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COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2025, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB16.75 billion, contracted sales GFA attributable to the shareholders of the Company of approximately 2.05 million sq.m..
- During the period, the Group recorded total revenue of approximately RMB72.57billion, representing a year-on-year decrease of 28.9%.
- During the period, the Group recorded net loss of approximately RMB19.65billion, and net loss attributable to the owners of the Company of approximately RMB19.08 billion.
- During the period, the Group's selling and marketing costs and administrative expenses amounted to approximately RMB3.94 billion, representing a year-on-year decrease of 18.9%.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Country Garden Holdings Company Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**Country Garden**”) for the six months ended 30 June 2025.

BUSINESS REVIEW AND OUTLOOK

Reflecting on the first half of 2025, we are pleased to see that real estate policies have consistently supported market stabilisation and recovery. Central and local governments have worked in tandem to expand the policy toolkit, with about 170 cities and counties rolling out over 340 policies. With such raft of favourable policies, the new home market in several core cities has remained broadly stable, and new home prices in 100 cities saw a year-on-year increase of 2.63% on average in the first half of the year. Overall, real estate market indicators have continued to improve, sustaining the positive trend of stabilisation and recovery that began in the fourth quarter of 2024.

In March 2025, the Report on the Work of the Government presented at the National People’s Congress and the Chinese People’s Political Consultative Conference included, for the first time, the objective of “ensuring stability in the real estate market” in its overall requirements. Following this, the Politburo meeting in April 2025 emphasised the importance of “continuing to reinforce the stable trend of the real estate market”. A financial policy package was introduced to stabilise the market and expectations in May 2025. Then, the executive meeting of the State Council in June 2025 reiterated its commitment to “take more vigorous measures to stem the downturn and restore stability in the real estate market”, sending a positive signal to the market that policies will be further improved. These moves will have a positive impact on stabilising market expectations and supporting the pillar industry. Looking ahead to the second half of 2025, local governments will fully implement these policies to ensure their effectiveness. We should be more confident, and the Company will continue to work on the strategy of “guaranteeing delivery, stabilising capital and debt, and maintaining operation”.

Guaranteeing delivery remains the Company’s foremost priority in its current development phase. For the six months ended 30 June 2025, the Group recorded approximately RMB72.57 billion in revenue, and the Group and its joint ventures and associates together delivered a total of approximately 74,000 housing units. The Group once again topped the chart in the industry in delivery volume during the first half of 2025. Moving forward, the Company will continue to implement an extreme strategy by efficiently utilising resources, promoting categorised management and quota control, and establishing diverse dynamic mechanisms to strengthen the planning and operational management system. With a comprehensive, big-picture approach, the Company aims to overcome challenges and drive further progress. These delivery results would not have been possible without the close collaboration between governments and businesses, the strong support of our partners, the trust of financial institutions, and the understanding of homeowners, all of which have enabled the Company to coordinate efficiently and address key project challenges, ensuring smooth delivery progress.

On stabilising capital and debt, the Company remains committed to the long-term objective of continuously optimising its balance sheet. At present, the offshore debt restructuring is progressing well, with the key terms of the restructuring proposal already agreed upon. As of 18 August 2025, holders representing over 77% of the aggregate principal amount of the existing public notes have acceded to the restructuring agreement. The Company is confident in completing a holistic offshore debt restructuring by the end of 2025. The external interest-bearing debts involved in this offshore restructuring programme amount to approximately USD16.0 billion in principal and interest, plus shareholder loans of approximately USD1.2 billion in principal and interest, bringing the total to about USD17.2 billion. If all five options of the restructuring proposal are fully subscribed, the maximum debt reduction of the Company after restructuring could reach approximately USD11.7 billion. Based on market floating interest rates at the time the restructuring support agreement was announced, the new financing costs of debts after restructuring are expected to decrease to between 1.0% and 2.5%, with a maturity extension of up to 11 years. Simultaneously, the Company actively responded to the urban real estate financing coordination mechanism, continued to promote domestic projects to enter the white list, and eased debt pressures and enhanced liquidity of projects through new financing, loan extensions and reduction of financing costs, thereby securing greater external support for project operation and delivery. The Company will continue to focus on stabilising capital and debt and work towards a healthy and sustainable capital structure.

On maintaining operation, the Company's current operations are well aligned with overall industry trends. During the first half of 2025, the Group and its joint ventures and associates together achieved contracted sales attributable to the shareholders of the Company of approximately RMB16.75 billion, with contracted sales GFA attributable to the shareholders of the Company of approximately 2.05 million sq.m.. In respect of expense control, the Company employs a rolling budget management, conducting monthly reviews and adjustments. It maintains strict control over every expenditure, major and minor, to ensure efficient use of resources and continuously enhance operational efficiency. On the sales side, the Company works closely with local government policies to implement categorised sales management and strategies that promote effective asset revitalisation. Since 2022, the Group has disposed of various assets, recovering about RMB65.0 billion, with the goal of broadening and strengthening revenue streams to support property delivery and maintain stable operation.

At present, the central government is committed to stabilising the real estate market and encouraging its transformation by implementing a range of policy measures. These range from the central bank's reduction of reserve requirements and interest rates to stimulate the market to the official launch of new regulations promoting "quality homes"; and from the speedy introduction of financing systems that align with new real estate development models to the advancement of high-quality urban renewal projects. The sector is undergoing significant transformation, and the future development of the real estate sector is expected to evolve towards a new landscape of industrialised competition.

Just as water retains no constant shape, strategies must remain adaptable. The Company's multiple organisational reforms in recent years have consistently aligned with strategic objectives. In 2025, the strategic plan emphasises core priorities such as guaranteeing delivery, while medium-term goals focus on gradually enhancing the quality of its balance sheet and ultimately achieving a stable operating state within the new normal. By systematically adjusting its organisational structure and resource allocation, the Company is dedicated to reaching these strategies and objectives in phases. As the policy environment continues to improve, the industry is poised to regain momentum. With steadfast dedication, the Company is confident in gradually entering a better development cycle alongside the recovery of the industry.

Victory is ensured when people pool their strength together; success is secured when people put their heads together! In the face of complex and ever-changing market landscape and challenges today, the Company stands united in determination and solidarity, creating a strong force to overcome obstacles and move towards a positive and promising direction. The advancement of the Company cannot be separated from the guidance and support of regulatory authorities, the trust and assistance of financial institutions, the joint efforts with partners, the trust and companionship of investors, and, most importantly, the care and understanding of all homeowners. The Company would like to express its heartfelt gratitude and highest respect to everyone!

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

Debt restructuring

As disclosed in the announcement of the Company dated 10 October 2023, the Group has been facing phased liquidity pressure and expected that it would not be able to meet all of its offshore payment obligations when due or within the relevant grace periods. Such non-payment might lead to relevant creditors of the Group demanding acceleration of payment of the relevant indebtedness owed to them or pursuing enforcement action. Since then, the Company has actively pursued offshore liability management measures and is in the process of developing a holistic solution in a fair and equitable manner to achieve a sustainable capital structure, while respecting the existing legal status and ranking in right of payment of all creditors.

The key terms of the Company's restructuring proposal (the "**Restructuring Proposal**") were first disclosed in the announcement of the Company dated 9 January 2025. Such proposal formed the framework for further negotiations aimed at implementing a successful restructuring of the Group's offshore indebtedness. If successfully implemented, the Restructuring Proposal will enable the Group to achieve significant deleveraging, with a targeted reduction of indebtedness of more than USD11 billion if the relevant restructuring consideration options are fully subscribed by scheme creditors and after the mandatory convertible bonds are fully converted into shares of the Company and shareholder loans advanced by the controlling shareholder are equitized in accordance with the terms of the Restructuring Proposal, a maturity extension of up to 11.5 years and a targeted decrease in the weighted average borrowing cost from approximately 6% per annum before the restructuring to approximately 2% per annum post-restructuring. As a result, the Group will have a more sustainable capital structure, allowing it to focus

on delivering housing units, continuing its business operations, preserving asset value, and implementing a business and asset disposal strategy which it believes has the best potential to maximise value for all stakeholders.

As disclosed in the announcements of the Company dated 11 April 2025, 9 May 2025, 23 May 2025, 6 June 2025 and 18 August 2025, on 11 April 2025, the Company has entered into a restructuring support agreement (as amended and supplemented by an amendment agreement dated 18 August 2025) (the “**RSA**”) with the AHG (i.e. holders who collectively hold or control approximately 29.9% of the outstanding principal amount of USD senior notes and HKD convertible notes issued by the Group), under which the principal terms of the Restructuring Proposal were agreed. As of 18 August 2025 members of the CoCom (which comprises seven eminent banks that are long-term lenders of the Group, representing 49% of the aggregate principal amount of the Existing Syndicated Loans (Class 1 Indebtedness) (as defined in the RSA)) either have acceded to the RSA or are undergoing internal procedures to obtain the relevant approvals to accede to the RSA; holders representing over 77% of the aggregate principal amount of the Class 2 Indebtedness (as defined in the RSA) have acceded to the RSA. The Group is working closely with the AHG and the CoCom on the long-form documentation for the Proposed Restructuring and remains committed to completing the Proposed Restructuring by the end of 2025.

For further details of the offshore indebtedness of the Group and the Restructuring Proposal, please refer to the announcements of the Company dated 10 October 2023, 16 January 2024, 28 February 2024, 4 March 2024, 28 March 2024, 7 April 2024, 17 May 2024, 6 June 2024, 27 June 2024, 29 July 2024, 30 September 2024, 31 December 2024, 9 January 2025, 20 January 2025, 21 January 2025, 11 April 2025, 9 May 2025, 23 May 2025, 6 June 2025, 30 June 2025 and 18 August 2025 (together, the “**Announcements**”). Capitalised terms used in this section headed “Debt restructuring” shall have the same meanings as ascribed to them in the Announcements or the RSA unless otherwise stated or the context otherwise requires.

Winding-up petition

A winding-up petition dated 27 February 2024 was filed by Ever Credit Limited (the “**Petitioner**”) at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HK\$1.6 billion, plus accrued interest. The Company has been opposing the petition vigorously and proactively communicating with the Petitioner in respect of its debt restructuring plan. The hearing of the petition has been adjourned several times and is now adjourned to 5 January 2026. No winding-up order has been granted by the High Court to wind up the Company as at the date of this announcement. The Petitioner has indicated to the High Court that it intends to support the Proposed Restructuring and has acceded to the RSA.

For further details of the winding-up petition, please refer to the announcements of the Company dated 28 February 2024, 4 March 2024, 17 May 2024, 6 June 2024, 29 July 2024, 9 January 2025, 20 January 2025, 26 May 2025 and 7 August 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 <i>RMB million</i>	Audited 31 December 2024 <i>RMB million</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		20,198	21,077
Investment properties		15,555	15,687
Intangible assets		695	776
Right-of-use assets		6,012	6,317
Properties under development		9,656	9,751
Investments in joint ventures		27,631	29,621
Investments in associates		17,439	15,910
Financial assets at fair value through other comprehensive income		4,536	4,627
Trade and other receivables	4	–	783
Deferred income tax assets		12,579	14,409
		<u>114,301</u>	<u>118,958</u>
Current assets			
Properties under development		422,579	465,996
Completed properties held for sale		103,711	112,271
Inventories		4,775	4,996
Trade and other receivables	4	215,444	267,649
Contract assets and contract acquisition costs		6,698	10,137
Prepaid income tax		11,014	17,238
Financial assets at fair value through profit or loss		6,744	8,701
Restricted cash		17,780	23,535
Cash and cash equivalents		6,282	6,362
		<u>795,027</u>	<u>916,885</u>
Total assets		<u><u>909,328</u></u>	<u><u>1,035,843</u></u>

		Unaudited 30 June 2025 RMB million	Audited 31 December 2024 RMB million
	<i>Note</i>		
EQUITY			
Equity attributable to owners of the Company			
Share capital and premium	9	50,783	50,783
Other reserves		28,001	27,933
Accumulated losses		(104,856)	(85,901)
		(26,072)	(7,185)
Non-controlling interests		49,990	58,439
Total equity		23,918	51,254
LIABILITIES			
Non-current liabilities			
Corporate bonds	7	6,849	10,152
Bank and other borrowings		25,380	16,541
Lease liabilities		2,234	2,324
Deferred government grants		129	136
Deferred income tax liabilities		12,134	12,686
		46,726	41,839
Current liabilities			
Contract liabilities		221,985	281,988
Trade and other payables	5	358,346	394,857
Current income tax liabilities		35,810	38,918
Senior notes	6	74,570	73,084
Corporate bonds	7	10,874	9,607
Convertible bonds	8	6,780	6,691
Bank and other borrowings		130,130	137,413
Lease liabilities		189	192
		838,684	942,750
Total liabilities		885,410	984,589
Total equity and liabilities		909,328	1,035,843

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Unaudited	
		Six months ended 30 June	
		2025	2024
		RMB million	RMB million
Revenue	<i>3</i>	72,570	102,102
Cost of sales	<i>11</i>	<u>(79,027)</u>	<u>(103,806)</u>
Gross loss		(6,457)	(1,704)
Other income and losses — net	<i>10</i>	(2,278)	(1,721)
Losses arising from changes in fair value of and transfers to investment properties		(62)	(374)
Selling and marketing costs	<i>11</i>	(2,052)	(2,447)
Administrative expenses	<i>11</i>	(1,884)	(2,404)
Research and development expenses	<i>11</i>	(43)	(253)
Net impairment losses on financial assets and guarantees		<u>(447)</u>	<u>(122)</u>
Operating loss		(13,223)	(9,025)
Finance income	<i>12</i>	166	387
Finance costs	<i>12</i>	(1,811)	(2,699)
Finance costs — net	<i>12</i>	(1,645)	(2,312)
Share of results of joint ventures and associates		<u>(485)</u>	<u>506</u>
Loss before income tax		(15,353)	(10,831)
Income tax expenses	<i>13</i>	<u>(4,300)</u>	<u>(4,233)</u>
Loss for the period		<u>(19,653)</u>	<u>(15,064)</u>
Loss attributable to:			
— Owners of the Company		(19,078)	(12,842)
— Non-controlling interests		<u>(575)</u>	<u>(2,222)</u>
		<u>(19,653)</u>	<u>(15,064)</u>
Losses per share attributable to owners of the Company (expressed in RMB yuan per share)			
Basic	<i>15</i>	<u>(0.69)</u>	<u>(0.46)</u>
Diluted	<i>15</i>	<u>(0.69)</u>	<u>(0.46)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Loss for the period	<u>(19,653)</u>	<u>(15,064)</u>
Other comprehensive (loss)/income		
<i>Item that will not be reclassified to profit or loss:</i>		
— Changes in fair value of financial assets at fair value through other comprehensive income	(31)	180
<i>Item that may be reclassified to profit or loss:</i>		
— Currency translation differences	<u>(76)</u>	<u>(46)</u>
Total other comprehensive (loss)/income for the period, net of tax	<u>(107)</u>	<u>134</u>
Total comprehensive loss for the period	<u><u>(19,760)</u></u>	<u><u>(14,930)</u></u>
Total comprehensive loss attributable to:		
— Owners of the Company	(19,079)	(12,718)
— Non-controlling interests	<u>(681)</u>	<u>(2,212)</u>
	<u><u>(19,760)</u></u>	<u><u>(14,930)</u></u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

This interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim Financial Reporting’. This interim financial information should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2024 (“**2024 Financial Statements**”), which have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements under the Hong Kong Companies Ordinance, and any public announcements made by the Company during the interim reporting period.

1.1 Going concern basis

For the six months ended 30 June 2025, the Group recorded a loss of RMB19,653 million and a loss attributable to owners of the Company of RMB19,078 million. As at 30 June 2025, the Group had net current liabilities of RMB43,657 million and borrowings in the forms of senior notes, convertible bonds, corporate bonds and bank and other borrowings amounted to RMB254,583 million in aggregate, of which RMB222,354 million were current liabilities, while the Group’s cash and cash equivalents amounted to RMB6,282 million and restricted cash amounted to RMB17,780 million.

As at 30 June 2025, an aggregate amount of RMB186,184 million of the Group’s indebtedness was defaulted or cross-defaulted. In addition, a winding-up petition dated 27 February 2024 was filed by one of the Group’s creditors (the “**Petitioner**”) at the High Court of the Hong Kong Special Administrative Region against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HK\$1.6 billion, plus accrued interest. The hearing of the Petition is adjourned to 5 January 2026.

All of the above events and conditions indicated the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 30 June 2025, taking into account the following plans and measures:

- (i) The Group will actively resolve its phased liquidity pressure by adopting various debt management measures, including:
 - during the period and up to the date of these condensed consolidated financial statements, following the extension made in 2024 to defer part of the principal and interest payments originally due in 2024 under the existing arrangement for the onshore bonds to the period from March 2025 to June 2025, the Group successfully negotiated again with the bondholders of certain domestic corporate bonds in April 2025 to further defer part of the principal and interest payments due from March 2025 to June 2025 to the period from September 2025 to December 2025. The Group will continue to communicate with the bondholders to advance a comprehensive and long-term solution for domestic corporate bonds;

- the Group, together with its financial advisers, has been actively advancing a proposed restructuring of its offshore liabilities and announced the key terms of the restructuring proposal on 9 January 2025. On 11 April 2025, the Group entered into a restructuring support agreement (“**RSA**”) with the holders of approximately 29.9% of the outstanding principal amount of its USD senior notes and HKD convertible notes. On 18 August 2025, the principal terms of the restructuring proposal have been agreed with the creditor groups, representing 49% in aggregate principal amount of the existing syndicated loans class one indebtedness. Members of the creditor groups either have acceded to the restructuring support RSA or are undergoing internal procedures to obtain the relevant approvals to accede to such RSA; further, holders representing over 77% of the aggregate principal amount of the Class 2 Indebtedness have acceded to the RSA. Under this agreement, the principal terms of the offshore liabilities restructuring proposal were agreed upon. For details of the progress of the Group’s offshore liabilities restructuring, please refer to the Company’s announcement dated 18 August 2025;
- (ii) The Group will continue to actively adjust its sales activities to respond to market changes and capture demands. The Group believes after undergoing adjustments, the PRC real estate market is expected to usher in new development opportunities. Therefore, the Group will adhere to the refined control of “one strategy for one real estate project”, and formulate reasonable sales prices and supply plans by taking into account the actual situation of the local market and each project, in order to achieve its budgeted sales volume and cash collection;
- (iii) The Group will closely monitor the progress of construction of its property development projects according to the delivery plans, maintain continuous communication with major contractors and suppliers, and negotiate payment arrangements to ensure construction progress is completed as planned;
- (iv) 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 disposing of assets when necessary to generate more cash inflows; and
- (v) The Group will adapt to current market changes and operational focus, continue to optimise its organisational structure and strictly control various non-core and non-essential operating expenses, to improve operational efficiency continuously.

The directors of the Company have reviewed the Group’s cash flow projections, which covers a period of not less than 12 months from 30 June 2025. The directors of the Company are of the opinion that, considering the anticipated cash inflows to be generated from the Group’s operations taking into account reasonably possible changes in operation performance, its cost control measures, as well as the above-mentioned plans and measures, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, these condensed consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) Successful progression and completion of the above-mentioned debt management measures, which will be subject to various external conditions that are beyond the Group's control, including but not limited to the proposed restructuring of the offshore liabilities of the Group, possible material adverse changes in the market during the process and fulfilment of legal or regulatory requirements;
- (b) Successful implementation of the plans and measures to achieve its budgeted sales volume and timely collection of the relevant sales proceeds;
- (c) Successful monitoring of the progress of construction of its property development projects according to the delivery plans, conducting commercial negotiations with major contractors and suppliers under acceptable commercial and credit terms, and completing products for delivery to customers as planned;
- (d) Successful activating resources and disposing of assets; and
- (e) Successful implementation of various measures to further streamline organisational structures and to strictly control various non-core and non-essential operating expenses, to improve operational efficiency.

Should the Group be unable to complete the proposed offshore debt restructuring plan and continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might 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 these condensed consolidated financial statements.

2 ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the condensed consolidated financial statements and amounts reported for the current period and prior periods.

3 REVENUE AND SEGMENT INFORMATION

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

During the period, the executive directors of the Company concluded that the Group only has two reportable segments — Property development and Technology-enabled construction. The Others segment mainly includes property investment and hotel operation, which are individually and collectively insignificant for segment reporting purposes.

The executive directors of the Company assess the performance of the operating segments based on a measure of operating profit, adjusted by excluding fair value changes on derivative financial instruments and including share of results of joint ventures and associates.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, investment properties, financial assets at fair value through other comprehensive income ("FVOCI"), financial assets at fair value through profit or loss ("FVTPL"), properties under development, completed properties held for sale, inventories, investments in joint ventures, investments in associates, trade and other receivables, prepaid income tax, contract assets and contract acquisition costs and operating cash. They exclude deferred income tax assets. Segment liabilities consist primarily of operating liabilities. They exclude current income tax liabilities, senior notes, corporate bonds, convertible bonds, bank and other borrowings and deferred income tax liabilities.

Capital expenditure mainly comprises additions to property, plant and equipment, intangible assets and right-of-use assets, excluding those arising from business combinations.

Revenue consists of the following:

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Sales of properties	70,028	98,829
Rendering of technology-enabled construction services	1,466	2,464
Rental income	472	402
Others	604	407
	<u>72,570</u>	<u>102,102</u>

Sales between segments are carried out according to the terms and conditions agreed by the respective segments' management.

The Group's revenue is mainly attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. Geographical information is therefore not presented.

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

The segment information provided to the executive directors of the Company for the reportable segments is as follows:

	Property development <i>RMB million</i>	Technology- enabled construction <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Six months ended 30 June 2025				
Revenue from contracts with customers	70,028	3,125	703	73,856
Revenue from other source: rental income	—	—	472	472
Segment revenue	70,028	3,125	1,175	74,328
Inter-segment revenue	—	(1,659)	(99)	(1,758)
Revenue from external customers	70,028	1,466	1,076	72,570
Share of results of joint ventures and associates	(486)	—	1	(485)
Losses arising from changes in fair value of and transfers to investment properties	—	—	(62)	(62)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	(364)	(288)	(354)	(1,006)
Net impairment losses on financial assets and guarantees	(447)	—	—	(447)
Net write-down of properties under development and completed properties held for sale	(7,282)	—	—	(7,282)
Segment results	<u>(12,502)</u>	<u>(625)</u>	<u>(581)</u>	<u>(13,708)</u>
At 30 June 2025				
Total segment assets after elimination of inter-segment balances	<u>797,950</u>	<u>16,540</u>	<u>82,259</u>	<u>896,749</u>
Investments in joint ventures and associates	<u>44,216</u>	<u>—</u>	<u>854</u>	<u>45,070</u>
Capital expenditure	<u>107</u>	<u>2</u>	<u>3</u>	<u>112</u>
Total segment liabilities after elimination of inter-segment balances	<u>510,551</u>	<u>29,631</u>	<u>42,701</u>	<u>582,883</u>

	Property development <i>RMB million</i>	Technology- enabled construction <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Six months ended 30 June 2024				
Revenue from contracts with customers	98,829	5,087	2,797	106,713
Revenue from other source: rental income	—	—	402	402
Segment revenue	98,829	5,087	3,199	107,115
Inter-segment revenue	—	(2,623)	(2,390)	(5,013)
Revenue from external customers	98,829	2,464	809	102,102
Share of results of joint ventures and associates	505	—	1	506
Losses arising from changes in fair value of and transfers to investment properties	—	—	(374)	(374)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	(431)	(267)	(347)	(1,045)
Net impairment losses on financial assets and guarantees	(110)	(2)	(10)	(122)
Net write-down of properties under development and completed properties held for sale	(2,698)	—	—	(2,698)
Segment results	<u>(7,294)</u>	<u>200</u>	<u>(1,425)</u>	<u>(8,519)</u>
At 31 December 2024				
Total segment assets after elimination of inter-segment balances	<u>914,748</u>	<u>21,683</u>	<u>85,003</u>	<u>1,021,434</u>
Investments in joint ventures and associates	<u>44,606</u>	<u>—</u>	<u>925</u>	<u>45,531</u>
Capital expenditure	<u>1,361</u>	<u>111</u>	<u>48</u>	<u>1,520</u>
Total segment liabilities after elimination of inter-segment balances	<u>604,878</u>	<u>25,695</u>	<u>48,924</u>	<u>679,497</u>

- (a) During the period ended 30 June 2025, substantially all of the Group's revenue from property development is recognised at a point in time.
- (b) During the period ended 30 June 2025, all of the Group's revenue from technology-enabled construction is recognised over time.
- (c) During the period ended 30 June 2025, the amount of revenue from others recognised at a point in time and recognised over time are RMB74 million (30 June 2024: RMB2,117 million) and RMB629 million (30 June 2024: RMB680 million) respectively.

4 TRADE AND OTHER RECEIVABLES

	30 June 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>
Included in current assets		
— Trade receivables — net (<i>note (a)</i>)	27,223	28,127
— Other receivables — net (<i>note (b)</i>)	166,544	216,803
— Other prepayments (<i>note (c)</i>)	21,677	22,719
	<u>215,444</u>	<u>267,649</u>
Included in non-current assets		
— Deposits for acquisitions of companies (<i>note (d)</i>)	—	783
	<u>215,444</u>	<u>268,432</u>

(a) Details of trade receivables are as follows:

	30 June 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>
Trade receivables	28,502	29,343
Less: allowance for impairment	(1,279)	(1,216)
Trade receivables — net	<u>27,223</u>	<u>28,127</u>

Trade receivables mainly arise from sales of properties and the provision of technology-enabled construction services. Property buyers are generally granted credit terms of 1 to 6 months. 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 <i>RMB million</i>	31 December 2024 <i>RMB million</i>
Within 90 days	19,497	19,861
Over 90 days and within 180 days	1,486	1,592
Over 180 days and within 365 days	4,607	4,954
Over 365 days	2,912	2,936
	<u>28,502</u>	<u>29,343</u>

As at 30 June 2025 and 31 December 2024, trade receivables were mainly denominated in RMB.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of buyers. Trade receivables were mainly collateralised by the titles of the properties sold.

(b) Details of other receivables are as follows:

	30 June 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>
Amounts due from joint ventures, associates and other related parties	48,141	54,112
Deposits	16,233	20,145
Others (i)	<u>145,662</u>	<u>185,735</u>
	210,036	259,992
Less: allowance for impairment	<u>(43,492)</u>	<u>(43,189)</u>
Other receivables — net	<u><u>166,544</u></u>	<u><u>216,803</u></u>

(i) These receivables mainly included current accounts due from the other shareholders of certain subsidiaries of the Group, which are mainly interest-free, unsecured and repayable according to contract terms.

(c) Other prepayments mainly included prepaid value-added taxes and prepayments for purchases of construction materials and services.

(d) Amounts represent deposits paid for acquisitions of certain property development companies which have not been completed as at the end of the reporting period.

5 TRADE AND OTHER PAYABLES

	30 June 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>
Trade payables (<i>note (a)</i>)	198,128	203,978
Other payables (<i>note (b)</i>)	141,154	166,640
Other taxes payable (<i>note (c)</i>)	17,416	21,725
Salaries payable	<u>1,648</u>	<u>2,514</u>
	<u><u>358,346</u></u>	<u><u>394,857</u></u>

- (a) The ageing analysis of trade payables is as follows:

	30 June 2025	31 December 2024
	<i>RMB million</i>	<i>RMB million</i>
Within 365 days	195,276	201,041
Over 365 days	2,852	2,937
	<u>198,128</u>	<u>203,978</u>

- (b) Other payables mainly included deposits from property buyers and current accounts due to certain joint ventures, associates and other shareholders of certain subsidiaries of the Group and outstanding considerations to acquire certain subsidiaries, joint ventures and associates. These amounts are mainly interest-free, unsecured and repayable according to contract terms.
- (c) Other taxes payable mainly included output value-added taxes related to receipt in advance from customers amounted to approximately RMB26,629 million (31 December 2024: RMB32,466 million), value-added taxes payable and other taxes.

6 SENIOR NOTES

	Six months ended 30 June 2025	2024
	<i>RMB million</i>	<i>RMB million</i>
At 1 January	73,084	68,367
Interest expenses	1,793	1,803
Exchange differences	(307)	431
	<u>74,570</u>	<u>70,601</u>
At 30 June	74,570	70,601

7 CORPORATE BONDS

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
At 1 January	19,759	19,359
Additions	—	242
Early redemption (<i>note (a)</i>)	(231)	(220)
Repayment upon maturity	(2,200)	—
Interest expenses	452	407
Coupon interest paid	(114)	(384)
Exchange differences	57	(38)
	<hr/>	<hr/>
At 30 June	17,723	19,366
Less: current portion included in current liabilities	(10,874)	(4,762)
	<hr/>	<hr/>
Included in non-current liabilities	<u>6,849</u>	<u>14,604</u>

(a) During the period, corporate bonds early redeemed by the Group were listed as follows:

Name of bonds	Par value <i>RMB million</i>	Interest rate	Issue date	Term of the bonds
Early redeemed during the period:				
Callable and Secured Debentures of Risland (Thailand) Company Limited. No. 2/2566 Due B.E. 2567	172	7.50%	20 October 2023	1.75 years
Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche I	59	7.50%	2 February 2024	1.75 years

8 CONVERTIBLE BONDS

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Liability component as at 1 January	6,691	6,171
Interest expenses	193	203
Exchange differences	(104)	(43)
	<hr/>	<hr/>
Liability component as at 30 June	<u>6,780</u>	<u>6,331</u>

During the period ended 30 June 2025, there had been no conversion of the 2023 Convertible Bonds and no conversion or redemption of the 2026 Convertible Bonds. As at 30 June 2025, the 2023 Convertible Bonds were defaulted and 2026 Convertible Bonds were cross-defaulted.

9 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares <i>million</i>	Nominal value of ordinary shares <i>HKD million</i>	Equivalent nominal value of ordinary shares <i>RMB million</i>	Share premium <i>RMB million</i>	Total <i>RMB million</i>	Treasury shares <i>RMB million</i>	Group total <i>RMB million</i>
Authorised							
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025, HKD0.10 per share	<u>100,000</u>	<u>10,000</u>					
Issued and fully paid							
At 1 January 2024 and 30 June 2024	<u>27,988</u>	<u>2,798</u>	<u>2,592</u>	<u>50,416</u>	<u>53,008</u>	<u>(2,225)</u>	<u>50,783</u>
Issued and fully paid							
At 1 January 2025 and 30 June 2025	<u>27,988</u>	<u>2,798</u>	<u>2,592</u>	<u>50,416</u>	<u>53,008</u>	<u>(2,225)</u>	<u>50,783</u>

10 OTHER INCOME AND LOSSES — NET

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Other income		
— Government subsidy income	54	114
— Forfeiture income	75	49
— Management and other related service income	—	3
	<u>129</u>	<u>166</u>
Other (losses)/gains		
— Changes in fair value of financial assets at FVTPL	(1,308)	(676)
— Losses on disposals of subsidiaries	(659)	(281)
— Losses on disposals of investment properties	(16)	(38)
— (Losses)/gains on disposals of property, plant and equipment	(45)	41
— Gains on disposals of joint ventures and associates	1	249
— Others	(380)	(1,182)
	<u>(2,407)</u>	<u>(1,887)</u>
Total other income and losses — net	<u>(2,278)</u>	<u>(1,721)</u>

11 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Cost of properties sold and technology-enabled construction services and others	71,088	100,441
Net write-down of properties under development and completed properties held for sale	7,282	2,698
Employee benefit expenses	1,592	2,152
Sales commission to agents	1,088	1,341
Depreciation of property, plant and equipment	822	864
Property management and other services expenses	215	306
Advertising and promotion costs	64	118
Other taxes and levies	375	295
Depreciation of right-of-use assets	106	119
Amortisation of intangible assets	78	62
Others	296	514
	<hr/>	<hr/>
Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses	83,006	108,910
	<hr/>	<hr/>

12 FINANCE COSTS — NET

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Finance income:		
— Interest income on bank deposits and others	166	387
	<hr/>	<hr/>
Finance costs:		
— Interest expenses on bank borrowings, senior notes, corporate bonds and convertible bonds	(6,614)	(6,680)
— Interest expenses on lease liabilities	(51)	(33)
	<hr/>	<hr/>
	(6,665)	(6,713)
Less: amounts capitalised on qualifying assets	4,094	4,231
	<hr/>	<hr/>
	(2,571)	(2,482)
	<hr/>	<hr/>
Net foreign exchange gains/(losses)	760	(217)
	<hr/>	<hr/>
Finance costs — net	(1,645)	(2,312)
	<hr/>	<hr/>

13 INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Current income tax		
— Corporate income tax	539	1,866
— Land appreciation tax	3,070	3,446
	<u>3,609</u>	<u>5,312</u>
Deferred income tax	691	(1,079)
	<u>4,300</u>	<u>4,233</u>

14 DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (2024 interim dividend: nil).

15 LOSSES PER SHARE

(a) Basic

Basic losses 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 ordinary shares purchased by the Group and held as treasury shares.

	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (<i>RMB million</i>)	(19,078)	(12,842)
Weighted average number of ordinary shares in issue (<i>million</i>)	<u>27,705</u>	<u>27,705</u>
Losses per share — Basic (<i>RMB yuan per share</i>)	<u>(0.69)</u>	<u>(0.46)</u>

(b) Diluted

For the period ended 30 June 2024 and 2025, the share options, awarded share, written call options and convertible bonds were excluded from the computation of diluted losses per share as they are anti-dilutive.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Technology-enabled construction. Revenue of the Group decreased by 28.9% to approximately RMB72,570 million in the first half of 2025 from approximately RMB102,102 million for the corresponding period in 2024. 96.5% of the Group's revenue was generated from the sales of properties (corresponding period in 2024: 96.8%), and 3.5% was generated from Technology-enabled construction and Others segment (corresponding period in 2024: 3.2%).

Property Development

Due to the decrease of GFA delivered, revenue generated from property development decreased by 29.1% to approximately RMB70,028 million for the six months ended 30 June 2025 from approximately RMB98,829 million for the corresponding period in 2024. The recognised average selling price of property delivered (value-added taxes not included) was approximately RMB7,340 per sq.m. for the six months ended 30 June 2025.

Technology-enabled Construction

Technology-enabled construction revenue from external customers decreased by 40.5% to approximately RMB1,466 million for the six months ended 30 June 2025 from approximately RMB2,464 million for the corresponding period in 2024, primarily due to the decrease in new construction volume resulting from sluggish market of real estate.

Others

Others segment mainly includes property investment and hotel operation. Revenue from external customers of others segment increased by 33.0% to approximately RMB1,076 million for the six months ended 30 June 2025 from approximately RMB809 million for the corresponding period in 2024.

Selling and marketing costs and Administrative expenses

The Group strictly implemented measures to reduce non-core and non-essential operating expenses. Selling and marketing costs and administrative expenses decreased by 18.9% to approximately RMB3,936 million for the six months ended 30 June 2025 from approximately RMB4,851 million for the corresponding period in 2024.

Finance Costs — Net

The Group recorded net finance costs of approximately RMB1,645 million in the first half of 2025 (corresponding period in 2024: approximately RMB2,312 million).

During the period, the Group recorded net foreign exchange gains of approximately RMB760 million (corresponding period in 2024: net foreign exchange losses of approximately RMB217 million), finance income of approximately RMB166 million (corresponding period in 2024: approximately RMB387 million). Interest expenses amounted to approximately RMB6,665 million for the six months ended 30 June 2025 (corresponding period in 2024: approximately RMB6,713 million), of which approximately RMB4,094 million had been capitalised on qualifying assets (corresponding period in 2024: approximately RMB4,231 million).

Loss Attributable to Owners of the Company

In the first half of 2025, the loss attributable to owners of the Company was approximately RMB19,078 million (corresponding period in 2024: the loss attributable to owners of the Company was approximately RMB12,842 million).

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2025, the Group's total cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB24,062 million (31 December 2024: approximately RMB29,897 million), including approximately RMB6,282 million in cash and cash equivalents and approximately RMB17,780 million in restricted cash.

As at 30 June 2025, 89.2% (31 December 2024: 87.3%) of the Group's total cash was denominated in Renminbi and 10.8% (31 December 2024: 12.7%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

Debt Composition

As at 30 June 2025, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB155,510 million, RMB74,570 million, RMB17,723 million and RMB6,780 million respectively (31 December 2024: approximately RMB153,954 million, RMB73,084 million, RMB19,759 million and RMB6,691 million respectively).

For bank and other borrowings, approximately RMB130,130 million, RMB24,890 million and RMB490 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2024: approximately RMB137,413 million, RMB16,541 million and RMB nil respectively). As at 30 June 2025 and 31 December 2024, the majority of the Group's bank and other borrowings were secured by the Group's certain property, plant and equipment, investment properties, properties under development, completed properties held for sale and financial assets, and/or secured by the pledge of certain equity interests in the Group's subsidiaries, and/or guaranteed by the Group.

As at 30 June 2025, the total debts increased to approximately RMB254,583 million, from approximately RMB253,488 million as at 31 December 2024.

Capital Gearing Ratio

The capital gearing ratio is calculated by dividing the net debt by total capital. Net debt equals to total debt (representing bank and other borrowings, senior notes, corporate bonds and convertible bonds) net of total cash (including cash and cash equivalent and restricted cash). Total capital is calculated by adding total equity and net debt. The Group's capital gearing ratio increased from approximately 81.4% as at 31 December 2024 to approximately 90.6% as at 30 June 2025.

Key Risk Factors and Uncertainties

The following lists out the key risks and uncertainties the Group is facing. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks Pertaining to the Property Market and Operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. At present, the property market in mainland China is in a period of deep adjustment and transformation. Property related policies continue to support the market to "stop falling and stabilize", and the central and local governments are working together to promote it. The policy toolkit continues to expand, and various indicators of the real estate market continue to improve, which has had a positive impact on the current expectation of stabilizing the market and the pillar industries. Therefore, the Group will continue to implement comprehensive self-rescue measures in conjunction with current favorable policies, and continue to work around the strategy of "guaranteeing delivery, stabilizing capital and debt, and maintaining operation", providing a foundation for the Group to enter a stable operating state within the new normal operation. In the meantime, the Group has been suffering from a large debt burden, the overload of resources by creditors such as financial institutions, partners and investors, the impact of negative public opinion on the brand, and the impact of the judicial environment on the performance of the management team, which also have brought about a number of adverse impacts on the Group's sustainable operation.

Interest Rate Risk

The Group's bank and other borrowings mainly bear floating rates. As at 30 June 2025, the weighted average borrowing cost of the Group's total debt was 4.88%, decreased by 29 basic points as compared with that as at 31 December 2024. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements and refinancing on existing banking facilities and entering into new banking facilities when good pricing opportunities arise.

Foreign Exchange Risk

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD. The Group has been paying close attention to the fluctuation of the foreign exchange rate and actively taking measures to mitigate the risk of exchange rate fluctuation.

Liquidity Risk

The Group is facing phased liquidity pressure. In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 1.1 to the "NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS" in this announcement.

Guarantees

As at 30 June 2025, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB241,427 million (31 December 2024: approximately RMB259,095 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks, and the Group is entitled to take over the legal title and the possession of the related properties. The guarantees are to be discharged upon the earlier of: (i) issuance of the real estate ownership certificates which are generally available within three months after the buyers take possession of the relevant properties; and (ii) the satisfaction of mortgage loans by the property buyers.

In addition, as at 30 June 2025, the Group had provided guarantees amounting to approximately RMB6,088 million (31 December 2024: approximately RMB6,185 million) for certain liabilities of the joint ventures, associates and other parties of the Group.

Disposal of approximately 11.063% shares in LandSpace Technology Co., Ltd.* (藍箭航天空間科技股份有限公司) (“LandSpace”) in aggregate

On 7 April 2025, Guangzhou Bilan Enterprise Management Partnership (Limited Partnership)* (廣州碧藍企業管理合夥企業(有限合夥)) (the “**First Seller**”) (an indirect non-wholly owned limited partnership of the Company) (as seller), each of (i) Guangzhou Xinde Jiancheng Technology Investment Partnership (Limited Partnership)* (廣州信德箭成科技投資合夥企業(有限合夥)), (ii) Langma No. 98 (Shenzhen) Private Equity Venture Capital Fund Partnership (Limited Partnership)* (朗瑪九十八號(深圳)私募創業投資基金合夥企業(有限合夥)), (iii) Ningbo Meishan Bonded Port Area Rongtai Chengde Venture Capital Partnership (Limited Partnership)* (寧波梅山保稅港區融泰成德創業投資合夥企業(有限合夥)) and Ningbo Meishan Bonded Port Area Rongtai Hengde Venture Capital Partnership (Limited Partnership)* (寧波梅山保稅港區融泰恒德創業投資合夥企業(有限合夥)), (iv) Shanghai Kehui Venture Capital Co., Ltd.* (上海科慧創業投資有限公司), (v) Nantong Zhongjin Chuanhe Equity Investment Partnership (Limited Partnership)* (南通中金傳合股權投資合夥企業(有限合夥)) and (vi) Zhongjin Zhanxin Venture Capital (Heshan) Partnership (Limited Partnership)* (中金戰新創業投資(鶴山)合夥企業(有限合夥)) (each a purchaser under the relevant share transfer agreements), and LandSpace (as target company) entered into six share transfer agreements in relation to the disposal of approximately 4.536% shares in LandSpace in aggregate at a price of RMB48.74 per share for a total consideration of RMB535,056,997.20.

On 25 April 2025, the First Seller and Foshan Nanhai Ruizheng Equity Investment Partnership (Limited Partnership)* (佛山市南海區睿正股權投資合夥企業(有限合夥)) (an indirect non-wholly owned limited partnerships of the Company) (as sellers), Qingdao Haijin Xingyu Investment Development Partnership (Limited Partnership)* (青島海金星宇投資發展合夥企業(有限合夥)) (as purchaser), and LandSpace (as target company) entered into a share transfer agreement in relation to the disposal of approximately 6.527% shares in LandSpace in aggregate at the same price of RMB48.74 per share for a total consideration of RMB769,999,978.88 (collectively the “**2025 Disposal**”). The 2025 Disposal was entered into as part of the Group’s means to resolve the phased liquidity pressure. As at the date of this announcement, this transaction has been completed.

For further details, please refer to the announcement of the Company dated 25 April 2025.

Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 30 June 2025, the Group had approximately 17,920 full-time employees.

Employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group is subject to social insurance contribution plans or other pension schemes organised by the regional governments and is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing fund or to contribute regularly to other mandatory provident fund schemes on behalf of the employees. As at the date of this announcement, there were no significant labor disputes which adversely affect or are likely to have an adverse effect on the operations of the Group.

To achieve the sustainable operation and development of the company and build the core competitiveness, the Group has optimized and refined its talent standards and personnel structure. It has clearly defined the "Three Excellence" talent profile standards for the new era, established a standardized identification mechanism and differentiated retention policies, and strengthened the talent care system. The Group has implemented strategic preferences in terms of resource allocation such as salary incentives and career development channels. Through a dynamic tracking and evaluation mechanism, it continuously optimizes management strategies, forms a full-cycle talent management closed loop, and fully releases the strategic value of human resources.

The Group has approved and adopted certain share option schemes and share award scheme, details can be referred in the sections headed "EMPLOYEE INCENTIVE MECHANISMS" in this announcement.

Forward Looking

Currently, China's property is accelerating its transformation into a new development model, from the central bank's reserve requirement ratio cuts to boost the market, to the official implementation of new regulations on "good houses", from accelerating the introduction of a series of financing systems that are compatible with the new model of real estate development, to high-quality urban renewal work. The industry is still undergoing a profound transformation, and the future development of the real estate industry will gradually move towards a new pattern of industrial competition.

In the face of new challenges and market changes, the Group has always been committed to doing the right thing, focusing on core tasks such as ensuring the delivery of houses in the short term, gradually improving the quality of the balance sheet in the medium term, and then entering a new normal of normal operation in the future. At present, the Group spares no effort to shoulder its social responsibility, actively responds to and fully completes the guaranteed delivery work. In the first half of 2025, the Group, together with its joint ventures and associated companies, has delivered about 74,000 sets of houses, once again ranking first in the industry in terms of delivery volume.

In the future, the Group will gradually build a healthy and sustainable capital structure, increase efforts to activate accumulated assets, strictly control every expenditure, ensure efficient utilization of resources, continuously improve operational efficiency, and ensure the achievement of phased strategies and goals through orderly adjustment of organizational structure and resource allocation. While focusing on the core real estate business, the business models of technology construction and entrusted construction in the Group's "one body, two wings" strategy are gradually maturing. Relying on the core competitive advantages of "cost power, product power, and service power", we continue to explore new models for real estate development.

Looking back on the arduous challenges of the past two years, the Group has persisted in overcoming obstacles. In the face of the future, it is even more necessary to have scientific management and resilient responsibility, with the confidence that "long winds and waves will come and go", and the perseverance of "although it is hard to search through thousands of hardships", to cross the cycle. The Group firmly believes that with the continuous optimization of policy environment, the real estate industry will gradually regain vitality. As long as we persist, the Company will also gradually enter a more benign development cycle with the recovery of the industry.

EXTRACTS OF THE REPORT ON REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The Company's independent auditor, ZHONGHUI ANDA CPA Limited, has disclaimed a conclusion in its report on review of unaudited interim financial information of the Group's interim financial information for the six months ended 30 June 2025, and extract of which is as follows:

BASIS FOR DISCLAIMER OF CONCLUSION

Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Interim Financial Information

As disclosed in note 2.1 to the interim financial information, the Group incurred a loss attributable to owners of the Company of approximately RMB19.1 billion for the six months ended 30 June 2025. As at 30 June 2025, the Group had net current liabilities of RMB43.7 billion and borrowings in total of approximately RMB254.6 billion, out of which approximately RMB222.4 billion was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB24.1 billion. As at 30 June 2025, the Group had certain indebtedness, including senior notes, corporate bonds, convertible bonds and bank and other borrowings, with an aggregated carrying amount of approximately RMB186.2 billion were defaulted or cross-defaulted. The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company (the “**Directors**”) have been undertaking a number of plans and measures to mitigate the liquidity pressure and improve its financial position, details of which are set out in note 2.1 to the interim financial information. To assess the appropriateness of the going concern basis, the management of the Group prepared a cash flow forecast (“**Cash Flow Forecast**”), which takes into account the effects of the success in implementing and completing the aforesaid plans and measures as scheduled notwithstanding the inherent uncertainties associated with the outcome of these plans and measures. In particular, the positive outcome of the Cash Flow Forecast is significantly influenced by the success of the proposed restructuring plan for the Group's offshore liabilities (the “**Proposed Debt Restructuring**”). Based on the result of the Cash Flow Forecast, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future and therefore, the Group has the ability to continue as a going concern and will continue its operations for at least 12 months from 30 June 2025. Accordingly, the Directors are of the view that it is appropriate to prepare the interim financial information on a going concern basis.

However, we have not been able to obtain sufficient appropriate review evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the interim financial information because of the lack of sufficient appropriate review evidence in relation to the Proposed Debt Restructuring and the measures for future actions assumed in the Cash Flow Forecast which inherent uncertainties associated with the outcome of these plans and measures and how variability in such outcome would affect the Cash Flow Forecast.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the interim financial information.

DISCLAIMER OF CONCLUSION

We do not express a conclusion on the interim financial information. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we disclaim our conclusion as to whether the use of the going concern assumption in the preparation of the interim financial information is appropriate.

The aforesaid “note 2.1 to the interim financial information” in the extract from the independent auditor's report on review of the Group's unaudited interim financial information is disclosed as note 1.1 to the “NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS” in this results announcement.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) assists the Board in providing an independent review of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, overseeing the audit process, and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all independent non-executive Directors, namely Mr. WANG Zhijian, Dr. HAN Qinchun and Mr. TUO Tuo. Mr. WANG Zhijian is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2025. In addition, the independent auditor of the Company, ZHONGHUI ANDA CPA Limited, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2025 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasise transparency, accountability and independence.

During the six months ended 30 June 2025, the Company has applied the principles and complied with the applicable code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) under Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) under Appendix C3 of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the six months ended 30 June 2025.

No incident of non-compliance was noted by the Company for the six months ended 30 June 2025. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

EMPLOYEE INCENTIVE MECHANISMS

For the purpose of rewarding the contribution of the senior management (including executive Directors of the Company who are also senior management) and employees of the Group engaging in profitable property development projects of the Group, two incentive mechanisms (as amended from time to time) (the “**Incentive Mechanisms**”) were adopted by the Group (with the latest versions being adopted on 27 December 2019 and 18 September 2020 respectively), which respectively concern property development projects located in Mainland China and property development projects located in Hong Kong and other overseas jurisdictions (the “**Property Development Projects**”). Under the Incentive Mechanisms, in general, senior management and employees will primarily be provided with cash rewards, calculated with reference to net profits generated from the Property Development Projects and the Group’s internal rate of return. A portion of these cash rewards will be used as either (i) the consideration for the exercise of the share options to be granted to them by the Company under the terms of the Share Option Schemes (hereinafter defined) (in respect of certain executive Directors of the Company who are also senior management) or (ii) the consideration for the purchase of shares of the Company (the “**Share(s)**”) (i.e. the share awards) (in respect of senior management who are not Directors and employees of the Company).

(i) Share Award Scheme

The aforementioned share awards to the senior management who are not Directors and employees of the Company are funded by existing Shares, and shall be distributed in accordance with the Principles for Employees’ Shares Conversion Rights (as amended from time to time) adopted by the Group on 11 February 2015 (the “**Share Award Scheme**”). The Share Award Scheme has no fixed expiry date.

According to the trust deed approved by the Board on 27 January 2015, the trustee of the Share Award Scheme is Power Great Enterprises Limited (“**Power Great**”), a wholly-owned subsidiary of the Company. During the six months ended 30 June 2025, Power Great as the trustee of the Share Award Scheme had not purchased any Share from the market, and had not acquired any Share by any other means. During the six months ended 30 June 2025, no Shares were granted under the Share Award Scheme. As at 30 June 2025, the total number of Shares in relation to share awards that were granted under the Share Award Scheme was 165,434,000 Shares (being the net number after deduction of the exercised and lapsed share awards). As at 30 June 2025, Power Great held a cumulative total of 283,259,032 Shares available for use under the Share Award Scheme (including Shares which had been granted to relevant employees with the registration and transfer procedures yet to be completed) (31 December 2024: 283,259,032 Shares).

(ii) Share Option Schemes

A share option scheme (the “**2007 Share Option Scheme**”) was approved and adopted by the shareholders of the Company (the “**Shareholders**”) on 20 March 2007 for a period of 10 years commencing on the adoption date. The 2007 Share Option Scheme had expired on 19 March 2017. Another share option scheme (the “**2017 Share Option Scheme**”, together with the 2007 Share Option Scheme, the “**Share Option Schemes**”) was approved and adopted by the Shareholders at the annual general meeting of the Company held on 18 May 2017 for a period of 10 years commencing on the adoption date and ending on 17 May 2027. Subject to the terms and conditions of the 2017 Share Option Scheme, the Board may, at its discretion, grant share options to any eligible person to subscribe for the Shares within the validity period of the scheme.

The total number of options available for grant under the Share Option Schemes is 2,048,830,798 Shares both as at 1 January 2025 (as at 1 January 2024: 2,048,830,798 Shares) and as at 30 June 2025 (as at 31 December 2024: 2,048,830,798 Shares). During the six months ended 30 June 2025, no share options were granted to eligible persons in accordance with the terms of the Share Option Schemes (there were also no share options granted during the year ended 31 December 2024).

The Board will continue to monitor the Share Option Schemes and the Share Award Scheme for motivating the eligible persons, the senior management and employees of the Group and consider when it may be appropriate and/or desirable to modify or replace the schemes with and/or adopt any other incentive scheme.

CONVERTIBLE BONDS

On 21 November 2018, the Company, Smart Insight International Limited (the “**Issuer**”, a wholly-owned subsidiary of the Company), J.P. Morgan Securities plc, Goldman Sachs (Asia) L.L.C and The Hongkong and Shanghai Banking Corporation Limited (the “**Joint Lead Managers**”) entered into an agreement, under which the Joint Lead Managers agreed to subscribe for the 4.50% secured guaranteed convertible bonds due 2023 to be issued by the Issuer in the aggregate principal amount of HKD7,830 million (the “**2023 Convertible Bonds**”). On 5 December 2018, the Issuer issued the 2023 Convertible Bonds in the principal amount of HKD7,830 million. The 2023 Convertible Bonds are listed on Singapore Exchange Securities Trading Limited (“**SGX**”). The 2023 Convertible Bonds have matured on 5 December 2023 and were defaulted. The conversion period under the terms of the 2023 Convertible Bonds has expired. As at the date of this announcement, the total outstanding principal amount of the 2023 Convertible Bonds is HK\$3 billion.

On 20 January 2022, the Company, the Issuer and UBS AG Hong Kong Branch (the “**Sole Bookrunner**”) entered into an agreement, under which the Sole Bookrunner agreed to subscribe for the 4.95% secured guaranteed convertible bonds due 2026 to be issued by the Issuer in the aggregate principal amount of HKD3,900 million (the “**2026 Convertible Bonds**”). On 28 January 2022, the Issuer issued the 2026 Convertible Bonds in the principal amount of HKD3,900 million. The 2026 Convertible Bonds are listed on SGX. There was no change to the conversion price of the 2026 Convertible Bonds since 13 June 2022. Accordingly, as at the date of this announcement, based on the total outstanding principal amount of the 2026 Convertible Bonds of HKD3,900 million, the 2026 Convertible Bonds may be converted into the maximum number of 492,424,242 Shares at the latest modified conversion price of HKD7.92 per Share (as last adjusted on 13 June 2022) during the conversion period under the terms of the 2026 Convertible Bonds. No bondholders have exercised their conversion right under the 2026 Convertible Bonds during the six months ended 30 June 2025. As at 30 June 2025, the 2026 Convertible Bonds were cross-defaulted.

The Company intends to compromise the outstanding indebtedness under the 2023 Convertible Bonds and the 2026 Convertible Bonds as part of its holistic debt restructuring. Please refer to section headed “SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD” in this announcement for more information on the progress of the holistic debt restructuring.

Details of convertible bonds are set out in note 8 to the “NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION” in this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, bought back, sold or redeemed any of the Shares or listed securities during the six months ended 30 June 2025.

For details of redemption by the Company or any of its subsidiaries of its corporate bonds during the six months ended 30 June 2025, please also refer to note 7 to the “NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION” in this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (2024 interim dividend: Nil).

PUBLICATION OF INTERIM RESULTS

The interim results announcement is published on the Company's website (<http://www.countrygarden.com.cn>) and the Stock Exchange's designated website (<http://www.hkexnews.hk>).

By order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Foshan, Guangdong Province, the PRC, 29 August 2025

As of the date of this announcement, the executive Directors are Ms. YANG Huiyan (Chairman), Mr. MO Bin (President), Ms. YANG Ziying, Dr. CHENG Guangyu and Ms. WU Bijun. The non-executive Director is Mr. CHEN Chong. The independent non-executive Directors are Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo.