry support policies, resolutely complete the task of guaranteed home delivery, and proactively resolve debt risks in an orderly manner.

In the Directors' opinion, in view of the above plans and measures, the Group will be able to adequately fund its ordinary operations and meet its financial obligations as and when they fall due within the next 18 months from 30 June 2025. Accordingly, the Directors consider that the preparation of the interim condensed consolidated financial information for the six months ended 30 June 2025 on a going concern basis is appropriate.

The management has formulated a number of plans and taken a number of measures, but the Group's ability to continue as a going concern still depends on:

- (i) successful advancement and completion of the aforementioned debt management measures, including the successful implementation of the Offshore Debt Restructuring Plan, successful negotiations with the remaining lenders for extension or deferral of repayment of certain borrowings of the Group, and the ability to secure additional or new financing when necessary;
- (ii) successful dealing with the litigations involving financial institutions to reach an amicable settlement which have not yet come to a definitive conclusion and have a substantial significant impact on the Group's overall operations;
- (iii) successful implementation of plans and measures to achieve sales targets and collection of sales proceeds, thereby bolstering the Group's overall operational stability.

Since 2022, the real estate market in Mainland China has gone through adjustment with duration and depth beyond previous expectations. There is uncertainty as to the stabilization and recovery of the Group's sales and the continued support from banks and the Group's lenders, hence, there is significant uncertainty as to the Group's ability to implement the above plans and measures.

If the Group is unable to achieve the above plans and measures and unable to continue as a going concern, adjustments must be made to reduce the carrying amount of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in this interim condensed consolidated financial information.

3 SEGMENT INFORMATION

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources of the Group. The executive directors of the Company have determined the operating segments based on these reports.

The executive directors of the Company assess the performance of the Group organised as follows:

- Property development
- Cultural and tourism city construction and operation
- Property management
- All other segments

Other segments mainly include film and culture investment, office building rentals and other business. The results of these operations are included in the “all other segments” column.

The performance of above reportable segments is assessed based on a measure of profit before depreciation and amortisation, finance expenses and income tax expenses, which is defined as segment results. The segment results exclude the onshore and offshore debt restructuring gains, the fair value gains or losses on financial assets at fair value through profit or loss (“FVPL”) and derivative financial instruments and disposal gains or losses on financial assets at FVPL, which are managed on a central basis.

Segment assets primarily consist of all assets excluding deferred tax assets, prepaid income tax and financial assets at FVPL, which are managed on a central basis. Segment liabilities primarily consist of all liabilities excluding derivative financial instruments, deferred tax liabilities and current income tax liabilities.

The Group’s revenue is mainly attributable to the market in the PRC and over 90% of the Group’s non-current assets are located in the PRC. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group’s revenue.

The segment results are as follows:

	Six months ended 30 June 2025				
	Property development <i>RMB’000</i>	Cultural and tourism city construction and operation <i>RMB’000</i>	Property management <i>RMB’000</i>	All other segments <i>RMB’000</i>	Total <i>RMB’000</i>
Total segment revenue	13,996,462	2,168,522	3,546,605	352,372	20,063,961
Inter-segment revenue	–	–	(76,360)	–	(76,360)
Revenue from external customers	13,996,462	2,168,522	3,470,245	352,372	19,987,601
Net impairment losses under expected credit loss model	(982,640)	–	(265,863)	–	(1,248,503)
Net fair value losses on investment properties	–	(779,000)	(2,899)	(3,361)	(785,260)
Interest income	324,982	–	1,388	–	326,370
Finance income	30,208	1,003	14,098	39	45,348
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net	(252,630)	(5,622)	(6,054)	(21,106)	(285,412)
Segment results	(10,416,830)	(486,839)	276,642	101,423	(10,525,604)
Other information					
Capital expenditure	37,798	68,772	31,499	20,457	158,526

As at 30 June 2025

	Property development <i>RMB'000</i>	Cultural and tourism city construction and operation <i>RMB'000</i>	Property management <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment assets	705,792,094	71,400,842	12,231,904	8,630,855	798,055,695
Investments accounted for using the equity method	58,011,217	1,302,128	25,402	1,705,379	61,044,126
Total segment liabilities	691,873,186	22,124,507	4,256,369	5,582,160	723,836,222
Six months ended 30 June 2024					
	Property development <i>RMB'000</i>	Cultural and tourism city construction and operation <i>RMB'000</i>	Property management <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	28,078,816	2,477,833	3,483,728	332,492	34,372,869
Inter-segment revenue	–	–	(93,253)	–	(93,253)
Revenue from external customers	28,078,816	2,477,833	3,390,475	332,492	34,279,616
Net impairment losses under expected credit loss model	(942,899)	–	(167,923)	–	(1,110,822)
Net fair value losses on investment properties	–	(48,000)	(6,666)	(3,949)	(58,615)
Interest income	332,336	–	3,365	–	335,701
Finance income	72,570	2,905	26,742	578	102,795
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net	(1,267,374)	(6,278)	(2,846)	(20,289)	(1,296,787)
Segment results	(9,161,385)	(72,873)	506,728	(40,796)	(8,768,326)
Other information					
Capital expenditure	194,255	309,848	25,155	20,329	549,587

As at 31 December 2024

	Property development <i>RMB'000</i>	Cultural and tourism city construction and operation <i>RMB'000</i>	Property management <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment assets	730,789,184	74,878,607	13,472,514	8,882,024	828,022,329
Investments accounted for using the equity method	59,781,070	1,307,500	33,464	1,726,089	62,848,123
Total segment liabilities	707,373,681	23,576,977	4,847,634	5,222,961	741,021,253

Reportable segment results are reconciled to loss for the period as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Total segment results	(10,525,604)	(8,768,326)
Depreciation and amortisation	(1,510,609)	(1,603,752)
Finance expenses	(5,290,724)	(6,486,933)
Other income and gains	4,074,767	–
Other expenses and losses	(314,889)	(503,091)
Income tax credits	689,210	697,076
Loss for the period	(12,877,849)	(16,665,026)

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	798,055,695	828,022,329
Deferred tax assets	31,260,998	32,972,177
Prepaid income tax	10,831,107	11,177,420
Financial assets at FVPL	10,670,060	10,711,225
Total assets	850,817,860	882,883,151
Total segment liabilities	723,836,222	741,021,253
Current income tax liabilities	72,876,807	72,512,109
Deferred tax liabilities	8,803,241	10,773,159
Derivative financial instruments	425,646	3,430,262
Total liabilities	805,941,916	827,736,783

4 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the interim condensed consolidated balance sheet are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Joint ventures	45,300,017	47,334,307
Associates	15,744,109	15,513,816
	<u>61,044,126</u>	<u>62,848,123</u>

4.1 Investments in joint ventures

An analysis of the movement of equity investments in joint ventures is as follows:

	Six months ended 30 June 2025 RMB'000	2024 RMB'000
At beginning of period	47,334,307	53,400,856
Increasing:		
– New investments in joint ventures	53,850	1,205,500
Decreasing:		
– Disposal and capital reduction of joint ventures	(1,407,441)	(2,035,073)
– Impact on assets acquisition transactions	(66,733)	(1,166,569)
Share of losses of joint ventures, net	(165,485)	(1,221,902)
Dividends from joint ventures	(448,481)	(41,160)
At end of period	<u>45,300,017</u>	<u>50,141,652</u>

4.2 Investments in associates

An analysis of the movement of equity investments in associates is as follows:

	Six months ended 30 June 2025 RMB'000	2024 RMB'000
At beginning of period	15,513,816	15,850,233
Increasing:		
– New investments in associates	3,000	81,000
– Subsidiaries becoming associates	1,235,593	34,356
Decreasing:		
– Disposal and capital reduction of associates	(809,963)	(16,647)
Share of losses of associates, net	(119,927)	(74,885)
Dividends from associates	(78,410)	(1,096)
At end of period	<u>15,744,109</u>	<u>15,872,961</u>

5 TRADE AND OTHER RECEIVABLES

The amounts recognised in the interim condensed consolidated balance sheet are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current –		
Other receivables (iii)	46,718	48,461
Less: loss allowance	(1,406)	(1,446)
	45,312	47,015
Current –		
Trade receivables from contracts with customers (i)	5,244,262	4,645,881
Amounts due from non-controlling interests and their related parties (ii)	22,976,328	23,006,992
Note receivables	56,744	54,896
Deposit receivables	5,422,039	5,129,301
Other receivables (iii)	27,682,172	27,686,456
	61,381,545	60,523,526
Less: loss allowance	(8,558,278)	(8,352,094)
	52,823,267	52,171,432

As at 30 June 2025 and 31 December 2024, the carrying amounts of the Group's trade and other receivables were all denominated in RMB and the carrying amounts of trade and other receivables approximated their fair values.

Notes:

- (i) Trade receivables mainly arise from sales of properties and rendering of property management services. The consideration in respect of sales of properties is paid by customers in accordance with the credit terms agreed in the property sale contracts. Property management services income is received in accordance with the term of the relevant property service agreements and is due for payment upon rendering of service. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 90 days	1,306,058	1,065,304
91–180 days	672,452	525,135
181–365 days	836,009	922,553
Over 365 days	2,429,743	2,132,889
	5,244,262	4,645,881

- (ii) The amounts due from non-controlling interests and their related parties were unsecured, interest free and had no fixed repayment terms.
- (iii) Other receivables mainly included the receivables from disposal of equity interests, receivables from project demolition, the cash advance for land use rights acquisition, payments on behalf of customers, interest receivables and amounts due from equity investment partners.

6 PREPAYMENTS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current – Prepayments for purchase of property, plant and equipment ("PP&E")	34,966	34,289
Current –		
Prepaid value added taxes and other taxes	4,891,598	5,119,207
Prepayments for land use rights acquisitions	4,642,799	5,080,217
Prepayments for construction costs	1,367,974	1,353,509
Others	1,421,799	1,549,114
	12,324,170	13,102,047

7 TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current – Other payables (iii)	18,931	50,124
Current –		
Trade payables (i)	99,151,652	104,168,889
Interest payables	45,688,821	39,217,760
Note payables (iv)	22,464,172	22,985,100
Amounts due to non-controlling interests and their related parties (ii)	13,731,765	17,437,088
Other taxes payables	10,422,653	10,321,444
Consideration payables for acquisition of equity investments	3,781,467	4,506,566
Payroll and welfare payables	762,504	911,121
Consideration payables arising from non-controlling shareholders' put option	–	218,296
Other payables (iii)	62,595,339	64,946,751
	258,598,373	264,713,015

Notes:

- (i) As at 30 June 2025, the ageing analysis of trade payables is performed based on the date of the liability recognition on accrual basis. The ageing analysis of the Group's trade payables is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 90 days	3,513,012	6,681,254
91-180 days	1,214,171	5,200,003
181-365 days	8,797,331	9,247,031
Over 365 days	85,627,138	83,040,601
	<u>99,151,652</u>	<u>104,168,889</u>

- (ii) The amounts due to non-controlling interests and their related parties are unsecured and have no fixed repayment date.
- (iii) As at 30 June 2025, other payables mainly included value-added tax relevant to pre-sale of properties amounted to RMB7.75 billion (as at 31 December 2024: RMB8.80 billion). The remaining balances mainly included deposits from customers, deposits on construction projects, deed tax and maintenance funds received on behalf of customers, amounts due to equity investment partners and accrued expenses.
- (iv) As at 30 June 2025, the amount of overdue note payables is RMB22.46 billion (31 December 2024: RMB22.99 billion).

8 BORROWINGS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current		
Secured,		
– Bank and other institution borrowings	210,335,747	214,151,765
– Senior notes	31,903,654	29,894,385
– Corporate bonds	2,520,602	4,807,288
– Private domestic corporate bonds	1,738,815	3,055,432
– Convertible bonds	651,357	500,812
	<u>247,150,175</u>	<u>252,409,682</u>
Unsecured,		
– Bank and other institution borrowings	<u>2,668,802</u>	<u>2,074,617</u>
	249,818,977	254,484,299
Less: current portion of non-current borrowings	<u>(212,095,077)</u>	<u>(180,902,462)</u>
	<u><u>37,723,900</u></u>	<u><u>73,581,837</u></u>
Current		
Secured,		
– Bank and other institution borrowings	3,706,501	3,907,893
Unsecured,		
– Bank and other institution borrowings	<u>1,295,293</u>	<u>1,275,492</u>
	5,001,794	5,183,385
Add: current portion of non-current borrowings	<u>212,095,077</u>	<u>180,902,462</u>
	<u><u>217,096,871</u></u>	<u><u>186,085,847</u></u>
Total borrowings	<u><u>254,820,771</u></u>	<u><u>259,667,684</u></u>

8.1 Debt modification in respect of the onshore debt restructuring

With effective from the approval of the Onshore Debt Restructuring Plan at the relevant meetings of bondholders in December 2024 to January 2025, the repayment schedule of corporate bonds (the “Corporate Bonds”), private domestic corporate bonds (the “Private Bonds”) and supply chain asset-backed special plan (the “ABS Plan”) have been adjusted and extended for 5 to 9.5 years, and the annual interest rate of historical accrued and unpaid interest and future interest will be reduced to 1%. The Onshore Debt Restructuring Plan provides three options to creditors, including bond repurchase (i.e. cash tender offer), Equity Option and debt settlement with assets.

The onshore debt restructuring was regarded as a substantial modification under the relevant accounting standard. As the approval of the Onshore Debt Restructuring Plan for three of the Onshore Bonds are obtained at the relevant meetings of bondholders in January 2025, the carrying amounts of certain Corporate Bonds and Private Bonds together with the accrued interests were fully de-recognised in 2025. New financial liabilities including debt component and derivative component were recognised at their fair values at the effective date of the onshore debts restructuring.

In April 2025, Sunac Real Estate has repurchased Onshore Bonds in principal amount of approximately RMB4.00 billion pursuant to the arrangements of the bond repurchase option, at cash consideration of approximately RMB0.80 billion.

As a result of the abovementioned, gain on onshore debt restructuring of RMB4.02 billion was recognised and included in “other income and gains” of the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2025.

Subsequent to the initial recognition, the carrying amounts of the debt component of the Corporate Bonds, Private Bonds and ABS Plan are measured at amortised cost and the carrying amounts of the derivative component are measured at fair value at the end of each of the reporting periods.

9 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Costs of properties sold	13,997,256	26,766,825
Value-added tax surcharges	72,392	146,389
Staff costs	2,624,742	2,489,865
Write-down of properties under development and completed properties held for sale	2,755,528	4,107,338
Advertisement and promotion costs	713,839	635,684
Depreciation and amortisation*	1,510,609	1,603,752

- * Depreciation and amortisation expense of RMB1.23 billion has been charged to cost of sales for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB1.27 billion).

10 OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Gains from onshore debt restructuring	4,015,315	—
Gains from disposal of subsidiaries	475,338	1,930,157
Interest income	326,370	335,701
Gains from disposal of joint ventures and associates	153,424	3,580
Net fair value gains on derivative financial instruments	42,728	—
Net gains on disposal of financial assets at FVPL	16,724	—
Others	584,128	260,256
	5,614,027	2,529,694

11 OTHER EXPENSES AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Provision for litigation and other contingent liabilities	2,002,472	3,251,128
Losses from disposal of subsidiaries	1,955,503	313,512
Losses from disposal of joint ventures and associates	1,037,586	362,782
Net fair value losses on investment properties	785,260	58,615
Losses from disposal of PP&E, right-of-use assets and intangible assets	466,323	447,798
Net fair value losses on financial assets at FVPL	314,889	119,273
Losses on project demolition	94,103	790,043
Net fair value losses on derivative financial instruments	—	302,447
Net losses on disposal of financial assets at FVPL	—	81,371
Impairment provision for intangible assets	—	294
Others	887,376	671,129
	7,543,512	6,398,392

12 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance expenses:		
Interest expenses	13,482,720	15,838,370
Interest expenses for lease liabilities	39,757	27,170
Less: capitalised finance costs	(8,182,049)	(9,689,871)
	<u>5,340,428</u>	<u>6,175,669</u>
Net exchange (gains)/losses	(49,704)	311,264
	<u>5,290,724</u>	<u>6,486,933</u>
Finance income:		
Interest income on bank deposits	(45,348)	(102,795)
	<u>5,245,376</u>	<u>6,384,138</u>

13 INCOME TAX (CREDITS)/EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Corporate income tax	(1,424,432)	(1,395,983)
Land appreciation tax	735,222	698,907
	<u>(689,210)</u>	<u>(697,076)</u>

14 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the period, excluding shares purchased for the share award scheme.

	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	<u>12,808,660</u>	<u>14,957,186</u>
Weighted-average number of ordinary shares in issue (thousand)	10,227,322	8,423,015
Adjusted for shares repurchased for share award scheme (thousand)	<u>(76,325)</u>	<u>(76,325)</u>
Weighted-average number of ordinary shares for basic earnings per share (thousand)	<u>10,150,997</u>	<u>8,346,690</u>

(b) Diluted

For the six months ended 30 June 2025 and 2024, diluted loss per share was the same as the basic loss per share as potential ordinary shares arising from awarded shares, mandatory convertible bonds and shareholder mandatory convertible bond were not treated as dilutive as the conversion to ordinary shares would not increase the loss per share.

15 DIVIDENDS

No interim dividend for the six months ended 30 June 2025 was proposed by the Board (for the six months ended 30 June 2024: Nil).

16 EVENTS AFTER THE BALANCE SHEET DATE

(a) The Winding-up Petition and its Latest Updates

On 20 August 2025, the High Court has vacated the hearing of the Petition scheduled on 25 August 2025 and has adjourned the hearing for the Petition to 5 January 2026. Since the receipt of the Petition, the Company has been actively pursuing legal measures to resolutely oppose the Petition, and taking all necessary acts to safeguard legitimate rights of the Company.

EXTRACTS OF REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Company's independent auditor has disclaimed a conclusion in its report on review of interim condensed consolidated financial information of the Group for the six months ended 30 June 2025, an extract of which is as follows:

BASIS FOR DISCLAIMER OF CONCLUSION

Multiple Uncertainties Relating to Going Concern

As disclosed in note 2(I) to the interim condensed consolidated financial information, the Group incurred a net loss of approximately RMB12.88 billion for the six months ended 30 June 2025 and, as at 30 June 2025, the Group had net current liabilities of approximately RMB94.10 billion. The Group's current and non-current borrowings amounted to approximately RMB217.10 billion and RMB37.72 billion as at 30 June 2025 respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB18.63 billion. As at 30 June 2025, the Group had not repaid borrowings in principal amount of approximately RMB112.49 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totalling of approximately RMB85.38 billion might be demanded for early repayment. Up to the date of this report, the Group had not repaid borrowings in principal amount of approximately RMB117.86 billion in aggregate according to their scheduled repayment dates and as a result, borrowings in principal amount totalling of approximately RMB85.30 billion might be demanded for early repayment. In addition, the Group was involved in various litigation and arbitration cases for various reasons as disclosed in note 30(B) to the interim condensed consolidated financial information.

Nevertheless, the interim condensed consolidated financial information have been prepared on a going concern basis. The Company has been undertaking a number of plans and measures to improve the Group's liquidity and financial position, and have developed debt solutions which are set out in note 2(I) to the interim condensed consolidated financial information. The validity of going concern assumption on which the interim condensed consolidated financial information have been prepared depends upon the successful implementation of these plans and measures, which are subject to multiple uncertainties, including (i) successful advancement and completion of the aforementioned debt management measures, including the successful implementation of

the offshore debt restructuring plan, successful negotiations with the remaining lenders for extension or deferral of repayment of certain borrowings of the Group, and the ability to secure additional or new financing when necessary; (ii) successful dealing with the litigations involving financial institutions to reach an amicable settlement which have not yet come to a definitive conclusion and have a substantial significant impact on the Group's overall operations; and (iii) successful implementation of plans and measures to achieve sales targets and collection of sales proceeds, thereby bolstering the Group's overall operational stability. The above conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

As a result of the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form a conclusion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 2(I) to the interim condensed consolidated financial information, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial information.

We disclaimed our opinion on the consolidated financial statements for the year ended 31 December 2024 relating to the going concern basis of preparing the consolidated financial statements. The balances as at 31 December 2024 are presented as comparative figures in the interim condensed consolidated balance sheet as at 30 June 2025.

DISCLAIMER OF CONCLUSION

Because of the potential interaction of the multiple uncertainties related to going concern and their possible cumulative effect on this interim condensed consolidated financial information described in the "Basis for Disclaimer of Conclusion" paragraphs above, we do not express a conclusion on the interim condensed consolidated financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

1 REVENUE

For the six months ended 30 June 2025, most of the Group's revenue came from sales of residential and commercial properties business, and the other revenue came from cultural and tourism city construction and operation, property management and other businesses.

As at 30 June 2025, the Group's real estate development business is mainly located in core cities in the Yangtze River Delta, Bohai Rim, South China, Central regions and Western regions, which are divided into 10 regional groups or companies for management, namely the Beijing region (including Beijing, Qingdao and Ji'nan, etc.), North China region (including Tianjin, Harbin and Dalian, etc.), Shanghai region (including Shanghai, Nanjing and Suzhou, etc.), Southeastern China region (including Hangzhou, Fuzhou and Hefei, etc.), Central China region (including Wuhan, Changsha and Nanchang, etc.), South China region (including Guangzhou and Sanya, etc.), Northwestern China region (including Xi'an and Taiyuan, etc.), Chengdu-Chongqing region (including Chongqing and Chengdu, etc.), Yun Gui region (including Kunming, Guiyang and Xishuangbanna, etc.) and Henan companies (including Zhengzhou and Luoyang, etc.).

Total revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB19.99 billion, representing a decrease of 41.7% as compared with the total revenue of approximately RMB34.28 billion for the six months ended 30 June 2024.

The decrease in revenue was mainly due to the decline in revenue from sales of properties. In recent years, there have been notable changes in the real estate market environment, with the sales market experiencing a significant overall contraction. The debt issues emerging in several real estate companies have led to the lack of confidence of homebuyers for property under construction, further intensifying the difficulties in new houses sales. The Group is currently in the stage of concentrating resources to resolve guaranteed home delivery work and debt issues. The liquidity pressure from the contraction in new sales scale and the narrowing of external financing channels has temporarily restricted the delivery progress of sold properties and the pace of development and launch of new projects. The delivery area for the six months ended 30 June 2025 decreased as compared with the same period last year, resulting in a significant decrease in the sales revenue of the Group as compared with the same period last year.

The following table sets forth certain details of the revenue:

	Six months ended 30 June			
	2025		2024	
	<i>RMB billion</i>	<i>%</i>	<i>RMB billion</i>	<i>%</i>
Revenue from sales of properties	14.00	69.9	28.08	81.9
Cultural and tourism city construction and operation income	2.17	10.9	2.48	7.2
Property management income	3.47	17.4	3.39	9.9
Revenue from other business	0.35	1.8	0.33	1.0
Total	19.99	100.0	34.28	100.0
Total gross floor area delivered during the period (in million sq.m.)	1.695		2.785	

For the six months ended 30 June 2025, revenue from sales of properties decreased by approximately RMB14.08 billion (approximately 50.1%) as compared with that for the six months ended 30 June 2024. Total area of delivered properties decreased by 1.09 million square meters (“sq.m.”) (approximately 39.1%) as compared with that for the six months ended 30 June 2024, the decrease in revenue from sales of properties was basically consistent with the decrease in the delivered area. As mentioned above, due to the changes in the real estate market environment, the contraction in new sales and the liquidity pressure faced by the Group, property delivery area of the Group for the six months ended 30 June 2025 decreased as compared to the same period last year with a corresponding reduction in property sales revenue.

2 COST OF SALES

Cost of sales mainly includes the costs incurred directly in the course of property development for the Group’s properties sold, cost of cultural and tourism operations and cost of property management operations.

For the six months ended 30 June 2025, the Group’s cost of sales was approximately RMB22.07 billion, representing a decrease of approximately RMB14.02 billion (approximately 38.8%) as compared to the cost of sales of approximately RMB36.09 billion for the six months ended 30 June 2024, mainly due to the decrease in the delivery area of the properties.

3 GROSS LOSS

For the six months ended 30 June 2025, the Group’s gross loss was approximately RMB2.08 billion, representing an increase of approximately RMB0.27 billion as compared with the gross loss of approximately RMB1.81 billion for the six months ended 30 June 2024. For the six months ended 30 June 2025, the Group’s gross profit margin was approximately minus 10.4%, representing a decrease as compared with minus 5.3% for the six months ended 30 June 2024. The increase in gross loss and the decrease in gross profit margin were mainly due to the decline in revenue from sales of properties of the Group for the six months ended 30 June 2025 and the lower gross profit margin of property sales products carried forward for the six months ended 30 June 2025.

4 SELLING AND MARKETING COSTS AND ADMINISTRATIVE EXPENSES

The Group's selling and marketing costs decreased by approximately RMB0.02 billion from approximately RMB1.11 billion for the six months ended 30 June 2024 to approximately RMB1.09 billion for the six months ended 30 June 2025. The selling and marketing costs remained largely consistent with that of the same period last year.

The Group's administrative expenses decreased by approximately RMB0.09 billion from approximately RMB1.78 billion for the six months ended 30 June 2024 to approximately RMB1.69 billion for the six months ended 30 June 2025. The reduction in administrative expenses was primarily attributable to the Group's proactive measures to consistently control management costs and expenditures under the current market conditions. Taking into account the entity's operational status and debt pressure, the Group actively optimized organizational structure, reduced headcount and reduced routine administrative expenses, thereby enhancing management efficiency.

5 OTHER INCOME AND GAINS

For the six months ended 30 June 2025, the Group recognised other income and gains of approximately RMB5.61 billion, which mainly comprised gains from onshore debt restructuring of approximately RMB4.02 billion, gains from the disposal of subsidiaries, joint ventures and associates of approximately RMB0.63 billion, and interest income received from joint ventures and associates, etc. of approximately RMB0.33 billion. The Group recorded an increase in other income and gains of approximately RMB3.08 billion as compared with that for the six months ended 30 June 2024 of approximately RMB2.53 billion, mainly due to the gains from onshore debt restructuring recognised in six months ended 30 June 2025.

6 OTHER EXPENSES AND LOSSES

For the six months ended 30 June 2025, other expenses and losses recognised by the Group amounted to approximately RMB7.54 billion, mainly including the loss of approximately RMB2.99 billion from the disposal of subsidiaries, joint ventures and associates, the provision for litigations and other contingent liabilities of approximately RMB2.00 billion, losses from fair value changes of investment properties of approximately RMB0.79 billion, the loss of approximately RMB0.47 billion from the disposal of various assets and the fair value losses on financial assets at FVPL of approximately RMB0.31 billion. The Group recorded an increase in other expenses and losses of approximately RMB1.14 billion as compared with that for the six months ended 30 June 2024 of approximately RMB6.40 billion, mainly due to the increase of loss from the disposal of subsidiaries, joint ventures and associates for the six months ended 30 June 2025.

7 NET IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL

For the six months ended 30 June 2025, the Group made provisions for expected credit losses of approximately RMB1.25 billion on amounts due from related companies, amounts due from non-controlling interests and their related parties and other receivables, representing an increase of approximately RMB0.14 billion as compared with that of approximately RMB1.11 billion for the six months ended 30 June 2024.

8 OPERATING LOSS

Concluding from the above analysis, the Group's operating loss decreased by approximately RMB1.64 billion from approximately RMB9.68 billion for the six months ended 30 June 2024 to the operating loss of approximately RMB8.04 billion for the six months ended 30 June 2025, mainly due to the following reasons:

- (i) gross loss increased by approximately RMB0.27 billion;
- (ii) net impairment losses under expected credit loss model increased by approximately RMB0.14 billion; and
- (iii) other income and gains increased by approximately RMB3.08 billion and other expenses and losses increased by approximately RMB1.14 billion.

9 FINANCE INCOME AND EXPENSES

The Group's finance expenses decreased by approximately RMB1.20 billion from approximately RMB6.49 billion for the six months ended 30 June 2024 to approximately RMB5.29 billion for the six months ended 30 June 2025, and finance income decreased by approximately RMB0.05 billion from approximately RMB0.10 billion for the six months ended 30 June 2024 to approximately RMB0.05 billion for the six months ended 30 June 2025 at the same time, mainly due to the following reasons: (i) the reduction in the Group's overall borrowing scale and the lower average borrowing interest rate for the six months ended 30 June 2025, which led to a decrease of approximately RMB0.84 billion in expensed interest from approximately RMB6.18 billion for the six months ended 30 June 2024 to approximately RMB5.34 billion for the six months ended 30 June 2025; and (ii) due to the change in trend of foreign exchange rates fluctuations, the exchange gain or loss of the Group shifted from a net exchange loss of approximately RMB0.31 billion for the six months ended 30 June 2024 to a net exchange gain of approximately RMB0.05 billion for the six months ended 30 June 2025.

10 SHARE OF POST-TAX LOSSES OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

For the six months ended 30 June 2025, share of post-tax losses of investments accounted for using the equity method, net recognised by the Group decreased by approximately RMB1.01 billion from approximately RMB1.30 billion for the six months ended 30 June 2024 to approximately RMB0.29 billion for the six months ended 30 June 2025, mainly due to the decrease in operating losses of the Group's joint ventures and associates during the six months ended 30 June 2025.

11 LOSS

Loss of the Group attributable to owners of the Company decreased by approximately RMB2.15 billion from approximately RMB14.96 billion for the six months ended 30 June 2024 to approximately RMB12.81 billion for the six months ended 30 June 2025.

The table below sets out loss attributable to owners of the Company and non-controlling interests for the stated periods:

	Six months ended 30 June	
	2025	2024
	<i>RMB billion</i>	<i>RMB billion</i>
Loss during the period	12.88	16.67
Attributable to:		
Owners of the Company	12.81	14.96
Non-controlling interests	0.07	1.71
	12.88	16.67

12 CASH STATUS

The Group operates in a capital-intensive industry and the Group's liquidity requirements relate to meeting its working capital requirements, funding the development of its new property projects and servicing its debt. The funding sources of the Group mainly include proceeds from the pre-sale and sale of properties, and to a lesser extent, capital contributions from shareholders, share issuances and loans.

The Group's cash balances (including restricted cash) decreased to approximately RMB18.63 billion as at 30 June 2025 from approximately RMB19.75 billion as at 31 December 2024, of which non-restricted cash decreased to approximately RMB4.40 billion as at 30 June 2025 from approximately RMB7.73 billion as at 31 December 2024.

13 BORROWINGS AND SECURITIES

As at 30 June 2025, the total borrowings of the Group were approximately RMB254.82 billion, representing a decrease of approximately RMB4.85 billion as compared to approximately RMB259.67 billion as at 31 December 2024. Approximately RMB250.86 billion (as at 31 December 2024: approximately RMB256.32 billion) of the Group's total borrowings were secured or jointly secured by the Group's assets including properties under development, completed properties held for sale, etc. (total amount was approximately RMB354.40 billion (as at 31 December 2024: approximately RMB373.85 billion)), equities of certain subsidiaries and disposal gains of certain assets of the Group.

The Group will continue to secure additional financing through methods such as applications for special loans for guaranteed home delivery, ancillary bank financing, "whitelist project" financing and collaborations with financial institutions.

14 GEARING RATIO

The gearing ratio is calculated by dividing the net debt by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) and lease liabilities less cash balances (including restricted cash). Total capital is calculated by adding total equity and net debt. As at 30 June 2025, the Group's gearing ratio was approximately 84.1%, representing an increase as compared to approximately 81.3% as at 31 December 2024.

The Group's gearing ratio increased by 2.8%, mainly due to the significant reduction in the recognised revenue as a result of changes in the market environment, provision for impairment of assets and the provision for contingent liabilities at the same time.

15 INTEREST RATE RISK

As the Group has no material interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Long-term borrowings include borrowings issued at variable rates and borrowings issued at fixed rates, of which borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates while borrowings issued at fixed rates expose the Group to fair value interest-rate risk. Interest rate fluctuations may result in higher interest rates on the Group's floating-rate borrowings, thereby exposing the Group to the risk of increased financing costs.

The table below sets out the Group's exposure to interest rate risks. Included in the table are the liabilities stated at carrying amounts, categorised by maturity dates.

	As at 30 June 2025 RMB billion	As at 31 December 2024 RMB billion
Floating interests:		
Less than 12 months	44.95	48.10
1-5 years	4.56	5.41
Over 5 years	1.22	0.36
	<hr/>	<hr/>
Subtotal	50.73	53.87
	<hr/>	<hr/>
Fixed interests:		
Less than 12 months	172.15	137.99
1-5 years	26.41	56.91
Over 5 years	5.53	10.90
	<hr/>	<hr/>
Subtotal	204.09	205.80
	<hr/>	<hr/>
Total	254.82	259.67
	<hr/> <hr/>	<hr/> <hr/>

The Group's interest rate risk management measures include optimizing the debt structure, reducing the interest rates, decreasing the debt size and using financial instruments related to interest rate. By constantly paying attention to interest rate risk and aligning closely with policy directions and maintaining proactive communication with financial institutions and other creditors, the Group leverages opportunities to negotiate interest rate reductions and exemptions on borrowings, thereby minimizing the impact of interest rate risks on its operations.

16 FOREIGN EXCHANGE RISKS

As most of the Group's operating entities are located in China, the Group operates its business mainly in RMB. Given that some of the Group's bank deposits, financial assets at FVPL, derivative financial instruments, senior notes, convertible bonds and other borrowings are denominated in US dollars or Hong Kong dollars, the Group is exposed to foreign exchange risks. The potential impacts of foreign exchange risks on the Group may include the following:

- (1) Increased direct repayment costs: The Group needs to purchase foreign exchange using RMB to repay foreign currency principal and interest. If foreign currencies appreciate against the RMB, the Group will incur higher RMB expenditures, leading to increased financial costs;
- (2) Cash flow pressure: Sharp exchange rate fluctuations may require the Group to raise additional RMB funds within a short period, resulting in liquidity strain; and
- (3) Translation risk: At the end of an accounting period, foreign currency liabilities must be converted into RMB at the spot exchange rate. If foreign currencies appreciate, the book value of liabilities will rise, potentially increasing the asset-liability ratio and reducing net assets, among other effects.

For the six months ended 30 June 2025, the Group recorded exchange gains in the amount of approximately RMB0.05 billion due to fluctuations in foreign exchange rates. However, the Group's operating cash flow and liquidity were not significantly affected by fluctuations in foreign exchange rates.

The Group's measures to manage foreign exchange risks include monitoring exchange rate fluctuations, adjusting foreign currency deposits in a timely manner, using financial instruments for hedging and working with lenders to convert foreign currency debt into local currency debt, etc. The Group will prudently monitor foreign exchange risks, and control foreign exchange risks in line with its current operational realities according to the aforementioned measures in a timely manner to minimise their impact on the Group.

17 FINANCIAL GUARANTEES AND LITIGATION

(a) *Financial guarantees*

The Group provides guarantees to banks for the mortgage loans of certain property purchasers to ensure that the purchasers perform their obligations of mortgage loan repayment. The amount of such guarantees was approximately RMB59.90 billion as at 30 June 2025 as compared with approximately RMB61.08 billion as at 31 December 2024. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchasers which will generally occur within an average period of six months after the properties' delivery dates; or (ii) the satisfaction of mortgage loans by the purchasers of the properties. The period of guarantee provided by the Group starts from the date when the mortgage is granted.

(b) *Litigation*

Up to the date of approval of this interim condensed consolidated financial information, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of projects and other matters. Among them, there were about 455 cases with individual amounts exceeding RMB50 million, and the aggregated amounts of these cases amounted to approximately RMB166.38 billion, which mainly includes unpaid borrowings and outstanding construction payables. The Group has assessed the impact of the above litigation matters and accrued provision for litigations and interest payables on the interim condensed consolidated financial information for the six months ended 30 June 2025. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations.

Chairman’s Statement

Dear Shareholders and Investors,

In the first half of 2025, the Political Bureau Meeting of the CPC Central Committee emphasized the need to sustain the stabilization of the real estate market and the relevant government departments rolled out a series of supportive measures, further refining existing policies. The Group continued to make every effort to implement various tasks such as guaranteed home delivery, asset revitalization and debt risk resolution, and continued to make various progress.

The Group has always made guaranteed home delivery as its primary operational objective, actively responding to the government’s requirements for guaranteed home delivery, actively implementing its primary responsibilities, and actively utilising its financing resources such as special loans for guaranteed home delivery, ancillary financing and application for “whitelist” to support the development and construction of property projects and the smooth completion and delivery of property projects. In the first half of 2025, the Group completed the delivery of approximately 14,900 houses in 23 cities. Over the past three years or so, the Group has cumulatively delivered 683,000 houses. In the second half of 2025, we will continue to spare no effort to deliver 39,100 houses, substantially completing guaranteed home delivery tasks.

In the first half of 2025, the Group continued to proactively address debt risks with marked progress. Following the approval of the onshore public market debt restructuring plan at the relevant meetings of bondholders in January 2025, the Group has been fully focused on executing the restructuring plan. Currently, the cash tender offer option and the issuance of new shares under the equity economic income right option have been successfully concluded, while the remaining options under the onshore public market debt restructuring plan are scheduled to be fully implemented by the end of 2025.

In the first half of 2025, the Company reached a more comprehensive offshore debt restructuring plan with its offshore creditors, with a view to completely addressing the offshore debt risks and establishing a capital structure and stable environment essential for restoring sustainable operations, as well as maximizing value for creditors. On 17 April 2025, the Company officially announced the restructuring plan and entered into a restructuring support agreement with the initial consenting creditors. As of the date of this announcement, creditors holding over 75% of the total outstanding principal amount of the relevant offshore debt have submitted letters to accede to the restructuring support agreement. Furthermore, through the “Shareholding Structure Stability Arrangement” and “Employee Stock Ownership Plan” incorporated into the restructuring plan, the Company has ensured the stability of its shareholding structure and team, thereby bolstering stakeholder confidence and contributing to the Group’s long-term business recovery. The Company will convene a hearing at the High Court of Hong Kong on 15 September 2025, to seek the court’s order to arrange a scheme meeting for creditors to consider and, if thought fit, to approve the restructuring plan. The Company will strive to complete all court procedures related to the offshore debt restructuring by the end of 2025.

Amid substantial progress in mitigating public market debt exposure, the Company remains committed to resolving debt obligations tied to specific real estate projects affected by market contraction and constrained financing access. Concurrently, the Group is advancing collaborations with asset management companies and other financial institutions to formulate a more complete and comprehensive project revitalization and debt restructuring plan. In the first half of 2025 and up to the date of this announcement, all four phases of the Group’s One Central Park Project in Shanghai* (上海壹號院項目), which were previously revitalized through capital injection, were sold out upon launch, with cumulative sales ranking No.1 in terms of single project sales nationally. Projects such as One Central Park Project in Shanghai* (上海壹號院項目), One Sino Park Project in Shanghai* (上海外灘壹號院項目), and One Sunac Opus Project in Beijing* (北京融創壹號院) exemplify the Group’s collaboration with asset management companies to revitalize high-quality projects or jointly address project debt challenges, and reflect the market-leading product competitiveness and strong market reputation of the Group. In the second half of 2025, the Group will continue to intensify our collaboration with asset management companies and other financial institutions that can provide incremental funds to further resolve project debt exposures and revitalize high-quality projects, thereby supporting the gradual recovery of the Group’s operation.

In the first half of 2025, the Group's revenue was approximately RMB19.99 billion, representing a decrease of approximately 41.7% as compared to the same period last year, while its gross loss was approximately RMB2.08 billion as compared to a gross loss of approximately RMB1.81 billion in the same period last year. The loss attributable to owners of the Company was approximately RMB12.81 billion, representing a decrease of approximately 14.4% as compared to the loss attributable to owners of the Company of approximately RMB14.96 billion in the same period last year. The total equity of the Group at the end of June 2025 was approximately RMB44.88 billion, of which the equity attributable to owners of the Company was approximately RMB30.85 billion, indicating that the asset base was stable.

As at the end of June 2025, the Group, together with its joint ventures and associates, had a total land bank of approximately 124 million sq.m. (attributable land bank was approximately 86.24 million sq.m.), of which the unsold land bank was approximately 92 million sq.m. (attributable land bank was approximately 63.06 million sq.m.). Adequate land bank is a solid foundation to support the Group's gradual resumption of normal operations in the future.

In the first half of 2025, the Group's property management sector, Sunac Services Holdings Limited ("Sunac Services", stock code: 01516.HK), achieved solid operations, enhancing management quality and efficiency, and successfully turned around from a loss to a net profit attributable to owners of the parent. Sunac Services achieved the revenue of approximately RMB3.55 billion, and the profit attributable to owners of Sunac Services was approximately RMB0.12 billion, representing a significant improvement as compared to the loss attributable to owners of Sunac Services of approximately RMB0.47 billion in the same period last year. The management scale of Sunac Services maintained steadily, with gross floor area under management of approximately 290 million sq.m., and the number of household under management is 1.74 million.

In the first half of 2025, the Group's cultural tourism sector (theme park, commercial, hotel and ice and snow) achieved revenue of approximately RMB2.17 billion, demonstrating sound operating results, while the Group actively pursued new breakthroughs and growth opportunities. The theme park sector continued its transformation from equipment-based theme park to an ecosystem platform based on content co-creation and experience-driven features, with newly-created entertainment content steadily establishing a content fortress characterized by distinctiveness and enduring appeal. Leveraging new consumption trends, the commercial sector has pioneered innovative consumer scenarios, achieving a year-on-year increase in both visitor traffic and sales volume during the first half of 2025. The ice and snow sector further solidified its industry-leadership influence, with the successful opening of the tenth indoor ski resort managed by it (Zhengding Ski Resort). Meanwhile, the Shenzhen project is set to commence operations, and projects in Hangzhou and Ji'nan have reached cooperation and are currently progressing.

Looking forward, with the Government's continuous introduction of supportive policies for the overall economy and the real estate sector, the Group anticipates that core cities and premium locations will gradually stabilize. However, the overall recovery of the real estate market may take a longer time and process. The Group will remain steadfast in its long-term confidence and make all-out efforts to complete delivery tasks and resolve onshore and offshore public market debt risks. Concurrently, taking the enhancement of net equity assets of each project as the basic purpose of daily management, the Group will orderly advance project debt risk resolution and asset revitalization initiatives, thereby establishing the foundation for the Group's gradual return to sustainable growth.

Summary of Land Bank

As at 30 June 2025, the Group and its joint ventures and associates had a total land bank of approximately 124 million sq.m. and attributable land bank of approximately 86.24 million sq.m.. The breakdown of land bank by city is as follows:

Urban circle	City	Attributable	Total
		land bank '0,000 sq.m.	land bank '0,000 sq.m.
Yangtze River Delta	Wenzhou	188.0	223.5
	Shanghai	157.1	216.0
	Hangzhou	133.6	233.9
	Shaoxing	118.8	156.2
	Xuzhou	113.5	128.1
	Wuxi	110.5	169.7
	Haiyan	65.0	67.2
	Changzhou	57.2	83.4
	Nantong	51.3	68.3
	Suzhou	48.7	83.5
	Ningbo	48.5	69.1
	Hefei	42.0	50.2
	Others	206.3	476.9
	Subtotal	1,340.5	2,026.0

Urban circle	City	Attributable land bank '0,000 sq.m.	Total land bank '0,000 sq.m.
Bohai Rim	Qingdao	594.8	699.0
	Tianjin	499.5	545.8
	Taiyuan	178.6	262.7
	Harbin	155.8	171.5
	Dalian	143.2	143.7
	Ji'nan	113.1	155.6
	Shenyang	92.2	160.0
	Tangshan	87.4	107.1
	Beijing	81.3	102.1
	Langfang	77.7	90.0
	Yantai	58.6	98.4
	Zhangjiakou	48.8	61.2
	Weihai	41.8	41.8
	Others	67.6	87.5
	Subtotal	2,240.4	2,726.4
Southern China	Jiangmen	178.3	192.0
	Qingyuan	126.8	135.9
	Hainan Province	110.6	130.0
	Huizhou	68.1	71.6
	Zhongshan	60.0	60.6
	Zhaoqing	59.4	59.4
	Guangzhou	43.5	143.0
	Zhuhai	41.6	41.6
	Others	126.0	187.5
	Subtotal	814.3	1,021.6

Urban circle	City	Attributable land bank '0,000 sq.m.	Total land bank '0,000 sq.m.
Western regions	Chongqing	738.0	1,153.6
	Meishan	677.2	982.7
	Xishuangbanna	213.7	254.0
	Guiyang	197.1	275.7
	Kunming	185.6	342.1
	Xi'an	146.3	246.4
	Chengdu	128.2	185.2
	Dali	101.2	168.7
	Guilin	97.8	101.8
	Nanning	93.9	136.3
	Yinchuan	82.3	92.6
	Others	335.3	734.7
	Subtotal	2,996.6	4,673.8
Central regions	Wuhan	571.3	1,002.8
	Zhengzhou	158.6	242.0
	Changsha	157.3	211.9
	Xinxiang	121.3	121.3
	Xianning	56.9	81.3
	Ezhou	43.7	99.9
	Others	123.0	219.6
	Subtotal	1,232.1	1,978.8
	Total	8,623.9	12,426.6

OTHER INFORMATION

Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Purchase, Sale or Redemption of Company's Listed Securities

The Company has adopted a share award scheme (the "Share Award Scheme") on 8 May 2018 (the "Adoption Date"), details of which are set out in the announcement of the Company dated 8 May 2018. During the period from the Adoption Date to 30 June 2019, the trustee of the Share Award Scheme purchased on the open market a total of 94,653,000 shares of the Company (the "Shares") at a total consideration of approximately HK\$2.57 billion pursuant to the rules of the Share Award Scheme and the terms of the trust deed. Since 30 June 2019 and for the six months ended 30 June 2025, the trustee of the Share Award Scheme did not purchase any Shares.

Save as the aforesaid, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

Winding-up Petition and Its Latest Updates

On 10 January 2025, the Company received a winding-up petition (the "Petition") filed by China Cinda (HK) Asset Management Co., Limited (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region (the "High Court") in relation to the non-repayment of the loan to the Petitioner as lender by Shining Delight Investment Limited (an indirect wholly owned subsidiary of the Company) as borrower and the Company as guarantor, in the aggregate principal amount of US\$30,000,000 and accrued interests thereof.

On 20 August 2025, the High Court has vacated the hearing of the Petition scheduled on 25 August 2025 and has adjourned the hearing for the Petition to 5 January 2026. Since the receipt of the Petition, the Company has been actively pursuing legal measures to resolutely oppose the Petition, and taking all necessary acts to safeguard legitimate rights of the Company.

Progress of Onshore Debt Restructuring

After the onshore debt restructuring plan has been considered and approved at the relevant meeting of the holders of the onshore bonds in January 2025, Sunac Real Estate has been arranging holders of the onshore bonds for the selection regarding the restructuring plan options with respect to the amount of onshore bonds held by them, including bonds repurchase (i.e. cash tender offer), payment via equity economic income right (the “Equity Option”) and debt settlement with assets. Sunac Real Estate has in April 2025 repurchased the onshore bonds of approximately RMB4.0 billion with approximately RMB800 million under the bonds repurchase option. In respect of the Equity Option, pursuant to the elections already made by the holders of the onshore bonds, the Company allotted and issued approximately 754 million shares on 9 July 2025. The consideration for the issue of such shares shall be that the holders of the onshore bonds under the Equity Option would agree to the cancellation or repayment of the onshore bonds of approximately RMB5.59 billion in aggregate.

Progress of Offshore Debt Restructuring

On 17 April 2025, the Company entered into a restructuring support agreement (the “RSA”) with certain initial consenting creditors for the terms of the offshore debt. As at the date of this announcement, creditors holding over 75% of the aggregate outstanding principal amount of the existing debt subject to the RSA have submitted letters to accede to the RSA. The convening hearing in respect of the scheme of arrangement between the Company and the relevant creditors (the “Scheme”), at which an order will be sought by the Company from the High Court to convene the Scheme meeting for the purpose of Scheme creditors considering and, if thought fit, approving (with or without modification) the Scheme, is scheduled to be heard before the High Court at 10:00 a.m. (Hong Kong time) on 15 September 2025. The Company published an announcement dated 18 August 2025 and a circular dated 22 August 2025 in connection with the transactions contemplated under the offshore debt restructuring. An extraordinary general meeting of the Company will be convened and held on 9 September 2025 for the shareholders of the Company to consider, and if thought fit, approve the transactions contemplated under the offshore debt restructuring.

Significant Investment, Material Acquisitions and Disposals

1. The Existing Debt Restructuring and New Financing Revitalization Project in Relation to the Chongqing Bay Project

On 23 January 2025, the Group and Great Wall (Tianjin) Equity Investment Fund Management Co., Ltd.* (長城(天津)股權投資基金管理有限責任公司, “Great Wall Investment Fund”), Wuhu Great Wall Real Estate Risky Assets Revitalization Investment Center (Limited Partnership)* (蕪湖長城房地產風險資產盤活投資中心(有限合夥)), “Great Wall Risky Assets Revitalization Investment Center”), CITIC Trust Co., Ltd.* (中信信託有限責任公司, “CITIC Trust”), China CITIC Financial Asset Management Co., Ltd.* (中國中信金融資產管理股份有限公司, “China CITIC Financial Asset”) and Sunshine 100 Real Estate Group Co., Ltd.* (陽光壹佰置業集團有限公司, “Sunshine 100 Real Estate”) entered into relevant agreements including a limited partnership agreement, pursuant to which (1) Great Wall Risky Assets Revitalization Investment Center as the senior limited partner proposed to make capital contribution to Wuhu Changzhen Investment Center (Limited Partnership)* (蕪湖長真投資中心(有限合夥)) of not exceeding RMB2.476 billion in cash, of which, in principle, ① not more than RMB1.326 billion would be mainly used for the development and construction of the Chongqing Bay Project (a project located in Chongqing, the PRC for the development of residential and commercial properties for sale) and other funding requirements that may affect the development of the Chongqing Bay Project, and ② not less than RMB1.15 billion (subject to the actual amount eventually purchased by Great Wall Risky Assets Revitalization Investment Center) would be used to purchase the intermediate limited partnership interest held by CITIC Trust; (2) CITIC Trust shall subscribe for the intermediate limited partnership interest with the debts owing by Chongqing Sunshine 100 Real Estate Development Co., Ltd.* (重慶陽光壹佰房地產開發有限公司) (the “Project Company”) to the trust scheme managed by CITIC Trust of approximately RMB5.0 billion for a consideration of approximately RMB3.174 billion; (3) China CITIC Financial Asset shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it; (4) Sunshine 100 Real Estate shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it or in cash; and (5) the Group shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it and its certain equity interests in the Project Company. Upon completion of the transaction, the Project Company would no longer be a subsidiary of the Company. Please refer to the announcement of the Company dated 23 January 2025 for details.

Important Events after the Reporting Period

Issue of New Shares Under General Mandate

To support the orderly implementation of the payment via Equity Option under the onshore debt restructuring, on 3 July 2025, the Company entered into a subscription agreement with a special purpose vehicle, pursuant to which, the special purpose vehicle conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, a total of 754,468,943 Shares. The Company allotted and issued such Shares under general mandate on 9 July 2025. Onshore funds in an amount equal to the net proceeds from the disposal of such Shares by the special purpose vehicle will be utilized for the repayment of the relevant onshore bonds of approximately RMB5.6 billion in aggregate held by the holders of the onshore bonds who have elected the payment via Equity Option. Please refer to the announcement of the Company dated 4 July 2025 for details.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as the guidelines for the Directors’ dealings in the securities of the Company. Following specific enquiries of all the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code in relation to their securities dealings during the six months ended 30 June 2025, if any.

Compliance with the Corporate Governance Code

The Company has adopted the Corporate Governance Code (the “Corporate Governance Code”) contained in Appendix C1 to the Listing Rules as its own code on corporate governance and had, throughout the six months ended 30 June 2025, complied with all applicable code provisions under the Corporate Governance Code.

The Board recognises the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the business strategies and performance of the Group. They, together with the relevant senior executives of the Group, have also attended regular training on the Listing Rules and other regulatory requirements. The Company has established an internal reporting practice throughout the Group in order to monitor the operation and business development of the Group.

Audit Committee

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Listing Rules. The Audit Committee currently consists of four independent non-executive Directors, namely, Mr. Poon Chiu Kwok, Mr. Zhu Jia, Mr. Ma Lishan and Mr. Yuan Zhigang, and is chaired by Mr. Poon Chiu Kwok who possesses the qualification of professional accountant. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure, internal control and risk management systems of the Company, to review the corporate governance policies and practices of the Group and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters concerning the audit, internal control and risk management systems and financial reporting, including the review of the unaudited interim results of the Group for the six months ended 30 June 2025.

Review of the Interim Results

The unaudited interim results for the six months ended 30 June 2025 have been reviewed by BDO Limited, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

Publication of the Interim Results Announcement and Interim Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.sunac.com.cn). The Company's interim report for the six months ended 30 June 2025 will be published on the aforementioned websites in due course.

Holders of securities and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, China, 26 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Ms. MA Zhixia, Mr. TIAN Qiang, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; the non-executive director of the Company is Mr. LAM Wai Hon; and the independent non-executive directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. MA Lishan and Mr. YUAN Zhigang.

* *For identification purpose only*