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Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3301)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Contracted sales amounted to approximately RMB2,108.01 million, decreased by approximately 37.30% as compared with the six months ended 30 June 2024.
- Total revenue amounted to approximately RMB2,121.94 million, decreased by approximately 85.06% as compared with the six months ended 30 June 2024.
- Gross profit amounted to approximately RMB564.56 million, representing a decrease of 80.61% as compared with the gross profit of approximately RMB2,912.26 million for the six months ended 30 June 2024.
- Loss for the Period amounted to approximately RMB1,704.13 million, as compared with a profit of approximately RMB79.98 million for the six months ended 30 June 2024.
- Loss for the Period attributable to owners of the Company amounted to approximately RMB1,829.16 million, as compared with a loss for the period attributable to owners of the Company of approximately RMB1,930.74 million for the six months ended 30 June 2024.
- Gearing ratio increased by 47.91% from 5.11 as at 31 December 2024 to 7.56 as at 30 June 2025.

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**”) hereby announces the unaudited interim consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”).

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	6	2,121,936	14,202,468
Cost of sales		(1,557,378)	(11,290,211)
Gross profit/(loss)		564,558	2,912,257
Selling and marketing costs		(74,749)	(116,902)
Administrative expenses		(658,023)	(360,403)
Fair value (losses)/gains on investment properties		–	(38,311)
Other income		63,292	7,814
Other gains/(losses) – net		(37,137)	(44,354)
Operating profit/(loss)		(142,059)	2,360,101
Finance income		13,563	24,954
Finance costs		(1,257,360)	(1,510,470)
Finance costs – net	7	(1,243,797)	(1,485,516)
Share of net profit/(loss) of investments accounted for using the equity method		(6,178)	90,986
Profit/(loss) before income tax		(1,392,034)	965,571
Income tax expenses	8	(312,098)	(885,594)
Profit/(loss) for the period		(1,704,132)	79,977
Profit/(loss) for the period attributable to:			
– Owners of the Company		(1,829,156)	(1,930,740)
– Non-controlling interests		125,024	2,010,717
		(1,704,132)	79,977
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)	9		
– Basic		(1.09)	(1.15)
– Diluted		(1.09)	(1.15)

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Gains/(losses) for the period	(1,704,132)	79,977
Other comprehensive income	—	—
Total comprehensive gains/(losses) for the period	(1,704,132)	79,977
Total comprehensive gains/(losses) for the period attributable to:		
– Owners of the Company	(1,829,156)	(1,930,740)
– Non-controlling interests	125,024	2,010,717
	(1,704,132)	79,977

CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	961,127	993,045
Investment properties	11,399,252	11,243,202
Right-of-use assets	355,482	362,157
Intangible assets	1,606	1,606
Investments accounted for using the equity method	6,624,640	6,789,039
Financial assets at fair value through profit or loss	419,421	419,331
Deferred tax assets	—	—
Total non-current assets	19,761,528	19,808,380
Current assets		
Properties under development	25,330,468	27,342,143
Completed properties held for sale	20,040,064	20,078,309
Contract assets	543,580	593,580
Trade and other receivables and prepayments	20,392,468	20,908,900
Amounts due from related parties	3,284,162	3,232,508
Prepaid taxation	3,775,664	4,112,505
Financial assets at fair value through profit or loss	86,472	107,404
Term deposits	63,355	130,603
Restricted cash	1,220,331	2,018,250
Cash and cash equivalents	1,673,276	1,253,421
Total current assets	76,409,840	79,777,623
Total assets	96,171,368	99,586,003
EQUITY		
Share capital	15	15
Share premium	3,082,681	3,082,681
Other reserves	(16,665,624)	(14,836,468)
(Deficit)/equity attributable to owners of the Company	(13,582,928)	(11,753,772)
Non-controlling interests	18,250,690	18,628,080
Total equity	4,667,762	6,874,308

CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
LIABILITIES		
Non-current liabilities		
Borrowings	2,112,498	7,988,991
Lease liabilities	—	—
Deferred tax liabilities	1,300,653	1,300,653
Total non-current liabilities	3,413,151	9,289,644
Current liabilities		
Borrowings	36,134,268	30,551,151
Lease liabilities	—	—
Contract liabilities	14,373,137	15,403,501
Trade and other payables	25,230,719	25,155,253
Amounts due to related parties	5,737,068	5,784,740
Current tax liabilities	6,615,263	6,527,406
Total current liabilities	88,090,455	83,422,051
Total liabilities	91,503,606	92,711,695
Total equity and liabilities	96,171,368	99,586,003

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Ronshine China Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together the “**Group**”) are principally engaged in property development business in the People’s Republic of China (the “**PRC**”).

The ultimate holding company of the Company is TMF (Cayman) Limited as trustee of the Ou Family Trust and the ultimate controlling shareholder of the Company is Mr. Ou Zonghong (“**Mr. Ou**”).

The Company’s shares were listed on the Main Board of The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2016.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern basis

As of 30 June 2025, Group incurred a loss for the period of approximately RMB1,704,132,000. As at 30 June 2025, the Group recorded net current liabilities of RMB11,680,615,000, and the Group’s current portion of borrowings amounted to RMB36,134,268,000, while its cash and cash equivalents (excluding restricted cash) amounted to RMB1,736,631,000.

Since the second half of 2021, the business environment of China’s real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry’s business environment. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or to obtain cash from external financing to meet its loan repayment obligations. Although the Company has endeavoured to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group’s operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

As of 30 June 2025, the Company has not paid the principal amounts and/or interests of the senior notes due 25 October 2022 (ISIN: XS1976760782 and Common Code: 197676078) (the “**October 2022 Notes**”), due 22 January 2023 (ISIN: XS2031469732 and Common Code: 203146973) (the “**January 2023 Notes**”), due 9 June 2023 (ISIN: XS2090949160 and Common Code: 209094916) (the “**June 2023 Notes**”), due 25 December 2023 (ISIN: XS2189303873 and Common Code: 218930387) (the “**December 2023 Notes**”), due 5 August 2024 (ISIN: XS2211514885 and Common Code: 221151488) (the “**August 2024 Notes**”) and due 25 January 2025 (ISIN: XS2290308845 and Common Code: 229030884) (the “**January 2025 Notes**”). The total outstanding principal amount of these senior notes is approximately RMB14,954,709,000.

If such non-payment continues, holders of at least 25% of the aggregate principal amount of the relevant outstanding senior notes at that time may, by written notice to the Company or the trustee, require the Company to pay the principal and accrued interest of the relevant outstanding senior notes immediately. As of the date of approval of these condensed consolidated financial statements, the Company has not received any notice regarding accelerated repayment from the relevant trustee or holders of the relevant senior notes.

In addition, as at 30 June 2025, the Group did not repay certain borrowings of RMB31,005,479,000 according to their scheduled repayment dates. As a result, as at 30 June 2025, borrowings with the aggregate principal amount of RMB25,841,891,000 had become default.

If the Company fails to perform the obligations of repaying the debts due and cannot agree on a consensual solution to the corresponding indebtedness with creditors in a timely manner, it may cause the relevant creditors to demand accelerated repayment of the obligations of the relevant debts or take enforcement actions.

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

In view of the aforesaid, the directors of the Company (the “**Directors**”) 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 sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) the Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings. Subsequent to 30 June 2025, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing;
- (ii) the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;
- (iii) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures; and
- (iv) the Group has engaged Haitong International Capital Limited as its financial advisor for overseas debt management to initiate relevant preliminary work, and intends to explore various feasible solutions with overseas creditors so as to seek a holistic solution to the relevant debts.

The Directors have reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than twelve months from 30 June 2025. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing these condensed consolidated financial statements.

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that 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.

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, derivative financial instruments and investment properties, which are measured at fair value.

The accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs for the first time for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the revised standards in the current interim period had no material impact on the amount reported in these condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Group's condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

5 SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the executive Directors, which are used to allocate resources and assess performance.

The Group is principally engaged in property development in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive Directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the executive Directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

As at 30 June 2025, except for parts of term deposits and financial assets at fair value through profit or loss, other assets of the Group were located in the PRC (31 December 2024: same).

There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

6 REVENUE

Revenue of the Group for the six months ended 30 June 2025 is as follow:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Revenue from sales of properties		
– Recognised at a point in time	1,910,186	13,961,843
Revenue from construction services, hotel operations and others:		
– Recognised at a point in time	126,421	142,730
– Recognised over time	–	–
Revenue from other sources – rental income	85,329	97,895
	<u>2,121,936</u>	<u>14,202,468</u>

7 FINANCE (COSTS)/INCOME – NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
– Interest income from bank deposits	13,563	24,954
	<u>13,563</u>	<u>24,954</u>
Finance costs		
– Net foreign exchange gains/(losses)	70,638	(185,179)
– Interest expenses of borrowings	(1,340,374)	(1,588,371)
– Less: capitalised interest	12,376	263,080
	<u>(1,257,360)</u>	<u>(1,510,470)</u>
Finance costs – net	<u>(1,243,797)</u>	<u>(1,485,516)</u>

8 INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax:		
PRC corporate income tax	148,923	577,433
Land appreciation tax ("LAT")	163,175	317,602
	312,098	895,035
Deferred income tax		
PRC corporate income tax	–	(9,441)
	312,098	885,594

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the "CIT Law") effective on 1 January 2008.

PRC LAT

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings from its PRC subsidiaries.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2025 (six months ended 30 June 2024: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands and is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands (the "BVI") was incorporated under the Business Companies Act of the BVI and is exempted from BVI income tax.

9 LOSS PER SHARE

9.1 Basic loss per share

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 six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (<i>RMB'000</i>)	(1,829,156)	(1,930,740)
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	<u>1,683,431</u>	<u>1,683,431</u>
Basic loss per share (<i>RMB per share</i>)	<u>(1.09)</u>	<u>(1.15)</u>

9.2 Diluted loss per share

Diluted loss per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share option. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company for the period) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (<i>RMB'000</i>)	<u>(1,829,156)</u>	<u>(1,930,740)</u>
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	<u>1,683,431</u>	<u>1,683,431</u>
Adjustments – share options and awarded shares (<i>in thousand</i>)	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>in thousand</i>)	<u>1,683,431</u>	<u>1,683,431</u>
Diluted loss per share (<i>RMB per share</i>)	<u>(1.09)</u>	<u>(1.15)</u>

For the six months ended 30 June 2025 and 2024, the computation of diluted loss per share does not assume the exercise of the Company's share options because their assumed exercise would result in a decrease in loss per share.

The Company did not repurchase and cancel its own ordinary shares during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables (note (a))	44,604	36,378
Other receivables		
– Amounts due from minority interests	10,859,948	10,987,458
– Deposits for acquisition of land use rights and property development projects	6,280,265	6,521,243
– Other amounts due from third parties	2,129,489	2,111,283
– Deposits for construction contracts	138,766	183,229
– Others	156,416	30,443
Less: loss allowance	(4,339,221)	(3,985,816)
	15,225,663	15,847,840
Prepayments		
– Prepaid value added tax and other taxes	4,592,615	4,734,463
– Others	529,586	290,219
	5,122,201	5,024,682
Total	20,392,468	20,908,900

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	9,443	8,017
Over one year	35,161	28,361
Total	44,604	36,378

These trade receivables relate to a number of independent customers for whom there is no significant financial difficulty. Management does not expect any credit loss for these receivables.

11 TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables (note (a))	7,729,136	8,857,175
Note payables	165,717	207,226
Other payables		
– Amounts due to non-controlling interests	4,125,880	4,462,336
– Other taxes payable	3,165,288	3,136,920
– Interests payable	8,022,956	6,685,686
– Deposits received for sales of properties	515,460	490,033
– Dividend payable	5,281	5,281
– Deposits from contractors and suppliers	1,270,902	1,024,197
– Accrued payroll	77,014	91,035
– Estimated liabilities	134,485	134,485
– Others	18,600	60,879
Total	25,230,719	25,155,253

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	326,699	2,620,210
Over one year	7,402,437	6,236,965
Total	7,729,136	8,857,175

(b) Other payables of approximately RMB131,714,900 (31 December 2024: RMB25,155,253) are interest bearing and repayable within one year from 30 June 2025.

12 DIVIDEND

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

OVERVIEW AND PROSPECTS

Market Review

In the first half of 2025, China's national economy continued its trajectory of steady recovery and transformation amid a complex global environment. Gross domestic product (“**GDP**”) for the first six months increased by 5.3% year-on-year, outperforming expectations and reflecting the country's steady recovery momentum.

During the Period, the real estate sector remained under protracted adjustment pressure. Although a gradual stabilisation trend emerged in selected urban markets, the sector as a whole had yet to reverse its weakening momentum. Government measures introduced since mid-2024 began to surface with partial effects, particularly in facilitating destocking of inventory properties and stimulating demand in lower-tier cities. The People's Bank of China have stated in addresses in 2025 the importance of stabilizing the real estate market, improving the system and fundamentals of real estate finance, and helping to build a new model of real estate development.

According to the National Bureau of Statistics, from January to May 2025, the sales area of newly constructed commercial properties was approximately 353.15 million sq.m., representing a year-on-year decrease of 2.9%, of which the residential buildings sales area was down 2.6%. Meanwhile, sales revenue of newly constructed commercial properties reached RMB3,409.1 billion, falling 3.8% year-on-year, with residential sales down by 2.8%. The rate of contraction narrowed compared to the same period in 2024, but oversupply remained a key challenge. At the end of May 2025, the area of commercial properties held for sale was 774.27 million sq.m., with a decrease of 7.15 million sq.m. compared to the end of April 2025. From January 2025 to May 2025, the funds for investment for real estate development enterprises were RMB4,023.2 billion, down by 5.3% year-on-year.

Although government policy effects began to materialise in certain submarkets, such as first-tier cities where prices of residential properties have risen during the year 2025, the real estate sector's structural issues – especially those involving supply-demand mismatch, funding and financing pressure, and subdued homebuying sentiment – still require persistent support and time to readjust.

Business Review

The Group maintained its focus on the Yangtze River Delta and the West Coast of the Taiwan Strait so as to consolidate the advantages of its strategic regional layout, while striving to strengthen its operations and management to ensure successful project development and delivery in all aspects. During the Period, the Group's contracted sales amounted to approximately RMB2,108.01 million, representing a year-on-year decrease of approximately 37.30%, with contracted gross floor area (“**GFA**”) of approximately 187,577.72 sq.m. and average contracted selling price of approximately RMB11,238 per sq.m. During the Period, a number of the Group's projects earned themselves a good reputation in the market for their outstanding products and services.

In respect of land reserves, the Group adhered to the development principle of steady development, mainly focusing on first- and second-tier cities. As at 30 June 2025, the Group had a total of 206 projects nationwide with a total land reserve of approximately 16,581,830.96 sq.m.. Among them, the land reserves of the first- and second-tier cities accounted for approximately 85.16%. The Group will continue to deepen the cultivation of high-quality projects in the existing core cities and commit to improving operational efficiency, so as to enhance its brand influence continuously.

During the Period, the government successively introduced a number of supportive policies for the real estate industry, yet the implementation rules need to be further clarified and time is needed for implementation. Therefore, the current predicament of declining sales in the real estate market and funding pressures on real estate enterprises is yet to be fundamentally alleviated. In such a challenging situation, the Group continued to adhere to its prudent development strategy and properly managed its cash flow. As at 30 June 2025, the balance of the Group's interest-bearing liabilities amounted to RMB38.247 billion. The Group took proactive steps in debt management, focused on transparency management and actively maintained communication with the market through voluntary announcements, investor relations activities, etc. Up to now, the Group has completed its onshore corporate bond restructuring, and has appointed Haitong International Capital Limited as its financial advisor for overseas debt management to initiate relevant preliminary work. In addition, the Group adopted a number of measures to ensure stable operation and enhance liquidity, including but not limited to enhancing its sales and cash collection efforts, diversifying financing channels, reasonably reducing operating costs, negotiating for the extensions of some existing debts, and disposing of certain assets, etc.

In spite of facing all the challenges, the Group strove to maintain the quality of its products and services. Under the call of “Guaranteeing Delivery of Real Estate Development Projects and Ensuring People's Livelihood”, the Group has always stayed true to its mission and endeavored to achieve its commitment of quality delivery to the homebuyers. During the Period, delivery of a number of projects, including Changle Lantian (長樂瀾天), Taiyuan City of Times (太原時光之城), Chengdu Century Manyun (成都世紀縵雲), Chongqing Lan Bay (重慶瀾灣) and Lianyungang Mansion (連雲港學院府) etc., were grandly completed. In addition, the Group is committed to all-around development in environmental, social and governance (ESG) areas, to actively fulfill its social responsibility.

Prospects

Looking ahead to the second half of the year, the supportive role of government policies is becoming increasingly evident, and the decline in new home sales may gradually narrow. However, the pressure of market adjustments remains. From a policy perspective, the regulatory environment for China's real estate market will be further optimised in the second half of 2025, aimed at stabilising the market. Local governments are expected to stimulate housing demand through measures such as flexible mortgage policies, lower interest rates on existing home loans, reduced taxes on home upgrades, and adjustments to the housing provident fund. Overall, while market pressures for adjustment will persist in the short term, the market is expected to stabilise gradually in the second half of the year with the ongoing implementation of policies. This is particularly true for first-tier and core second-tier cities such as Beijing, Shanghai, Shenzhen and Gurnazhou, where the effects of policy optimisation are becoming increasingly apparent, and market activity is expected to rise further.

Looking forward, the Group will continue to deepen its layout in the Yangtze River Delta, the West Coast of the Taiwan Strait and other regions, strengthen its advantages in in-depth layout, actively respond to market opportunities and challenges with its persistence in high quality of products and services, make determined efforts to ensure property delivery and unremitting efforts to improve people's living environment and create happy lives.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of operating results

	For the six months ended 30 June		Change in percentage
	2025	2024	
Contracted sales			
Contracted sales amount (<i>RMB'000</i>) ⁽¹⁾	2,108,005	3,361,837	-37.30%
Contracted gross floor area (<i>sq.m.</i>)	187,577	283,467	-33.83%
Average unit price of contracted sales (<i>RMB/sq.m.</i>)	11,238	11,860	-5.24%
Property delivered			
Revenue from delivery of properties (<i>RMB'000</i>)	1,910,186	13,961,843	-86.32%
Delivered gross floor area (<i>sq.m.</i>)	132,442	545,571	-75.72%
Recognised average selling price of properties delivered (<i>RMB/sq.m.</i>)	14,423	25,591	-43.64%
Revenue (<i>RMB'000</i>)	2,121,936	14,202,468	-85.06%
Cost of Sales (<i>RMB'000</i>)	(1,557,378)	(11,290,211)	-86.21%
Gross profit/(loss) (<i>RMB'000</i>)	564,558	2,912,257	-80.61%
Other income and other gains or losses (<i>RMB'000</i>)	26,155	(36,540)	-171.58%
Profit/(loss) before income tax (<i>RMB'000</i>)	(1,392,034)	965,571	-244.17%
Profit/(loss) for the period (<i>RMB'000</i>)	(1,704,132)	79,977	-2,230.78%
– attributable to owners of the Company (<i>RMB'000</i>)	(1,829,156)	(1,930,740)	-5.26%
– attributable to non-controlling interests (<i>RMB'000</i>)	125,024	2,010,717	-93.78%
Gross profit/(loss) margin ⁽²⁾	26.61%	20.51%	29.75%
Net profit/(loss) margin ⁽³⁾	-80.31%	0.56%	-14,361.65%
Total assets (<i>RMB'000</i>)	96,171,368	99,586,003	-3.43%
Total liabilities (<i>RMB'000</i>)	91,503,606	92,711,695	-1.30%
Total equity (<i>RMB'000</i>)	4,667,762	6,874,308	-32.10%
Capital and reserve attributable to owners of the Company (<i>RMB'000</i>)	(13,582,928)	(11,753,772)	15.56%
Current ratio ⁽⁴⁾	0.87 times	0.96 times	-9.30%
Gearing ratio ⁽⁵⁾	7.56	5.11	47.91%

Notes:

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of gross loss margin is based on gross loss divided by revenue and multiplied by 100% and the calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net profit/(loss) margin is based on profit/(loss) divided by revenue and multiplied by 100%.
- (4) The calculation of current ratio is based on current assets divided by current liabilities.
- (5) The calculation of gearing ratio is based on total borrowings less cash and bank balances and divided by total equity.

Property Development

Contracted Sales

For the six months ended 30 June 2025, the Group and its joint ventures and associates achieved contracted sales of approximately RMB2,108.01 million, representing a decline of approximately 37.30% compared with approximately RMB3,361.84 million for the six months ended 30 June 2024. This decrease was mainly attributable to the decrease in the total GFA of the Group's contracted sales by approximately 33.83% from approximately 283,467 sq.m. for the six months ended 30 June 2024 to approximately 187,577.72 sq.m. for the six months ended 30 June 2025.

The following table sets forth details of the contracted sales of the Group (including its joint ventures and associates) for the six months ended 30 June 2025:

City	Amount RMB million	Percentage %	Total GFA sq.m.	Percentage %	Average selling price RMB/sq.m.
Hangzhou	289.94	13.75	8,146.77	4.34	35,589.04
Chengdu	289.71	13.74	36,293.05	19.35	7,982.45
Fuzhou	243.86	11.57	20,900.17	11.14	11,668.08
Suzhou	224.13	10.63	12,691.81	6.77	17,659.44
Nanjing	159.19	7.55	12,125.46	6.46	13,128.41
Nantong	128.71	6.11	7,831.34	4.17	16,434.89
Qingdao	115.85	5.50	6,384.06	3.40	18,147.23
Fuyang	114.99	5.45	16,173.75	8.62	7,109.51
Taiyuan	87.44	4.15	12,482.07	6.65	7,005.25
Others	454.19	21.55	54,549.25	29.08	8,326.26
Total	2,108.01	100.00	187,577.72	100.00	11,238.04

Projects completed

For the six months ended 30 June 2025, the Group (including its joint ventures and associates) completed a total of 9 projects or phases of projects, with a total GFA of approximately 330,483.68 sq.m. (approximately 196,476.69 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Projects under construction

As at 30 June 2025, the Group (including its joint ventures and associates) had a total of 35 projects or phases of projects under construction, with total planned GFA of approximately 4,338,310.96 sq.m. (approximately 2,534,207.20 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Land reserve

As at 30 June 2025, the total GFA of the Group's land reserve (including its joint ventures and associates) was approximately 16.58 million sq.m., among which, approximately 7.52 million sq.m. were completed properties held for sale, approximately 7.8 million sq.m. were under construction and approximately 1.26 million sq.m. were held for future development.

As at 30 June 2025, the cost per sq.m. of the Group's land reserve (including its joint ventures and associates) was approximately RMB8,695.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 30 June 2025:

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Zhengzhou	Zhengzhou Jiangwancheng-Supai (鄭州江灣城－蘇派)	225	95.11	470
Zhengzhou	Zhengzhou Jiangwancheng-Delan (鄭州江灣城－德藍)	230	90.74	520
Zhengzhou	Zhengzhou City of Times (鄭州時光之城)	826	76.74	3,167
Zhengzhou	Zhengzhou Olympic Century (鄭州奧體世紀)	212	57.19	2,264
Taiyuan	Taiyuan City of Times (太原時光之城)	304	38.00	1,355
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	3,595	29.79	13,521
Zhengzhou	Zhengzhou Jiangwancheng -Zhongqiao (鄭州江灣城－中喬)	147	27.72	722
Hangzhou	Hangzhou Xianghu Yuezhang (杭州湘湖悅章)	3,213	24.82	17,134
Fuzhou	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	471	20.93	1,610
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	142	15.39	912
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	372	12.44	3,360
Tianjin	Tianjin West Coast (天津西海岸)	1,049	12.21	8,238
Huzhou	Anji Yuejiang (安吉悅江府)	236	10.73	2,986
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	256	10.45	2,932
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	612	10.02	6,475
Fuzhou	Fuzhou Heshang Project (福州鶴上項目)	452	9.84	5,121
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	597	9.27	6,518

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Qingdao	The Ocean Coastal (青島海月星灣)	252	9.09	3,504
Jiangmen	Jiangmen Mansion (江門學院府)	332	9.07	4,800
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	148	8.72	3,903
Nantong	Nantong Chongchuan Times Yuechengnan Lot (南通崇川時代悅城南地塊)	937	8.14	14,197
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	116	8.01	2,048
Chongqing	Chongqing Lan Bay (重慶瀾灣)	349	7.87	6,189
Hangzhou	Hangzhou Century (杭州世紀)	1,748	7.65	30,816
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	623	7.37	8,856
Wenzhou	East Wenzhou Pingyang New District B009, 11 Lot (溫州平陽城東新區B009、11地塊)	428	7.25	7,607
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	1,768	7.23	23,558
Nantong	Nantong Chongchuan Yuanlin Road Plot (南通崇川園林路地塊)	667	6.67	13,340
Suzhou	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	941	6.38	16,811
Fuzhou	Pingtian Lanchen (平潭瀾宸)	333	6.34	5,549
Hangzhou	Baolong Lin'an Project (寶龍臨安項目)	280	6.17	6,128
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	784	5.83	14,784
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	368	5.82	7,932
Suzhou	Changshu Project (常熟項目)	275	5.74	6,662
Fuzhou	Changle Lanshan (長樂瀾山)	262	5.66	5,005
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	306	5.61	4,324
Weinan	Weinan Wenquetai (渭南文闕台)	78	5.44	2,393
Baoding	Baoding Jinyue City (保定金悅城)	131	5.09	3,979
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	45	5.06	897
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	794	4.99	19,474
Lanzhou	Lanzhou Lelan • Shiguangyin (蘭州樂瀾 • 時光印)	45	4.95	709
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	255	4.88	5,546
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	301	4.73	7,653
Nanjing	Nanjing Bo'an Center (南京鉅岸中心)	134	4.73	2,515
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	378	4.65	7,397
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	1,482	4.36	27,253

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Fuzhou	Fuzhou CBD 49 Lot (福州CBD49地塊)	482	4.12	14,497
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	665	3.96	16,088
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	259	3.84	11,149
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季隴玥華府)	186	3.83	5,599
Shanghai	Shanghai Parallel Impression (上海海納印象)	1,120	3.77	38,763
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	110	3.68	3,578
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	365	3.60	13,576
Tianjin	Tianjin Jinnan (天津津南府)	450	3.57	12,959
Hangzhou	Hangzhou Vanke Zhong Cheng Hui (杭州萬科中城匯)	642	3.56	24,704
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	1,056	3.50	40,542
Jinhua	Tianyang River Mansion (天陽雲栖江境)	275	3.45	10,562
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	35	3.45	1,127
Suzhou	Kunshan Bacheng Lot (昆山巴城地塊)	168	3.34	5,582
Shanghai	Shanghai Baoshan Luodian Project (上海寶山羅店項目)	551	3.33	22,340
Putian	Xianyou Jianfa Cooperation Project (仙游建發合作項目)	42	3.33	2,784
Shanghai	Shanghai Zhongxing Road (上海中興路)	2,863	3.28	100,091
Suzhou	Suzhou Science City Project (蘇州科技城項目)	416	3.03	15,647
Jiangmen	Jiangmen Guoyue House (江門國樾府)	146	2.98	5,847
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	75	2.98	2,386
Fuzhou	Fuzhou Vanke Zhen Lu Yuan (福州萬科臻麓園)	198	2.95	7,340
Fuyang	Xingfu Li • East County (幸福里 • 東郡)	51	2.93	2,235
Nanjing	Nanjing Vanke Du Hui Tian Di (南京萬科都薈天地)	351	2.92	12,130
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	309	2.90	12,842
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	300	2.89	11,742
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	97	2.70	4,796
Fuyang	Fuyang Yingzhou Project (阜陽潁州項目)	73	2.68	2,961
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲栖龍庭)	149	2.61	8,281
Zhenjiang	Jurong Tianyuefu (句容天悅府)	94	2.58	4,837

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Jiaxing	Haining Lanting (海寧瀾庭)	137	2.55	7,200
Hangzhou	Hangzhou Qinlan (杭州沁瀾)	340	2.42	21,211
Hangzhou	Hangzhou Poly He Guang Chen Yue (杭州保利和光塵樾)	265	2.40	16,005
Fuzhou	Fuzhou Yongtai Project (福州永泰項目)	55	2.32	2,811
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	160	2.26	12,278
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	467	2.21	12,263
Lishui	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	202	1.99	13,169
Xi'an	Chang'an XiYue (長安熙悅)	8	1.97	446
Haining	Haining Lanting Qihang (海寧瀾庭啓杭)	62	1.90	3,939
Hangzhou	Yue Zhen Mansion (樾臻府)	62	1.78	4,375
Hangzhou	Hangzhou Liwang NEO1 (杭州厘望NEO1)	408	1.69	31,551
Chengdu	Chengdu Jinniu 16 mu (成都金牛16畝)	183	1.65	14,200
Chengdu	Chengdu Ruilian (成都瑞聯)	185	1.55	14,300
Shanghai	Shanghai Yangpu Pingliang Lot (上海楊浦平涼地塊)	413	1.46	25,397
Hangzhou	Hangzhou Zhanwang (杭州展望)	272	1.38	25,116
Guangzhou	Guangzhou Tianyue (廣州天樾府)	341	1.38	14,999
Hangzhou	Yunhe Commercial 43 Lot (運河商業43號地塊)	154	1.37	14,075
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	94	1.36	9,600
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	111	1.24	13,004
Hangzhou	Hangzhou Lan Sky (Konggang) 杭州瀾天 (空港)	94	1.17	5,101
Shanghai	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	567	1.16	72,000
Fuyang	Linquan Junyue Mansion (臨泉君樾府)	22	1.02	2,592
Fuzhou	Fuzhou Nice Villa (福州有墅)	7	0.99	486
Changzhou	Changzhou Lanyue (常州瀾悅)	75	0.97	9,313
Chengdu	Chengdu Lan Sky (成都瀾天)	31	0.96	4,200
Jinhua	Jinhua Yuejiang (金華悅江府)	60	0.93	8,467
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	146	0.93	18,699
Shanghai	Shanghai Four Seasons (上海海月四季)	138	0.83	22,578

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Nanjing	Nanjing CIFI Shi Dai Tian Yue (南京旭輝時代天樾)	170	0.83	9,464
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	32	0.83	5,383
Fuzhou	Fuzhou Park Left Bank (福州公園左岸)	143	0.79	21,731
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	148	0.79	25,962
Shanghai	Shanghai Platinum (上海鉑爵)	80	0.72	15,409
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	4	0.68	714
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	242	0.67	44,364
Wenzhou	Wenzhou Rongwang (溫州榮望)	37	0.65	7,203
Suzhou	Suzhou Wuzhong Linhu County Lot (蘇州吳中臨湖鎮地塊)	37	0.58	6,843
Chongqing	Tan Zi Kou (灘子口)	29	0.43	9,255
Fuzhou	Fuzhou Country Garden Yuelinglong (福州碧桂園悅玲瓏)	22	0.23	7,687
Total		45,029	878	8,695

Note:

- (1) This represents the original land costs of these projects only, and did not reflect the fair value decrease that had been recognised upon acquisitions or consolidations by the Group during the six months ended 30 June 2025.

Financial review

Revenue

The Group derives its revenue from sales of properties in the People's Republic of China (the "PRC"), and rental income and others. No revenue was derived from provision of construction services during the Period. The following table sets forth the details of the Group's revenue recognised from such sources for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June		Change in percentage
	2025	2024	
	RMB'000	RMB'000	
Revenue			
Sales of properties	1,910,186	13,961,843	-86.32%
Rental income and others	211,750	240,625	-12.00%
Total	2,121,936	14,202,468	-85.06%

The revenue of the Group decreased by approximately 85.06% from approximately RMB14,202.47 million for the six months ended 30 June 2024 to approximately RMB2,121.94 million for the six months ended 30 June 2025. This decrease was mainly attributable to the combined effects of:

- (i) the decrease in revenue from delivery of properties by the Group by approximately 86.32% from RMB13,962 million for the six months ended 30 June 2024 to RMB1,910 million for the six months ended 30 June 2025. The decrease in revenue from delivery of properties by the Group was primarily due to the decrease in delivery of completed properties;
- (ii) the decrease in rental income by approximately 12.84% from approximately RMB97.90 million for the six months ended 30 June 2024 to approximately RMB85.33 million for the six months ended 30 June 2025. The others comprise mainly of revenue in consulting services, sales commissions and hotel operations. During the six months ended 30 June 2025, revenue from consulting services amounted to approximately RMB52.69 million, the sales commission was approximately RMB1.89 million, and revenue from hotel operations of the Group was approximately RMB66.90 million.

Revenue generated from the sales of properties amounted to approximately RMB1,910 million for the six months ended 30 June 2025. The following table sets forth the details of the revenue generated from the sales of properties of the Group by geographical location for the six months ended 30 June 2025 and 2024, respectively:

For the six months ended 30 June						
	2025			2024		
	GFA			GFA		
	delivered	Average		delivered	Average	
	by the	selling		by the	selling	
	Group	price		Group	price	
Revenue			Revenue			
<i>RMB</i>			<i>RMB</i>			
<i>million</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>	<i>million</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>	
Hangzhou	1,115	31,205	35,732	8,337	80,243	103,899
Wenzhou	177	15,248	11,608	2,010	132,499	15,168
Suzhou	16	974	16,423	871	63,643	13,688
Chongqing	14	2,051	6,825	692	124,410	5,559
Fuyang	144	20,176	7,137	666	50,408	13,212
Others	444	62,788	7,071	1,386	94,368	14,689
Total	1,910	132,442	14,423	13,962	545,571	25,591

Cost of sales

The Group's cost of sales decreased by approximately 86.21% from approximately RMB11,290.21 million for the six months ended 30 June 2024 to approximately RMB1,557.38 million for the six months ended 30 June 2025. This decrease is mainly attributable to the decrease in GFA of the properties delivered by the Group.

Gross loss/profit and gross loss/profit margin

Gross loss/profit represents revenue less cost of sales. As a result of the foregoing, there was a decrease in gross profit from approximately RMB2,912.26 million for the six months ended 30 June 2024 to approximately RMB564.56 million for the six months ended 30 June 2025.

The Group recorded a gross profit margin of approximately 20.51% for the six months ended 30 June 2024 and a gross profit margin of approximately 26.61% for the six months ended 30 June 2025, primarily due to the increase in average gross profit margin of projects delivered by the Group and the write-off of provision for impairment of inventories.

Other income

The Group's other income primarily includes (i) revenue from debt restructuring; and (ii) interest income due from loans to non-controlling interests and related parties. The Group's other income increased by approximately 709.98% from approximately RMB7.81 million for the six months ended 30 June 2024 to approximately RMB63.29 million for the six months ended 30 June 2025. Such change was primarily attributable to the revenue generated from the debt restructuring by the Group for the current period.

Other gains or losses – net

The Group's other gains or losses primarily include (i) gains or losses from dissolution of subsidiaries; and (ii) gains from disposal of associates and joint ventures. The Group incurred other net losses of approximately RMB37.14 million for the six months ended 30 June 2025 as compared to other net losses of approximately RMB44.35 million for the six months ended 30 June 2024. Such change was primarily attributable to the losses from dissolution of subsidiaries by the Group for the current period.

Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) marketing, advertising and commission costs; (iii) property management fees; and (iv) other costs including rental expenses and other miscellaneous fees and expenses.

The Group's selling and marketing costs decreased by approximately 36.06% from approximately RMB116.90 million for the six months ended 30 June 2024 to approximately RMB74.75 million for the six months ended 30 June 2025, primarily due to the decreased sales commissions.

Administrative expenses

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) other taxes; (iii) office and travel expenses; (iv) entertainment expenses; (v) consultation fees; (vi) office lease expenses; (vii) net impairment losses on financial assets; and (viii) others.

The Group's administrative expenses increased by approximately 82.58% from approximately RMB360.40 million for the six months ended 30 June 2024 to approximately RMB658.02 million for the six months ended 30 June 2025, primarily due to the increase in the net impairment losses on financial assets and the increase in expenses arising from penalties for overdue tax payment.

Fair value (losses)/gains on investment properties

The Group recorded fair value losses of approximately RMB38.31 million for the six months ended 30 June 2024 and no change in fair value for the six months ended 30 June 2025.

Finance income/cost – net

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded a net finance cost of approximately RMB1,243.80 million for the six months ended 30 June 2025 and a net finance cost of approximately RMB1,485.52 million for the six months ended 30 June 2024. This fluctuation was primarily due to exchange gains arising from the depreciation of the US\$ against the RMB.

Share of net profit/loss of investments accounted for using the equity method

The Group's share of net profit/loss of investments accounted for using the equity method decreased by approximately 106.79% from net profit of approximately RMB90.99 million for the six months ended 30 June 2024 to net loss approximately RMB6.18 million for the six months ended 30 June 2025, primarily due to the investment losses incurred by joint ventures.

Profit/(loss) before income tax

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss before income tax of approximately RMB1,392.03 million for the six months ended 30 June 2025, representing a turnaround from a profit before income tax of approximately RMB965.57 million for the six months ended 30 June 2024.

Income tax expenses

The Group's income tax expenses comprise provisions made for corporate income tax (including deferred income tax) ("CIT") and land appreciation tax ("LAT") in the PRC.

The Group's income tax expenses decreased by approximately 64.76% from approximately RMB885.59 million for the six months ended 30 June 2024 to approximately RMB312.10 million for the six months ended 30 June 2025. Specifically, CIT (including deferred income tax) decreased by approximately 73.78% from approximately RMB567.99 million for the six months ended 30 June 2024 to approximately RMB148.92 million for the six months ended 30 June 2025, and LAT decreased by approximately 48.62% from approximately RMB317.60 million for the six months ended 30 June 2024 to approximately RMB163.18 million for the six months ended 30 June 2025.

Loss for the Period attributable to owners of the Company

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss for the period attributable to owners of the Company of approximately RMB1,829.16 million for the six months ended 30 June 2025, as compared to a loss for the period attributable to owners of the Company of approximately RMB1,930.74 million for the six months ended 30 June 2024.

Profit/(loss) for the Period attributable to non-controlling interests

The Group recorded a profit for the period attributable to non-controlling interests of approximately RMB125.02 million for the six months ended 30 June 2025 as compared to a profit for the period attributable to non-controlling interests of approximately RMB2,010.72 million for the six months ended 30 June 2024, primarily due to the decrease in gain from disposal of properties recognized under each project (jointly developed with the non-controlling interests) for the six months ended 30 June 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group's net current liabilities amounted to approximately RMB11,680.62 million (31 December 2024: approximately RMB3,644.43 million). Specifically, the Group's total current assets decreased by approximately 4.22% from approximately RMB79,777.62 million as at 31 December 2024 to approximately RMB76,409.84 million as at 30 June 2025. The Group's total current liabilities increased by approximately 5.60% from approximately RMB83,422.05 million as at 31 December 2024 to approximately RMB88,090.45 million as at 30 June 2025. The decrease in the Group's total current assets was primarily attributable to the decrease in properties under development by 7.36% from RMB27,342.14 million as at 31 December 2024 to RMB25,330.47 million as at 30 June 2025.

As at 30 June 2025, the Group had cash and bank balances of approximately RMB2,956.96 million (31 December 2024: approximately RMB3,402.27 million), total borrowings of approximately RMB38,246.77 million (31 December 2024: approximately RMB38,540.14 million) and weighted average effective interest rate for outstanding borrowings of approximately 6.55% (including bank borrowings, trust and other borrowings, the domestic corporate bonds, senior notes and the asset-backed securities) (31 December 2024: approximately 6.70%).

As at 30 June 2025, the aggregated issued amount of the domestic corporate bonds was approximately RMB8,496.80 million, representing approximately 22.22% of the total borrowings of the Group.

Since the second half of 2021, the business environment of China's real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry's business environment, which has brought enormous pressure on the Group's operations. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from disposal of its properties and/or have the cash from external financing to meet its loan repayment obligations.

Although the Company has tried its best to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group's operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

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 2 to the interim condensed consolidated financial statement extracted in this announcement. The Group will closely monitor its liquidity position and issue further announcement regarding the progress of any capital structure solutions or significant business updates.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's borrowings were secured by the Group's assets of approximately RMB31,581.73 million (31 December 2024: approximately RMB33,427.42 million) which includes (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash; and (vi) investment property. Certain borrowings from financial institutions were also secured by the equity interests of certain subsidiaries of the Company.

CONTINGENT LIABILITIES

The Group's contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group's properties. The purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to approximately RMB13,508.30 million as at 30 June 2025 (31 December 2024: approximately RMB20,058.79 million).

The Directors believe that, in case of a default by the Group's purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

Current ratio

As at 30 June 2025, the current ratio of the Group was 0.87 times (31 December 2024: 0.96 times). The decrease of the Group's current ratio was mainly attributable to the decrease of properties under development and completed properties held for sale.

Gearing ratio

As at 30 June 2025, the gearing ratio of the Group was 7.56 (31 December 2024: 5.11), mainly due to the decrease in total assets. This ratio is calculated as net borrowings divided by total equity as shown in the interim condensed consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the interim condensed consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in first-tier cities in the PRC. However, in light of the current market sentiments, the Group will maintain a prudent approach in acquiring land parcels in the PRC. As at the date of this announcement, the Group has no concrete plan for any material investments or capital assets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares).

As of 30 June 2025, the Group did not hold any treasury shares.

FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. As at 30 June 2025, the Group's financial assets and liabilities denominated in currencies other than RMB were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB14,954.71 million. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to its shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

SIGNIFICANT INVESTMENTS HELD

For the six months ended 30 June 2025, the Group did not hold any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events subsequent to 30 June 2025 and as of the date of this announcement.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 427 full-time employees (30 June 2024: 611 full-time employees). For the six months ended 30 June 2025, the staff cost recognised as expenses of the Group amounted to approximately RMB56.8 million.

The remuneration policy of the Group is to provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary raise, bonus and promotion. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiatives and responsibilities. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the six months ended 30 June 2025, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code during the six months ended 30 June 2025, save and except for the deviation from code provision C.2.1 of the Corporate Governance Code which is explained below.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong (“**Mr. Ou**”), an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Ou continues to act as the chairman and chief executive officer of the Group, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director and independent non-executive Directors.

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 as contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the guidelines for Directors’ dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2025.

INTERIM DIVIDEND

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

AUDIT COMMITTEE AND REVIEW OF THE INTERIM RESULTS

The Board has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rongxingroup.com).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee currently consists of three members, namely Mr. Feng Dongcheng, Mr. Ren Yunan and Mr. Ruan Weifeng, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. Feng Dongcheng who possesses appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2025.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

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

By order of the Board
Ronshine China Holdings Limited
Ou Zonghong
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, Mr. Ou Zonghong, Ms. Yu Lijuan, Ms. Zeng Feiyan and Mr. Wu Jianxing are the executive Directors; Mr. Li Shupeí is the non-executive Director; and Mr. Ren Yunan, Mr. Ruan Weifeng and Mr. Feng Dongcheng are the independent non-executive Directors.