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**港龍中國地產**  
GANGLONG CHINA PROPERTY

**Ganglong China Property Group Limited**  
**港龍中國地產集團有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 6968)

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

**FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended 30 June 2025 amounted to approximately RMB1,631 million, representing a period-on-period decrease of approximately 70% as compared to the six months ended 30 June 2024.
- Net loss for the six months ended 30 June 2025 amounted to approximately RMB666 million, as compared to the net loss of RMB154 million for the six months ended 30 June 2024.
- Selling and marketing expenses and general and administrative expenses for the six months ended 30 June 2025 amounted to approximately RMB131 million in total, representing a period-on-period decrease of approximately 18% as compared to the six months ended 30 June 2024.
- Bank and other borrowings of the Group as at 30 June 2025 amounted to approximately RMB4,290 million, representing a decrease of approximately 6% as compared to 31 December 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of Ganglong China Property Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 with the comparative figures for the corresponding period in the previous year as follows:

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers</b>	4	<b>1,631,319</b>	5,367,139
Cost of sales		<u>(2,081,321)</u>	<u>(5,076,777)</u>
<b>Gross (loss)/profit</b>		<b>(450,002)</b>	290,362
Other income/(expenses) and other gains/(losses), net		<b>7,198</b>	(625)
Selling and marketing expenses		<b>(64,101)</b>	(89,085)
General and administrative expenses		<u><b>(66,772)</b></u>	<u>(70,620)</u>
<b>Operating (loss)/profit</b>		<b>(573,677)</b>	130,032
Finance income	5	<b>816</b>	2,917
Finance costs	5	<b>(30,174)</b>	(43,626)
Finance costs – net	5	<u><b>(29,358)</b></u>	<u>(40,709)</u>
Share of results of joint ventures and associates		<u><b>(6,368)</b></u>	<u>(7,551)</u>
<b>(Loss)/profit before income tax</b>		<b>(609,403)</b>	81,772
Income tax expenses	6	<u><b>(56,670)</b></u>	<u>(235,714)</u>
<b>Loss and total comprehensive loss for the period</b>		<u><b>(666,073)</b></u>	<u>(153,942)</u>
<b>Loss attributable to:</b>			
Owners of the Company		<b>(329,717)</b>	(76,419)
Non-controlling interests		<u><b>(336,356)</b></u>	<u>(77,523)</u>
		<u><b>(666,073)</b></u>	<u>(153,942)</u>
<b>Loss per share for loss attributable to owners of the Company</b> (expressed in RMB per share)			
– Basic and diluted	7	<u><b>(0.20)</b></u>	<u>(0.05)</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025	31 December 2024
	<i>Note</i>	<b><i>RMB'000</i></b> <b>(Unaudited)</b>	<b><i>RMB'000</i></b> <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		47,532	56,828
Investment properties		138,500	138,500
Investments accounted for using the equity method		1,314,870	1,321,238
Deferred income tax assets		163,338	173,504
<b>Total non-current assets</b>		<b>1,664,240</b>	<b>1,690,070</b>
<b>Current assets</b>			
Properties under development		9,769,502	11,082,948
Completed properties held for sale		2,320,739	2,794,819
Trade and other receivables and prepayments	8	2,596,757	2,452,882
Amounts due from associates		124,612	131,078
Amounts due from joint ventures		240,408	248,624
Amounts due from non-controlling interests		3,198,548	3,827,435
Tax recoverable		79,268	247,422
Restricted cash		323,810	572,918
Pledged time deposits		2,483	11
Cash and cash equivalents		343,816	265,777
<b>Total current assets</b>		<b>18,999,943</b>	<b>21,623,914</b>
<b>Total assets</b>		<b>20,664,183</b>	<b>23,313,984</b>

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	10	<b>14,838</b>	14,838
Reserves		<b>3,090,885</b>	3,420,602
		<b>3,105,723</b>	3,435,440
<b>Non-controlling interests</b>		<b>4,306,345</b>	4,642,701
<b>Total equity</b>		<b>7,412,068</b>	8,078,141
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>914,909</b>	1,630,522
Deferred income tax liabilities		<b>207,106</b>	214,469
Lease liabilities		<b>35,226</b>	39,587
<b>Total non-current liabilities</b>		<b>1,157,241</b>	1,884,578
<b>Current liabilities</b>			
Trade payables, bills payables and other payables	9	<b>2,630,044</b>	3,469,824
Lease liabilities		<b>8,470</b>	8,613
Contract liabilities		<b>2,033,392</b>	2,746,401
Amounts due to associates		<b>688,030</b>	690,272
Amounts due to joint ventures		<b>555,680</b>	554,774
Amounts due to non-controlling interests		<b>2,544,121</b>	2,506,995
Tax payable		<b>259,635</b>	452,968
Borrowings		<b>3,375,502</b>	2,921,418
<b>Total current liabilities</b>		<b>12,094,874</b>	13,351,265
<b>Total liabilities</b>		<b>13,252,115</b>	15,235,843
<b>Total equity and liabilities</b>		<b>20,664,183</b>	23,313,984

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 October 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the development of real estate projects in the People’s Republic of China (the “**PRC**”). The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 July 2020.

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Board on 29 August 2025.

This interim condensed consolidated financial information for the six months ended 30 June 2025 has not been audited.

## 2. BASIS OF PREPARATION

This interim condensed consolidated 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” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

## 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of amended standards as set out below.

### (a) Amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

### (b) New and amended standards and interpretation not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards and interpretation have been published that are not mandatory for this reporting period and have not been early adopted by the Group.

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other new accounting standards and amendments to accounting standards and interpretation on its current or future reporting periods and on foreseeable future transactions.

**(c) Going concern**

The Group recorded a net loss of RMB666,073,000 for the six months ended 30 June 2025. As at 30 June 2025, (i) the Group's total interest-bearing bank and other borrowings and senior notes amounted to RMB4,290,411,000, out of which RMB3,375,502,000 will be due for repayment within the next twelve months, while its total bank balance and cash (including restricted cash and pledged time deposit) amounted to RMB670,109,000; (ii) an aggregate principal amount of RMB373,611,000 of interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates, triggering certain interest-bearing bank and other borrowings amounting to RMB832,500,000 becoming repayable on demand; and (iii) interest in the amount of US\$8,576,203 under the November 2025 Notes became due and payable on 18 May 2025, and Company was not able to pay such interest with respect to the November 2025 Notes ("**Interest Non-Payment**"). On 19 June 2025, the Company received a notice from the major beneficial noteholder which beneficially owns approximately US\$161.9 million in principal amount of the November 2025 Notes by virtue of the Interest Non-Payment, declaring that the principal of, premium (if any) and accrued and unpaid interest on the November 2025 Notes be immediately due and payable.

The above conditions indicated the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (a) the Group has communicated, and will continue to communicate, with the major noteholder and other 3 noteholders of the November 2025 Notes (collectively holding over 98% of the aggregate principal amount thereof) to explore an overall solution for its relevant indebtedness to safeguard the interests of all stakeholders;
- (b) the Group has been actively negotiating with the Group's existing onshore debt holders to seek renewal or extension for repayment of the Group's bank and other borrowings;
- (c) the Group will continue to seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (d) the Group will continue to focus on the acceleration of the sales of properties;
- (e) the Group will continue to implement measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;
- (f) the Group will continue to negotiate with construction contractors and other parties to resolve any claims and disputes; and
- (g) the Group will continue to seek suitable opportunities to dispose its equity interests in certain project development companies in order to generate additional cash inflows.

The Directors are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the following twelve months from 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements of the Group for the six months ended 30 June 2025 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group will be able to implement the aforementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) successfully negotiating with the major noteholder of the Group's senior notes, who is interested in 89.7% of the Group's outstanding senior notes, to explore an overall solution for its relevant indebtedness to safeguard the interest of all stakeholders;
- (ii) successfully negotiating with the Group's existing onshore debt holders for the renewal or extension for repayment of the Group's bank and other borrowings;
- (iii) successfully obtaining additional new sources of financing as and when needed;
- (iv) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;
- (vi) successfully resolving the claims and disputes with construction contractors and other parties; and
- (vii) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide or any 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 the condensed consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company (the “**Executive Directors**”) have been identified as the chief operating decision-maker. Management determines the operating segments based on the Group’s internal reports, which are then submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors assess the performance of the operating segment based on a measure of profit before income tax and regard there to be only one operating segment – property development. Accordingly, segment disclosures are not presented. No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in the PRC, which is considered as one geographical location in an economic environment with similar risk and returns.

For the six months ended 30 June 2025 and 2024, there was no transaction with a single external customer that amounted to 10% or more of the Group’s revenue.

The revenue from contracts with customers recognised during the six months ended 30 June 2025 and 2024 is sales of properties in the PRC, all of which were recognised at a point in time.

The revenue from external parties is derived from numerous external customers and the revenue reported to the Executive Directors is measured in a manner consistent with that in the interim condensed consolidated financial statements.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB’000</i></b>	<b><i>RMB’000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales of properties	<b><u>1,631,319</u></b>	<b><u>5,367,139</u></b>

## 5. FINANCE COSTS – NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Finance income		
– Interest income from bank deposits	(816)	(2,917)
Finance costs		
– Bank and other borrowings	190,800	203,188
– Lease liabilities	1,554	2,034
– Less: capitalised interest	(162,180)	(161,596)
	30,174	43,626
Finance costs, net	29,358	40,709

## 6. 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	46,504	188,613
– PRC land appreciation tax	7,362	32,890
	53,866	221,503
Deferred income tax	2,804	14,211
	56,670	235,714

### **PRC corporate income tax**

The income tax provision of the Group in respect of operations in PRC has been calculated at the applicable tax rate on the estimated assessable profits for the period, 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 People's Republic of China.

### **PRC land appreciation tax ("LAT")**

Pursuant to the requirements in relation to LAT in the PRC, 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 rate.

### **PRC withholding 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 tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong.

On 21 December 2020 and 2 June 2023, the immediate holding companies of the PRC subsidiaries obtained the Certificate of Resident Status from the Inland Revenue Department and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong. Therefore, a lower 5% withholding tax rate shall be applied to dividend distribution thereafter.

### **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 profits for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

### **Overseas income tax**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law 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.

## 7. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss attributable to owners of the Company during the periods (RMB'000)	<b>(329,717)</b>	(76,419)
Weighted average number of ordinary shares in issue (in thousand)	<b>1,621,799</b>	1,621,799
Basic loss per share (RMB)	<b>(0.20)</b>	(0.05)

### (b) Diluted

The Company did not have any potential dilutive shares outstanding during the six months ended 30 June 2025 and 2024. Accordingly, diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share.

## 8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables from third parties (Note (a))	<b>180,805</b>	131,309
Other receivables	<b>833,019</b>	796,287
Prepayments	<b>1,582,933</b>	1,525,286
Total trade and other receivables and prepayments	<b>2,596,757</b>	2,452,882

*Notes:*

(a) Trade receivables from third parties

Trade receivables mainly arise from sales of properties. Proceeds in respect of sales of properties are generally received in accordance with the terms stipulated in the sale and purchase agreements. There is generally no credit period granted to the property purchasers.

The aging analysis of trade receivables at the interim condensed consolidated statement of financial position dates based on invoice date is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
0-30 days	<b><u>180,805</u></b>	<u>131,309</u>

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical loss experiences, existing market conditions and forward-looking information. Based on the assessment, expected credit loss rate of trade receivables is close to zero. Therefore, the loss allowance provision for these trade receivables balances was not material.

**9. TRADE PAYABLES, BILLS PAYABLES AND OTHER PAYABLES**

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade payables ( <i>Note (a)</i> )	<b>2,508,064</b>	3,210,536
Bills payables	<b>2,645</b>	3,021
Other payables	<b><u>119,335</u></b>	<u>256,267</u>
Total trade and other payables	<b><u>2,630,044</u></b>	<u>3,469,824</u>

(a) The ageing analysis of the trade payables based on invoice dates or contractual terms is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
0–30 days	<b>304,482</b>	677,840
31–60 days	<b>301,003</b>	500,004
61–90 days	<b>209,640</b>	500,678
Over 90 days	<b>1,692,939</b>	1,532,014
	<b><u>2,508,064</u></b>	<b><u>3,210,536</u></b>

## 10. SHARE CAPITAL

	<b>Number of shares</b>	<b>Share capital HK\$</b>
<b>Authorised:</b>		
At 1 January 2025 and 30 June 2025	<b><u>10,000,000,000</u></b>	<b><u>100,000,000</u></b>
	<b>Number of shares</b>	<b>Share capital RMB'000</b>
<b>Issued:</b>		
At 1 January 2025 and 30 June 2025	<b><u>1,621,799,000</u></b>	<b><u>14,838</u></b>

## 11. SHARE OPTION SCHEME

Reference is made to the annual report of the Company for the financial year ended 31 December 2024 which was published on 28 April 2025 (the “**2024 Annual Report**”). The Company operates a share option scheme (the “**Share Option Scheme**”) which became effective on 15 July 2020, being the date of the initial public offering of the Company (the “**Listing Date**”). Further details of which were set out in the 2024 Annual Report.

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the year ended 31 December 2024 and there have been no share options granted under the Share Option Scheme since the Listing Date up to the date of this announcement. Subject to the terms of the Share Option Scheme, in case of the grant of any share options under the Share Option Scheme, the acceptance of offer of such grant must be received by the Company within 20 business days from the date on which the letter containing the offer is delivered to the grantee, together with the payment of a nominal consideration of HK\$1.00 for the acceptance by the grantee.

## 12. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **REVIEW OF THE FIRST HALF OF 2025 AND OUTLOOK FOR THE SECOND HALF OF 2025**

The real estate industry as a whole continued to face severe downward pressure during the period. For the six months ended 30 June 2025, the Group in total delivered properties amounting to approximately RMB1,631 million, with an area of approximately 177,042 sq.m..

Faced with the severe challenges in the industry, the Group has always adhered to the corporate vision of “becoming a city builder for a better life” and carried forward the corporate culture of “integrity, pragmatism, simplicity and efficiency”. The Group has set goals for 2025, uniting in its efforts and making proactive responses. Firstly, the Group strengthened its marketing efforts and balanced quantity with price. We formulated targeted and diverse marketing strategies tailored to different markets to proactively respond to market changes, and enhanced inventory clearing and cash collection management, striving to achieve our sales targets. We enhanced the construction of marketing system, innovated online marketing methods, and at the same time carried out external channel cooperation to expand online and offline customer leads. Through internal training on marketing, we strengthened market prediction and enhanced marketing capability. Secondly, we reduced costs and ensured financial stability by means of cost-saving and cost control measures. The scope of control was expanded from construction work to marketing and administration, etc., leveraging the advantages of centralized purchasing to reduce procurement costs. We proactively optimized our debt structure and financing costs to ensure the safety of cash flow. Thirdly, the Group focused on its core business and accelerated cash collection to support cash flow. Fourthly, the Group constructed with craftsmanship and ensured quality delivery. We made continuous improvements in construction control and established a comprehensive quality control system covering from material quality, site management and construction inspection to delivery evaluation.

With stagnant income expectations and a persistently negative outlook on housing prices, it is expected that China’s real estate market will continue to face adjustment pressures in the second half of 2025. For real estate enterprises, ensuring financial stability is the paramount concern. Given that the real estate market has shifted to a buyer’s market, the key for survival and development of real estate enterprises lies in reinforcing internal strength, improving operational efficiency, enhancing product quality, and continuing to create value for customers.

The Group will continue to focus on product building and customer services based on customers' needs and ensure timely delivery and high quality services. We will strictly control our expenses, keep expenditure within the limits of revenues and focus on cash collection to ensure healthy cash flow. We will adjust the financing structure to further reduce financing costs and continue to conduct talent reviews to keep the organization streamlined and flexible. We will also identify excellent talents with potential, strengthen incentives and adhere to performance metrics to ensure strong operating results. At the same time, we will actively fulfill our social responsibility and enhance our comprehensive brand strength.

## **BUSINESS REVIEW**

The Group derives its revenue primarily from sales of properties. For the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB1,631 million.

### **Contracted sales**

For the six months ended 30 June 2025, including those of joint ventures and associates, the Group recorded unaudited contracted sales of approximately RMB2,700 million, and contracted gross floor area (“GFA”) sold was approximately 221,613 sq.m.. The average selling price (“ASP”) of our contracted sales for the six months ended 30 June 2025 was approximately RMB12,183 per sq.m..

As of 30 June 2025, the Group had contract liabilities of approximately RMB2,033 million as compared to approximately RMB2,746 million as of 31 December 2024.

## Sales of properties

For the six months ended 30 June 2025, the Group recognised revenue from sales of properties of approximately RMB1,631 million. The Group recognised total GFA of approximately 177,042 sq.m.. The ASP of the properties recognised as property sales was approximately RMB9,214 per sq.m..

The following table sets out the recognised sales and GFA sold by types of properties and cities for the six months ended 30 June 2025:

	<b>Recognised GFA sq.m.</b>	<b>Recognised ASP RMB/sq.m.</b>	<b>Recognised revenue RMB'000 (unaudited)</b>
<i>Residential, retail and commercial</i>			
Fuyang	56,543	7,984	451,443
Taizhou	22,428	14,782	331,536
Wuhu	17,745	9,285	164,763
Hefei	11,469	11,087	127,155
Yancheng	21,833	5,774	126,056
Yangzhou	10,454	7,478	78,175
Suzhou	4,633	12,851	59,539
Huangshan	5,690	9,895	56,300
Huaian	3,950	10,569	41,749
Guangzhou	5,081	7,825	39,758
Luoyang	7,921	4,526	35,853
Haian	2,916	11,656	33,990
Nanjing	2,693	10,063	27,099
Foshan	1,242	12,969	16,107
Guizhou	1,504	8,588	12,917
Changzhou	940	10,844	10,193
<i>Car parks and garage/storage and other remaining units</i>			18,686
<b>Total</b>	<b>177,042</b>	<b>9,214</b>	<b>1,631,319</b>

## Land reserves

As of 30 June 2025, the Group (together with its joint ventures and associates) had 54 projects with land reserves amounting to approximately 3,795,222 sq.m., of which 47 projects were located in cities in the Yangtze River Delta region.

The following table sets out the GFA breakdown of the total land reserve of our Group by provinces or cities as of 30 June 2025:

<b>Provinces/Cities</b>	<b>Total land reserve<sup>(1)</sup> (sq.m.)</b>	<b>Percentage of total land bank (%)</b>
Guangdong	1,606,729	42
Jiangsu	1,066,735	29
Anhui	559,273	15
Guizhou	234,152	6
Zhejiang	154,694	4
Henan	132,350	3
Sichuan	26,504	1
Shanghai	14,785	0
<b>Total</b>	<b>3,795,222</b>	<b>100%</b>

*Notes:*

- (1) Total land reserve equals to the sum of (i) the total GFA available for sale and total leasable GFA for completed properties; (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development.
- (2) For projects developed by our subsidiaries, joint ventures or associated companies, 100% of total GFA are accounted for the respective projects.

## **FINANCIAL REVIEW**

### **Overall performance**

During the six months ended 30 June 2025, total revenue of the Group was approximately RMB1,631 million. Gross loss was approximately RMB450 million. Net loss of the Group was approximately RMB666 million. The loss attributable to owners of the Company was approximately RMB330 million.

### **Revenue**

For the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB1,631 million, representing a period-on-period decrease of approximately 70%. The decrease was primarily attributable to lower contracted sales and recognition of properties sold.

### **Cost of sales**

The cost of sales of the Group represents the costs incurred directly for sale of properties, which comprised construction costs, land costs, capitalised interest and impairment recognised for properties under development and completed properties held for sale.

For the six months ended 30 June 2025, the cost of sales of the Group was approximately RMB2,081 million, as compared to approximately RMB5,077 million in the corresponding period of last year, including a net provision for impairment recognised for properties under development and completed properties held for sale of approximately RMB392 million (six months ended 30 June 2024: RMB121 million).

### **Gross (loss)/profit**

For the six months ended 30 June 2025, the gross loss of the Group was approximately RMB450 million, as compared to gross profit of approximately RMB290 million in the corresponding period of last year. Gross profit margin was primarily affected by selling prices, construction costs and land costs of our properties delivered. For the six months ended 30 June 2025, the Group recorded a gross loss margin of approximately 28% as compared to gross profit margin of approximately 5% in the corresponding period in 2024. The decrease in the gross margin was mainly due to the adverse market condition and the increase in impairment recognized for properties under development as compared with the corresponding period of last year.

### **Other income/(expenses) and other gains/(losses), net**

The Group had other income of approximately RMB7 million for the six months ended 30 June 2025, as compared to other expenses of approximately RMB1 million for the six months ended 30 June 2024.

During the six months ended 30 June 2025, it primarily consisted of rental, management and consulting service income of approximately RMB11 million netted off by charges for tax payment extension of approximately RMB4 million (six months ended 30 June 2024: rental, management and consulting service income of approximately RMB8 million netted off by charges for tax payment extension of approximately RMB4 million). The management and consulting services mainly comprise the assignment of staff and personnel to support the operation of the relevant project companies including but not limited to services with respect to managerial, operational, financial and marketing aspects and are provided exclusively to the Group's joint ventures and associates in relation to the property development projects.

### **Selling and marketing expenses**

The Group's selling and marketing expenses decreased by approximately 28% period-on-period from approximately RMB89 million for the six months ended 30 June 2024 to approximately RMB64 million for the six months ended 30 June 2025. The decrease was attributable to the decrease in recognition of properties sold and sales commission, the better control measures in marketing and advertising costs and the reduction in staff costs.

### **General and administrative expenses**

The Group's general and administrative expenses decreased by approximately 6% period-on-period from approximately RMB71 million for the six months ended 30 June 2024 to approximately RMB67 million for the six months ended 30 June 2025. The decrease in general and administrative expenses was primarily due to further organization streamlining to lift efficiency at a lower cost.

### **Finance costs – net**

Net finance costs of the Group decreased by approximately 29% period-on-period from approximately RMB41 million for the six months ended 30 June 2024 to approximately RMB29 million for the six months ended 30 June 2025. The decrease was due to the lower average principal balances of interest-bearing debts.

### **Share of results of joint ventures and associates**

The Group accounts for the results of joint ventures and associates using the equity method, which mainly represent the share of profits related to the projects delivered during the relevant period that have been offset by losses incurred by other joint ventures and associates.

Share of results of joint ventures and associates was approximately a loss of RMB6 million and RMB8 million for the six months ended 30 June 2025 and 2024, respectively. The losses were in line with the decrease in revenue from sales of properties of joint ventures and associates.

## **Income tax expenses**

Income tax expenses was approximately RMB57 million and RMB236 million for the six months ended 30 June 2025 and 2024 respectively.

## **Loss and total comprehensive loss for the period**

The Group's loss and total comprehensive loss was approximately RMB666 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB154 million). The loss attributable to owners of the Company was approximately RMB330 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB76 million).

The basic and diluted loss per share of the Company was RMB0.20 per share for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB0.05 per share).

## **Liquidity and financial resources**

The Group has always pursued a prudent treasury management policy and actively managed its liquidity position to cope with daily operation and demands for capital for future development.

During the six months ended 30 June 2025, the Group had mainly financed its working capital, capital expenditure and other capital requirements primarily through cash generated from operations, including proceeds from the pre-sale and sales of our properties.

As of 30 June 2025, the Group had total cash (including restricted cash, pledged time deposits and cash and cash equivalents) of approximately RMB670 million (as at 31 December 2024: approximately RMB839 million).

During the six months ended 30 June 2025, the aggregate repayment of borrowings was approximately RMB274 million. As of 30 June 2025, the Group's total bank and other borrowings amounted to approximately RMB4,290 million, representing a decrease of approximately 6% as compared to approximately RMB4,552 million as of 31 December 2024. Amongst bank and other borrowings, approximately RMB3,375 million (as at 31 December 2024: approximately RMB2,921 million) will be repayable within one year and approximately RMB915 million (as at 31 December 2024: approximately RMB1,631 million) will be repayable after one year.

Details of the going concern basis and plans and measures to improve the Group's liquidity and financial position are disclosed in Note 3(c) to the interim condensed consolidated financial information of this announcement.

## Senior notes

On 6 November 2023, all of the outstanding senior notes of approximately principal amount of US\$145 million was redeemed in full, and the redemption price was paid in kind with new notes issued in an aggregate principal amount of US\$164,411,875 which bear interest at a fixed rate of 9.5% per annum, payable annually in arrears (the “**2024 Senior Notes**”).

On 18 November 2024, all of the outstanding 2024 Senior Notes was redeemed in full, and the redemption price was paid in kind with new notes issued in an aggregate principal amount of US\$180,551,641 which bear interest at a fixed rate of 9.5% per annum, payable semiannually in arrears (the “**November 2025 Notes**”).

Interest in the amount of US\$8,576,203 under the November 2025 Notes became due and payable on 18 May 2025, and the Company had a grace period of 30 days to pay the interest. In light of the liquidity pressure faced by the Company and in order to preserve capital for the delivery of projects, the Company was not able to pay such interest, which constituted an event of default on 17 June 2025 under the November 2025 Notes (the “**Interest Non-Payment**”).

On 19 June 2025, the Company received a notice from the major beneficial noteholder which beneficially owns approximately US\$161.9 million in principal amount of the November 2025 Notes by virtue of the Interest Non-Payment, declaring that the principal of, premium (if any) and accrued and unpaid interest on the November 2025 Notes be immediately due and payable. As of the date of this announcement, the Company is still in the process of continuing communication with the relevant noteholders to explore an overall solution for its relevant indebtedness to safeguard the interests of all stakeholders.

## Key financial ratios

As of 30 June 2025, the Group’s net gearing ratio (calculated as the total borrowings net of restricted cash, pledged time deposits and cash and cash equivalents divided by total equity) was 49% (as at 31 December 2024: 46%). As of 30 June 2025, the Group’s liabilities to assets ratio after excluding contract liabilities was approximately 60% (as at 31 December 2024: 61%). As of 30 June 2025, the Group’s total cash to short term debt ratio (calculated as cash and bank balances divided by short term bank and other borrowings) was 0.2 times (as at 31 December 2024: 0.3 times). The Group will continue to manage its working capital efficiently through working capital management policies and continue to utilise the Group’s available financial resources including proceeds from sales and pre-sales of property projects, draw down of banking facilities and other borrowings and optimise the payment schedule to contractors through negotiation based on the latest construction progress.

The Group’s current ratio is calculated based on its total current assets divided by its total current liabilities as of the respective dates. The Group’s current ratio had decreased from approximately 1.62 times as of 31 December 2024 to approximately 1.57 times as of 30 June 2025. The current ratio was maintained at a stable level throughout the periods.

## Foreign exchange risk

The Group mainly operates its business in China. As of 30 June 2025, other than the offshore senior notes which are denominated in USD, the Group did not have any other material direct exposure to foreign exchange fluctuations for the six months ended 30 June 2025. The Directors expect that the fluctuation of RMB's exchange rate will not have any material adverse effect on the operation of the Group.

As of 30 June 2025, the Group had not entered into any hedging transactions. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

## Interest rate risk

The Group's interest rate risk arises from its borrowings. Except for the offshore senior notes of which the interest rate is fixed, most of the Group's borrowings are denominated in RMB, and their interest rates on the Group's borrowings are primarily affected by the benchmark interest rates set by the People's Bank of China. The Group manages its interest rate risk by closely monitoring the trend of interest rate fluctuation and its impact on the Group's interest rate risk exposure, as well as regulating the debt portfolio of the Group.

## Pledge of assets

As of 30 June 2025, certain of the Group's bank and other borrowings were secured by its pledged time deposit, equity interests of group companies, properties under development, completed properties held for sales and investment properties with total carrying values of approximately RMB13,027 million (31 December 2024: RMB13,060 million).

## Financial guarantees and contingent liabilities

As of 30 June 2025, the Group's total financial guarantees are as follows:

	<b>30 June 2025 (RMB'000) (Unaudited)</b>	<b>31 December 2024 (RMB'000) (Audited)</b>
Guarantee in respect of mortgage facilities for certain purchasers	<b>4,548,156</b>	6,042,682
Guarantee provided for the borrowings of joint ventures	<b>234,170</b>	234,170
<b>Total</b>	<b>4,782,326</b>	6,276,852

During the six months ended 30 June 2025, the Group had arranged for bank financing for certain purchasers of our properties and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees periods start from the date of grant of mortgage, and terminate upon the earlier of (i) the issuance of the property ownership certificate to the purchaser; or (ii) the satisfaction of mortgage loans by the purchasers of our properties. Pursuant to the terms of these guarantees, upon default of mortgage payments by these purchasers, the bank may demand us to repay the outstanding mortgage principal of the loan together with accrued interest owed by the defaulting purchasers to the banks. Under such circumstances, the Group are entitled to forfeit the relevant purchaser's deposit and resell the property to recover any amounts paid by the Group to the bank. The Directors consider that the likelihood of default of payments by the purchasers is minimal and the Group's credit risk is significantly mitigated.

The Group also provided guarantees for borrowings of the Group's joint ventures and associates from time to time in proportion to its equity interests. The relevant borrowings were primarily from banks to finance property development projects of these joint ventures and associates, whereby the land use rights of the joint ventures and associates were pledged to the banks and its guarantees were provided in addition to the pledges. The Directors consider that the likelihood of default in payments by the joint ventures and associates is minimal and therefore the financial guarantee measured at fair value is immaterial and no liabilities was recognised.

As of 30 June 2025, the Group had no other material contingent liabilities.

### **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

During the six months ended 30 June 2025, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

### **Future plans for material investments**

The Group will continue to invest in its property development projects and acquire suitable land parcels, if it thinks fit. These investments would be funded by internal resources and external borrowings. Save as disclosed above, the Group did not have any future plans for material investments as of the date of this announcement.

### **Human resources**

As of 30 June 2025, the Group had a total of 275 employees (31 December 2024: 299 employees). Total expenditure on salary and welfare of the Group's employees for the six months ended 30 June 2025 amounted to approximately RMB40 million (six months ended 30 June 2024: RMB63 million). The Group has adopted a system of determining the remuneration of employees based on the performance of employees. In general, the Group provides competitive remuneration packages to employees, which include basic salaries, performance-based rewards and year-end bonus. The Group also pays social security insurance for the Group's employees, including medical insurance, work-related injury insurance, endowment insurance, maternity insurance, unemployment insurance and housing funds. In terms of employee training, the Group provides consistent and systematic training to employees based on their positions and expertise, in order to enhance their expertise in real estate and other related fields.

## **PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's Shares or other listed securities during the period.

## **INTERIM DIVIDEND**

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

## **CORPORATE GOVERNANCE**

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code of the Appendix C1 to the Listing Rules (the "**CG Code**"), as its own code to govern its corporate governance practices. Save for the deviation in relation to the chairman of the Board and chief executive officer being the same individual, the Board considers that, the Company has complied with, to the extent applicable and permissible, the CG Code during the six months ended 30 June 2025.

Pursuant to paragraph C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lui Ming is currently the Chairman of the Board and the chief executive officer of the Group, responsible for strategic planning and managing of the Group's overall business and operations. Mr. Lui Ming has been responsible for the overall management of the Group since the establishment of the Group. The Board believes that the current structure enables the Group to make and implement business decision swiftly and effectively which promotes the Group's development in line with other strategies and business direction. The Board considers that the balance of power and authority, accountability and independent decision making under the present arrangement will not be impaired because of the diverse background and experience of the non-executive Directors and independent non-executive Directors. Further, the audit committee of the Company, which consists of a majority of independent non-executive Directors, has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from paragraph C.2.1 of the CG Code is appropriate in such circumstance.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

The Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2025.

## **SIGNIFICANT SUBSEQUENT EVENT**

Save as disclosed elsewhere in this announcement, there were no other material subsequent events took place after 30 June 2025 and up to the date of this announcement.

## **REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION**

### **Audit Committee**

The audit committee of the Company, comprising Prof. Cheung Ka Yue, Ms. Wu Hua and Mr. Xiong Lusheng, has discussed with the management and the Board, reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2025 and this interim results announcement, and confirmed that all applicable accounting principles, standards and requirements have been complied with.

## **PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.glchina.group](http://www.glchina.group)). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the shareholders (if requested) and published on the aforesaid websites in due course.

By Order of the Board  
**Ganglong China Property Group Limited**  
**Lui Ming**  
*Chairman and executive director*

Hong Kong, 29 August 2025

*As of the date of this announcement, the executive directors of the Company are Mr. Lui Ming (Chairman), Mr. Lui Jin Ling, and Mr. Lui Chi Chung Jimmy. The non-executive directors of the Company are Mr. Lui Wing Mau and Mr. Lui Wing Nam. The independent non-executive directors of the Company are Prof. Cheung Ka Yue, Ms. Wu Hua and Mr. Xiong Lusheng.*