



**GUANGZHOU R&F PROPERTIES CO., LTD.**

Stock code: 2777

**2025**

INTERIM REPORT



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# CORPORATE INFORMATION

Executive Directors	Li Sze Lim Zhang Hui Xiang Lijun Zhao Feng
Non-executive Directors	Zhang Lin Li Helen
Independent Non-executive Directors	Zheng Ercheng Ng Yau Wah Daniel Wong Chun Bong
Supervisors	Chen Liangnuan Zhao Xianglin Zhang Yucong
Authorized Representatives	Li Sze Lim Lee Michael
Company Secretary	Lee Michael
Registered Office in the PRC	45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623 PRC
Principal Place of Business in the PRC	45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623 PRC
Principal Place of Business in Hong Kong	Room 6303, The Center, No. 99 Queen's Road Central, Hong Kong
Auditor	BDO Limited Certified Public Accountants Registered Public Interest Entity Auditors 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong
Legal Advisor as to Hong Kong Law	Sidley Austin 39/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Hong Kong H Share Registrar	Computershare Hong Kong Investor Services Limited 17M/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Website	<a href="http://www.rfchina.com">www.rfchina.com</a>

## BUSINESS REVIEW

On behalf of the Board, I am pleased to present our interim report for the first half of the year. During this period, economic conditions have remained persistently challenging. The global business environment was significantly impacted by the widespread implementation of new trade tariffs, which heightened uncertainty and weighed upon the global outlook. These challenges were further compounded by ongoing trade wars, political conflicts, and the continuation of armed conflicts in various regions.

In particular, the United States of America (the "U.S.") undertook comprehensive tariff reforms, introducing substantial import and export duties on goods from all countries. This move, affecting an estimated USD1.2 trillion in global trade volume and led to a marked stagnation in both international trade and production output. According to the World Trade Organization, global merchandise trade volume contracted by 3.2% in the first half of the year, reflecting the far-reaching consequences of these reforms. While certain countries have continued to champion free trade and equality, seeking to stimulate improved trade relations among partners, the abrupt introduction of significant tariffs by the world's largest consumption economy by the U.S. has rendered production unsustainable for many sectors and small businesses. Global manufacturing output fell as producers grappled with higher costs and shifting supply chains to more cost efficient countries. Negotiations and postponement of tariff implementation have provided partial relief but uncertainty due to overhang of trade discussions have undoubtedly exerted a dampening effect on domestic growth and production. Notably, the gross domestic product (the "GDP") growth across major economies slowed to an average of 1.1% in the first half of the year, the lowest level in over a decade.

Despite the global GDP slowdown, China's economy has shown some resilience with official data released by the National Bureau of Statistics recording GDP reached RMB66.05 trillion or 5.3% growth in the first half, one of the highest amongst developed countries. Industrial manufacturing and investment were strong drivers of growth and consumer sentiment continued to improve as the government encouraged domestic consumption. However, China's property sector continued to weigh down on the economy with investment falling during the period as a result of unresolved debt overhang and various restructuring as investors' expectation for a near term resolution was unlikely.

Given the backdrop of China's property sector, the Group remained cautiously optimistic when addressing the challenging conditions. Whilst conditions made it difficult to implement a longer term strategy, no significant adjustments were required by management as to operations and overall strategy. As time progresses, the acknowledgement by the Chinese government that the property sector is an important pillar to GDP growth and in need of support provides optimism that there can only be positive stimulus to provide much needed stability to the sector. Therefore, multiple round table discussions and policies are being discussed to provide some relief or stabilise any further negative trends which would be positive to the Group and sector sentiment.

The Group's operations is reliant on month-to-month contract sales which remains volatile with periods of improved sales in certain months. The Group will continue to focus on maintaining a stable contract sales output as the key liquidity to provide financial resources for daily operations. Monthly contracted sales fluctuate monthly resulting from factors such as inventory availability, pipeline, cyclical trends and festive periods. The Group will adjust sales strategy each period after taking into consideration the various factors to target a steady sales momentum for the remainder of the financial year.

## CHAIRMAN'S MESSAGE

During the past 12-months, management continues to engage with financial advisors and investors to determine a viable holistic restructuring plan for both onshore and offshore investors, banks and debt investors. In China, the focus was on asset realisation and asset credit class where the Group's sizeable non-residential holdings ensure a credible value when compared to residential developments that are more difficult to assess. In terms of offshore corporate actions, the focus is predominantly from exposure of USD denominated senior notes. There has been an active restructuring scheme proposed to noteholders to consider and vote. To formalise the scheme, a 75% accession rate is required. Currently just over half of the noteholders have acceded and communication with the remaining are ongoing. The remaining investors are quite fragmented and passive, therefore, management has been working closely with financial advisors to approach more targeted investors to engage in more detailed dialogue such that they can support the scheme. Based on dialogue thus far, management is confident of making further progress and progressing the restructuring forward.

## GOING FORWARD

Looking ahead for the remainder of 2025, the Group will maintain a conservation approach to manage liquidity and ensure it has sufficient flexibility if challenging markets prolong over a longer period. Management has proven it has the experience and strategy to weather past challenges. I am committed to working closely with our strong team to address challenges directly and appreciate the support they have given over the past 12 months in determining the optimum approach. I have also consciously increased active dialogue with our shareholders and investors during this period to provide accountability and transparency to our stakeholders as we work to achieve a common objective.

## ACKNOWLEDGEMENTS

We thank all our stakeholders for their continued support, confidence and patience as we work together during this challenging environment.

**Li Sze Lim**

*Chairman*

Hong Kong, 27 August 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATION REVIEW

### Contracted Sales

The Group's total contracted sales in the first half of 2025 were approximately RMB7.3 billion with 753,500 sq.m. sold. The contracted sales were generated from 166 projects in 96 cities of 26 provinces (including municipalities and autonomous regions) and 3 overseas countries. On a provincial and regional basis, contracted sales of Guangdong, Shanxi, Beijing, Overseas, Shaanxi, Shandong, Inner Mongolia, Hainan, Jiangsu and Hebei were the highest top 10, which contributed approximately RMB5.64 billion, accounting for approximately 77% of total contracted sales of the Group. In terms of city, contracted sales of tier-1 and tier-2 cities accounted for 63% of total contracted sales. Tier-3 and below cities contributed 30% of total contracted sales and overseas contributed 7%. On the type of property basis, 57% of the total contracted sales were generated from high-rise residential properties, 5% from villa and 38% from commercial properties and others, including office, apartment and retail, etc..

Details of the Group's first half of 2025 total contracted sales by geographical distribution are set out below:

<b>Region</b>	<b>Approximate total value (RMB million)</b>	<b>Approximate total saleable area sold (Thousand sq.m.)</b>
Northwestern China	1,866.5	214.5
Northern China	1,791.4	238.3
Southern China	1,583.4	63.4
Eastern China	779.0	121.0
Overseas	542.2	27.2
Hainan	296.4	27.7
Central Southern China	223.2	43.2
Southwestern China	219.1	18.2
<b>Total</b>	<b>7,301.2</b>	<b>753.5</b>

Details of the Group's top 10 provinces and regions with the highest total contracted sales in the first half of 2025 are set out below:

<b>Area</b>	<b>Approximate total value (RMB million)</b>	<b>Approximate total saleable area sold (Thousand sq.m.)</b>
Guangdong Province	1,583.4	63.4
Shanxi Province	775.1	82.6
Beijing	644.8	56.1
Overseas	542.2	27.2
Shaanxi Province	513.9	57.3
Shandong Province	404.0	70.1
Inner Mongolia	342.3	53.1
Hainan Province	296.4	27.7
Jiangsu Province	275.1	38.6
Hebei Province	259.3	40.7
	<b>5,636.5</b>	<b>516.8</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Projects Under Development

As at 30 June 2025, the Group's projects under development amounted to approximately 9,385,000 sq.m. total GFA with total saleable area of approximately 4,964,000 sq.m., details of which are set out below:

Area	Approximately total GFA (sq.m.)	Approximately total saleable area (sq.m.)
Northern China	1,324,000	508,000
Eastern China	708,000	377,000
Northwestern China	2,168,000	922,000
Southern China	3,123,000	1,967,000
Central Southern China	548,000	318,000
Southwestern China	481,000	152,000
Hainan	151,000	124,000
Overseas	660,000	417,000
<b>Sub-total</b>	<b>9,163,000</b>	<b>4,785,000</b>
Investment Properties	222,000	179,000
<b>Total</b>	<b>9,385,000</b>	<b>4,964,000</b>

### PROPERTY INVESTMENT

The Group's investment properties portfolio mainly located in tier-1 and tier-2 cities, including Grade-A office buildings, shopping malls, various retail properties and theme park etc.. The Group's investment properties portfolio as at 30 June 2025 is approximately 3,022,100 sq.m. in total GFA, among which total GFA of investment properties under operation is approximately 1,871,100 sq.m., and total GFA of investment properties under development or planning is approximately 1,151,000 sq.m..

### HOTEL OPERATION

As of 30 June 2025, the Group has 22 self-build hotels, with total GFA of approximately 1,110,560 sq.m. and 7,513 hotel rooms. The 22 hotels are managed by well-known hotel management groups such as Marriott International, Inc., InterContinental Hotels Group, Hilton Worldwide Holdings Inc., Hyatt Hotels Corporation, Accor Hotels.

## LAND BANK

During the period, the total saleable area of the new land by the Group was approximately 30,000 sq.m.. As at 30 June 2025, the Group's total land bank was approximately 48,037,000 sq.m. and 36,625,000 sq.m. in GFA and total saleable area, distributed across 86 cities and regions across China and overseas with details as below:

Location	Approximately total GFA (sq.m.)	Approximately total saleable area (sq.m.)
<b>Development Properties</b>		
Northern China	12,443,000	9,672,000
Eastern China	3,983,000	3,004,000
Northwestern China	11,579,000	8,664,000
Southern China	6,332,000	5,170,000
Central Southern China	2,568,000	1,760,000
Southwestern China	4,232,000	3,243,000
Hainan	1,942,000	1,816,000
Overseas	3,406,000	2,036,000
<b>Sub-total</b>	<b>46,485,000</b>	<b>35,365,000</b>
Investment Properties	1,552,000	1,260,000
<b>Total</b>	<b>48,037,000</b>	<b>36,625,000</b>



### FINANCIAL REVIEW

#### Revenue

The revenue of the Group mainly derived from property development, rental of investment properties and hotel operation. During the period, due to the continual slump of the real estate industry in the PRC, the Group's revenue generated from property development decreased by 60% to RMB4.165 billion, from RMB10.484 billion for the corresponding period of the previous year. This revenue was based on delivery of 460,960 sq.m. of sale properties in the period which was approximately 48% less than the 887,900 sq.m. delivered in the previous period. Overall average selling price for the period was approximately RMB9,000 per sq.m. (1H2024: RMB11,800 per sq.m.).

Rental income from property investment decreased by 26% to RMB313 million for the period, from RMB425 million in the first half of 2024. Revenue from hotel operations declined by 70% to RMB827 million from RMB2.762 billion in the corresponding period of the previous year. The significant decrease in hotel revenue was mainly due to the derecognition of then subsidiaries in September 2024.

#### Cost of Sales

Cost of sales of the Group primarily represents the costs incurred directly for the Group's property development activities. The components of cost of sales include land and construction costs, capitalised finance costs and levy taxes. In the first half of 2025, cost of sales of the Group was RMB4.506 billion, representing a decrease of 65% when compared with RMB12.882 billion in the previous period. The decrease in the cost of sales was in line with the reduction in revenue.

During the period, land and construction costs made up 85% of the total costs of property development. In terms of costs per sq.m., land and construction costs decreased to RMB6,200 from RMB9,330. Capitalised interest included in the cost of sales amounted to RMB437 million (1H2024: RMB947 million), 10% as a percentage of revenue from sale of properties. The cost of sales also included RMB62 million (1H2024: RMB117 million) as levy taxes.

#### Gross Profit Margin

During the period, the Group's overall gross profit amounted to RMB1.259 billion, as compared to RMB1.329 billion in the corresponding period of 2024. For property development, excluding the inventory impairment provision, the gross profit margin for the period was 19.4%, as compared to 10.9% in the first half of 2024.

#### Other Income and Other Gains/Losses – net

Other income and other gains/losses – net mainly consist of interest income, as well as gains/losses from the disposal of subsidiaries, joint ventures and associates. During the period, the Group recorded a net gain of RMB119 million under other income and other gains/losses, compared to a net gain of RMB1.715 billion in the first half of 2024. The decrease was mainly attributable to higher disposal gains from subsidiaries, a joint venture and an associate recognised in the first half of 2024.

#### Selling and Marketing Costs and Administrative Expenses

In the first half of 2025, the Group's selling and marketing costs decreased by 25%, from RMB606 million in the first half of 2024 to RMB453 million. Similarly, administrative expenses declined from RMB1.577 billion to RMB1.520 billion over the same period. These decreases were primarily attributable to the stringent cost control measures implemented by the Group to address liquidity pressure. Personnel costs remained the largest component of administrative expenses.

### Finance Costs – net

Finance costs – net, representing the total interest expenses incurred in the period, after deducting amounts capitalised to development costs. In the first half of 2025, finance costs – net decreased by 13% to RMB2.394 billion from RMB2.752 billion for the corresponding period of the previous year. The total interest expenses incurred in the period was RMB4.249 billion (1H2024: RMB4.613 billion). Together with RMB437 million charged to the cost of sales related to capitalised interest, the total finance costs incurred during the period amounted to RMB2.831 billion (1H2024: RMB3.699 billion).

### Income Tax Expenses

Income tax expenses of the Group primarily include land appreciation tax (LAT), enterprise and deferred income tax. The total income tax expenses for the six months ended 30 June 2025 was RMB1.216 billion (1H2024: RMB465 million). Out of the amount, LAT accounted for RMB1.140 billion (1H2024: RMB356 million) and enterprise and deferred income tax accounted for RMB76 million (1H2024: RMB109 million).

### Profitability

The Group recorded a net loss of RMB4.082 billion for the period ended 30 June 2025, compared to a net loss of RMB2.331 billion for the period ended 30 June 2024. The net loss for the period was primarily attributable to the continued downturn in the real estate industry in the PRC, which resulted in a decrease in revenue from property development. In addition, the Group recorded net gains from the disposal of subsidiaries, joint ventures and associates in the first half of last year, which reduced the net loss for the same period last year and also contributed to the increase in the loss for the period.

### Financial Resources, Liquidity and Liabilities

As at 30 June 2025, the total cash and bank balances of the Group including restricted cash were RMB3.51 billion (31 December 2024: RMB3.86 billion). Some of the Group's subsidiaries are required to place a certain amount of the pre-sales proceeds received at designated bank accounts as guarantee deposits for construction of pre-sold properties.

As at 30 June 2025, the Group's total borrowings were RMB104.52 billion (31 December 2024: RMB103.02 billion), of which due within 1 year, between 1 and 5 years and over 5 years were amounted to RMB97.59 billion, RMB4.87 billion and RMB2.06 billion respectively. During the six months ended 30 June 2025, new bank borrowings of RMB3.73 billion have been procured while bank borrowings repaid amounted to RMB2.33 billion. The effective interest rate of the total bank borrowings portfolio at 30 June 2025 was 5.81% (31 December 2024: 5.64%).

The gearing ratio is measured by the net borrowings (total borrowing less total cash and cash equivalents and restricted cash) to total equity. As at 30 June 2025, the gearing ratio was 408% (31 December 2024: 348%).

The Group conducts its business primarily in Renminbi and non-Renminbi borrowings accounted for approximately 32% of total borrowings. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2025, the Group has not entered into any foreign exchange hedging transactions.

As for interest rate, RMB bank loans were at normally stable floating interest rates benchmarked to rates published by the People's Bank of China. The fixed rate offshore USD senior notes, domestic bonds and other borrowings further reduced interest rate exposure and therefore no interest rate hedging arrangements had been put in place.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Charge on Assets

As at 30 June 2025, assets with total carrying values of RMB63.15 billion (31 December 2024: RMB66.32 billion) and the Group's shares of certain subsidiaries were pledged to secure bank loans and other borrowings amounted to RMB57.92 billion (31 December 2024: RMB54.69 billion).

### Contingent Liabilities

The Group provided guarantees in respect of bank mortgage loans taken out by purchasers of the Group's sale properties and joint liability counter-guarantees for certain borrowings granted to the Group's joint ventures and associates for project development purpose. For guarantees provided in respect of residential properties, the guarantees are released upon the issuance of real estate ownership certificate of the properties concerned. As at 30 June 2025, such guarantees totalled RMB59.82 billion, decreased by 5% from RMB62.75 billion as at 31 December 2024.

### Employee and Remuneration Policies

As of 30 June 2025, the Group had approximately 20,276 employees. The total staff costs incurred were approximately RMB785 million during the six months ended 30 June 2025. The Group provides competitive remuneration and employees are rewarded on a performance basis within the general framework of the Group's salary and bonus system. Job related training is also provided from time to time.

## INTERIM DIVIDEND

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

## SHARE CAPITAL

The shareholding structure of the Company as at 30 June 2025 was as follows:

Class of shares	No. of shares	Percentage
H shares	3,752,367,344	100.00%
Total	3,752,367,344	100.00%

## DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the beneficial interests and short positions of the directors, chief executive and supervisors of the Company in the shares, underlying shares or debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")), which are required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) entered into the register required to be kept by the Company under section 352 of Part XV of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

### (a) Long positions in the shares, underlying shares and debentures of the Company as at 30 June 2025 were as follows:

Director/ Supervisor	Class of shares	Number of shares			Total number of shares held at the end of the period	Approximate percentage of interests in the total share capital <sup>Note</sup>
		Personal	Spouse or child under 18	Corporate interest		
Li Sze Lim	H share	966,092,672	5,000,000	16,000,000	987,092,672	26.31%
Zhang Hui	H share	1,894,800			1,894,800	0.05%
Xiang Lijun	H share	1,800,000			1,800,000	0.05%
Li Helen	H share	3,600		1,000,000	1,003,600	0.03%
Ng Yau Wah, Daniel	H share		588,000		588,000	0.02%
Chen Liangnuan	H share	20,000,000			20,000,000	0.53%

Note:

The Company's total number of issued shares as at 30 June 2025 was 3,752,367,344 H shares.

## OTHER INFORMATION

### (b) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO):

Director	Name of associated corporation	Type	No. of shares	Percentage of total issued capital
Li Sze Lim	Guangzhou Tianfu Property Development Co., Ltd. ("Tianfu") <sup>(Note 1)</sup>	Corporate	N/A	15%
	Beijing Fushengli Investment Consulting Co., Ltd. ("Fushengli") <sup>(Note 2)</sup>	Corporate	N/A	34.64%
	Easy Tactic Limited ("Easy Tactic") <sup>(Note 3)</sup>	Corporate	N/A	N/A

#### Notes:

1. Tianfu is 15% and 85% owned by Century Land Properties Limited and the Company respectively. Century Land Properties Limited is beneficially owned by Dr. Li Sze Lim.
2. Fushengli is 70% and 30% owned by Well Bright International Limited and Guangzhou Tianli Construction Co., Ltd. respectively. Guangzhou Tianli Construction Co., Ltd. is a subsidiary of the Company. Well Bright International Limited is 51% and 49% owned by Guangdong South China Environmental Protection Investment Co., Ltd. and Sparks Real Estate Holdings Limited respectively. Dr. Li Sze Lim owns 49% of Guangdong South China Environmental Protection Investment Co., Ltd.. Sparks Real Estate Holdings Limited is beneficially owned by Dr. Li Sze Lim as to 50%.
3. Dr. Li Sze Lim (a) has an interest in USD6,204,383 of the USD1,034,162,134 senior notes due 2025 issued by Easy Tactic; and (b) through his spouse, has an interest in (i) USD11,505,460 of the USD1,921,827,815 senior notes due 2027 issued by Easy Tactic; and (ii) USD116,698,199 of the USD1,571,167,017 senior notes due 2028 issued by Easy Tactic.

Save as disclosed above, as at 30 June 2025, none of the directors, chief executive or supervisors of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as the directors are aware, only the following persons (other than the directors, chief executive and supervisors of the Company) held 5% or more beneficial interests or short positions in the shares and underlying shares of the Company which would be required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, as recorded in the register as required to be kept under section 336 of the SFO.

Name of shareholder	Type of share	Nature of interest	Number of shares	Approximate percentage of interests in H shares <sup>(Note 1)</sup>
Zhang Li	H share	Beneficial owner/ Interest of spouse	842,146,272 <sup>(Note 2)</sup>	22.44%

Notes:

- The Company's total number of issued shares as at 30 June 2025 was 3,752,367,344 H shares.
- Mr. Zhang Li is the beneficial owner of 822,146,272 H shares and is deemed to be interested in the 20,000,000 H shares held by his spouse.

Save as disclosed above, as at 30 June 2025, no other persons' (other than the directors', chief executive's and supervisors') interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

### BOARD COMPOSITION AND PRACTICE

The Board consists of nine members, including four executive directors: Dr. Li Sze Lim, Chairman, Mr. Zhang Hui, Mr. Xiang Lijun and Mr. Zhao Feng; two non-executive directors: Ms. Zhang Lin (the sister of Mr. Zhang Li, a substantial shareholder of the Company) and Ms. Li Helen (the sister of Dr. Li Sze Lim); and three independent non-executive directors: Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong. Save as disclosed, there is no business or other relationship among members of the Board. The structure, size and composition of the Board will be reviewed from time to time to ensure that the Board retains a mix of balanced skills and expertises to provide effective leadership of the Company according to the board diversity policy of the Company.

All directors have entered into a service contract with the Company for a specific term of three years. They are all subject to retirement from office by rotation and re-election at the general meeting once every three years in accordance with the Articles of Association.

The Board is fully responsible for the formulation of business policies and strategies in relation to the business operations of the Group, including dividend policy and risk management strategies. It is also responsible for the adoption of internal business and management control as well as the monitoring of the effectiveness of its control measures.

All directors, including non-executive directors and independent non-executive directors, have devoted sufficient time and effort to serve the business affairs of the Company. All non-executive directors and independent non-executive directors possess appropriate academic and professional qualifications and related management experience and have contributed to the Board with their professional advice. Pursuant to the requirement of Rule 3.10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, the Company has three independent non-executive directors, one of whom has appropriate professional qualifications in accounting and financial management.

The notice of Board meeting will be given to all directors at least 14 days prior to the date of meeting. All directors are given opportunities to include any matters they would like to discuss in the agenda. The company secretary is responsible to the Board for ensuring that all board procedures are followed, and detailed minutes of the Board meetings are prepared, circulated and approved. The company secretary is also responsible for the Company's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, SFO and other applicable laws, rules and regulations.

The Company continuously updates all directors on the latest development regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

There is no position of the chief executive officer in the Company. The responsibilities of the chief executive officer is currently performed collectively by the executive directors, including the Chairman, who meet from time to time to manage the operations of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the Company.

## **COMPLIANCE WITH THE MODEL CODE BY DIRECTORS AND SUPERVISORS OF THE COMPANY**

The Company has adopted the Model Code laid out in Appendix C3 to the Listing Rules as the code of conduct for directors and supervisors in any dealings in the Company's securities. The Company has made specific enquiries of each director and supervisor, each of whom has confirmed their compliance with the Model Code during the six months ended 30 June 2025.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Group is committed to enhancing its corporate governance practices and procedures. It complies strictly with the PRC Company Law and other applicable laws and regulations. In particular, it has complied with the code provisions set out under the Corporate Governance Code as stated in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2025.

## **AUDIT COMMITTEE**

The audit committee of the Company was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. The audit committee is delegated by the Board to be responsible for reviewing the accounting policies and practices adopted by the Group as well as reviewing internal control, risk management and financial reporting matters of the Group. There were no disagreements from the audit committee on the accounting policies adopted by the Company.

The audit committee comprises Mr. Wong Chun Bong (chairman of the audit committee) and Mr. Zheng Ercheng who are independent non-executive directors of the Company and Ms. Li Helen who is a non-executive director of the Company. The audit committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2025.



## OTHER INFORMATION

### REMUNERATION COMMITTEE

The remuneration committee of the Company was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. The committee comprises Mr. Zheng Ercheng (chairman of the remuneration committee), Dr. Li Sze Lim, and Mr. Ng Yau Wah, Daniel. The principal responsibilities of the remuneration committee include the making of recommendation to the Board on the Company's remuneration policy and specific remuneration packages of directors of the Company.

### NOMINATION COMMITTEE

The nomination committee of the Company was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. The committee comprises five directors: Dr. Li Sze Lim, executive director, Ms. Li Helen, non-executive director, and three independent non-executive directors, Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong. Dr. Li Sze Lim is the chairman of the committee.

The nomination committee is responsible for the formulation of nomination policy for the consideration of the Board and implementing the policy approved by the Board. Specific responsibilities include, among others, review the structure, size and composition of the Board according to the Board diversity policy, assist the Board in maintaining a Board skills matrix, identify and nominate candidates to fill causal vacancies of directors, make recommendations to the Board in respect of succession planning and support the regular evaluation of the Board's performance.

### SHAREHOLDERS RELATION

The Company has adopted a shareholders' communication policy with the objective of ensuring the shareholders and the investment community are provided with ready, equal and timely access to information about the Company, and allowing them to engage actively with the Company.

The Company has established different communication channels with its shareholders. Apart from general meetings, annual reports, interim reports, circulars and announcements as required under the Listing Rules, shareholders are encouraged to visit the website of the Company which is updated with the most recent key information of the Group.

# CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(All amounts in RMB Yuan thousands unless otherwise stated)

	Note	Unaudited 30 June 2025	Audited 31 December 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	20,302,335	20,576,442
Right-of-use assets	7	3,301,979	3,355,047
Investment properties	7	29,496,285	29,459,220
Intangible assets	7	495,895	512,896
Interests in joint ventures	8	7,585,095	7,548,961
Interests in associates	9	3,542,149	3,516,579
Deferred income tax assets		9,127,816	8,891,922
Financial assets at fair value through other comprehensive income ("FVOCI")	5	4,176,877	4,343,684
Other financial assets	10	246,969	246,981
		<b>78,275,400</b>	78,451,732
<b>Current assets</b>			
Properties under development		120,738,494	122,211,099
Completed properties held for sale		40,653,368	41,764,488
Inventories		1,232,069	1,205,425
Trade and other receivables and prepayments	11	41,143,591	38,942,472
Tax prepayments		3,598,961	4,153,808
Restricted cash	12	2,819,523	3,076,424
Cash and cash equivalents		688,052	787,385
		<b>210,874,058</b>	212,141,101
<b>Total assets</b>		<b>289,149,458</b>	290,592,833

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(All amounts in RMB Yuan thousands unless otherwise stated)

	Note	Unaudited 30 June 2025	Audited 31 December 2024
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	3,752,367	3,752,367
Other reserves		9,499,148	9,095,322
(Accumulated losses)/retained earnings		(971,587)	3,074,750
		<b>12,279,928</b>	15,922,439
<b>Non-controlling interests</b>		<b>12,491,026</b>	12,534,276
<b>Total equity</b>		<b>24,770,954</b>	28,456,715
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	14	6,929,951	8,875,691
Lease liabilities		26,342	33,510
Deferred income tax liabilities		8,844,977	8,305,955
Other payables	15	478,911	1,104,307
		<b>16,280,181</b>	18,319,463
<b>Current liabilities</b>			
Accruals and other payables	15	103,355,905	101,044,115
Contract liabilities		22,058,869	23,530,371
Current income tax liabilities		24,687,543	24,695,455
Short-term borrowings	14	2,692,117	454,380
Current portion of long-term borrowings	14	94,902,261	93,687,778
Lease liabilities		16,441	19,369
Dividend payable		369,787	369,787
Derivative financial instruments		15,400	15,400
		<b>248,098,323</b>	243,816,655
<b>Total liabilities</b>		<b>264,378,504</b>	262,136,118
<b>Total equity and liabilities</b>		<b>289,149,458</b>	290,592,833

The notes on pages 24 to 47 form an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(All amounts in RMB Yuan thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June	
		2025	2024
Revenue	6	5,765,053	14,210,860
Cost of sales		(4,506,006)	(12,881,959)
<b>Gross profit</b>		<b>1,259,047</b>	1,328,901
Other income	16	349,474	171,360
Other (losses)/gains – net	17	(230,385)	1,543,197
Selling and marketing costs		(452,890)	(605,533)
Administrative expenses		(1,520,020)	(1,576,747)
Provision for impairment losses on financial assets, net of reversal		22,153	(1,801)
<b>Operating (loss)/profit</b>		<b>(572,621)</b>	859,377
Finance costs – net	18	(2,393,758)	(2,751,643)
Share of results of joint ventures		75,043	22,594
Share of results of associates		25,306	4,115
<b>Loss before income tax</b>		<b>(2,866,030)</b>	(1,865,557)
Income tax expenses	19	(1,216,091)	(465,144)
<b>Loss for the period</b>		<b>(4,082,121)</b>	(2,330,701)
<b>Loss attributable to:</b>			
– Owners of the Company		(4,046,337)	(2,330,839)
– Non-controlling interests		(35,784)	138
		<b>(4,082,121)</b>	(2,330,701)
<b>Basic and diluted losses per share for loss attributable to owners of the Company</b> (expressed in RMB Yuan per share)		<b>(1.0783)</b>	(0.6212)

The notes on pages 24 to 47 form an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB Yuan thousands unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
	2025	2024
<b>Loss for the period</b>	<b>(4,082,121)</b>	(2,330,701)
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
– Change in fair value of financial assets at fair value through other comprehensive income, net of tax	<b>(166,807)</b>	(45,644)
<i>Items that may be reclassified to profit or loss</i>		
– Share of other comprehensive income of joint ventures and associates accounted for using the equity method	<b>311</b>	(15)
– Currency translation differences	<b>570,322</b>	204,100
<b>Other comprehensive income for the period, net of tax</b>	<b>403,826</b>	158,441
<b>Total comprehensive income for the period</b>	<b>(3,678,295)</b>	(2,172,260)
<b>Total comprehensive income for the period attributable to:</b>		
– Owners of the Company	<b>(3,642,511)</b>	(2,172,398)
– Non-controlling interests	<b>(35,784)</b>	138
	<b>(3,678,295)</b>	(2,172,260)

The notes on pages 24 to 47 form an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(All amounts in RMB Yuan thousands unless otherwise stated)

	Unaudited					
	Attributable to owners of the Company					
	Share capital	Other reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2025</b>	3,752,367	9,095,322	3,074,750	15,922,439	12,534,276	28,456,715
<b>Comprehensive income</b>						
Loss for the period	-	-	(4,046,337)	(4,046,337)	(35,784)	(4,082,121)
<b>Other comprehensive income</b>						
Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	(166,807)	-	(166,807)	-	(166,807)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	-	311	-	311	-	311
Currency translation differences	-	570,322	-	570,322	-	570,322
<b>Total other comprehensive income, net of tax</b>	-	403,826	-	403,826	-	403,826
<b>Total comprehensive income/(loss) for the period ended 30 June 2025</b>	-	403,826	(4,046,337)	(3,642,511)	(35,784)	(3,678,295)
Deregistration of a subsidiary	-	-	-	-	(7,466)	(7,466)
<b>Balance at 30 June 2025</b>	3,752,367	9,499,148	(971,587)	12,279,928	12,491,026	24,770,954

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(All amounts in RMB Yuan thousands unless otherwise stated)

	Unaudited					
	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
<b>Balance at 1 January 2024</b>	3,752,367	11,655,625	18,287,878	33,695,870	12,696,292	46,392,162
<b>Comprehensive income</b>						
(Loss)/profit for the period	-	-	(2,330,839)	(2,330,839)	138	(2,330,701)
<b>Other comprehensive income</b>						
Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	(45,644)	-	(45,644)	-	(45,644)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	-	(15)	-	(15)	-	(15)
Currency translation differences	-	204,100	-	204,100	-	204,100
<b>Total other comprehensive income, net of tax</b>	-	158,441	-	158,441	-	158,441
<b>Total comprehensive income/(loss) for the period ended 30 June 2024</b>	-	158,441	(2,330,839)	(2,172,398)	138	(2,172,260)
Distribution of profit from a subsidiary to minority shareholders	-	-	-	-	(5,439)	(5,439)
<b>Balance at 30 June 2024</b>	3,752,367	11,814,066	15,957,039	31,523,472	12,690,991	44,214,463

The notes on pages 24 to 47 form an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(All amounts in RMB Yuan thousands unless otherwise stated)

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
– Cash generated from/(used in) operations	1,195,107	(747,462)
– Interest paid	(606,144)	(725,317)
– Income tax and land appreciation tax paid	(277,231)	(200,188)
<b>Net cash generated from/(used in) operating activities</b>	<b>311,732</b>	<b>(1,672,967)</b>
<b>Cash flows from investing activities</b>		
– Purchases of property, plant and equipment	(7,452)	(58,367)
– Purchases of intangible assets	(370)	(2,026)
– Additions of right-of-use assets	–	(132)
– Additions of investment properties	(174)	–
– Proceeds from disposals of investment properties	–	45,558
– Proceeds from disposals of property, plant and equipment	1,955	294
– Proceeds from disposals of a joint venture	–	353,669
– Proceeds from disposals of an associate	–	66,000
– Disposal of subsidiaries, net of cash	(7,001)	977,741
– Cash receipts from the repayment of advances to related parties	9,001	36,553
– Cash advances to related parties	(2,266)	(5,284)
– Interest received	9,793	32,317
<b>Net cash generated from investing activities</b>	<b>3,486</b>	<b>1,446,323</b>
<b>Cash flows from financing activities</b>		
– Proceeds from borrowings, net of transaction costs	286,596	565,723
– Proceeds from other payables	1	4,846
– Repayments of other payables	(20,107)	(196,807)
– Repayments of borrowings	(949,206)	(686,102)
– Repayments to a shareholder of a joint venture	–	(2,181)
– Repayments of principal of lease liabilities	(6,546)	(20,976)
– Decrease in guarantee deposits for borrowings	235,760	230,596
– Cash advances from related parties	12,463	171,766
– Repayments to related parties	(6,996)	(198,149)
– Distribution of profit from a subsidiary to minority shareholders	–	(5,633)
<b>Net cash used in financing activities</b>	<b>(448,035)</b>	<b>(136,917)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(132,817)</b>	<b>(363,561)</b>
Exchange gains/(losses)	33,484	(574)
Cash and cash equivalents at the beginning of the period	787,385	1,727,204
<b>Cash and cash equivalents at the end of the period</b>	<b>688,052</b>	<b>1,363,069</b>

The notes on pages 24 to 47 form an integral part of this condensed consolidated interim financial information.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

## 1. GENERAL INFORMATION

Guangzhou R&F Properties Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623, the PRC.

The shares of the Company have been listed on The Main Board of Stock Exchange of Hong Kong Limited since 14 July 2005.

This condensed consolidated interim financial information is presented in RMB Yuan (RMB), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 27 August 2025.

## 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### Going concern basis

For the six months ended 30 June 2025, the Group incurred a loss attributable to the owners of the Company of RMB4.046 billion. As at 30 June 2025, the Group’s total bank borrowings, domestic bonds, senior notes and other borrowings (including those in accruals and other payable) amounted to RMB114.120 billion, out of which RMB106.711 billion will be due for repayment within the next twelve months while the Group has total cash including restricted cash of RMB3.508 billion.

Moreover, as at 30 June 2025, the Group was unable to repay certain bank borrowings and other borrowings of RMB32.745 billion according to their scheduled repayment dates, and subsequent to 30 June 2025 up to the date of approval of these condensed consolidated interim financial statements, the Group was unable to repay certain bank and other borrowings of RMB4.800 billion that are due for repayment. As a result, certain bank borrowings and other borrowings with an aggregate principal amount of RMB85.479 billion became default or cross-default.

Furthermore, the Group has been involved in various litigation cases related to unrepaid borrowings, construction disputes and other matters for which the Group has made provision.

## 2. BASIS OF PREPARATION (Continued)

### Going concern basis (continued)

In view of these circumstances, the directors of the Company (the “Directors”) have carefully considered the Group’s cash flow forecast for the next 12 months from 30 June 2025 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have come up with certain plans and measures to ensure the Group to have sufficient financial resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

- The Company and its advisors have been engaged in dialogue with its stakeholders on the proposed restructuring (the “Restructuring”) of its offshore debt (the “In-Scope Debt”), in an effort to reach a solution under which all of its stakeholders will be treated fairly. The In-Scope Debt comprises three 6.5% Cash/7.5% PIK Senior Notes as defined in note 14(c) due in 2025, 2027 and 2028 respectively issued by Easy Tactic Limited (the “Notes Issuer”), a subsidiary of the Company, and any other financial indebtedness of the Group as designated by the Company, the Notes Issuer and R&F Properties (HK) Company Limited (“R&F (HK)”, and together with the Company and the Notes Issuer, the “Transaction Companies”) at their sole discretion;

As of the date of approval of these financial statements, the progress of the Restructuring is as follows:

- On 16 December 2024, the Company announced a restructuring proposal for the Restructuring and the related terms of the restructuring support agreement (the “RSA”). The Restructuring is expected to be implemented through a scheme of arrangement in the English court and/or court of other applicable jurisdiction in the sole discretion of the Transaction Companies, and/or to the extent that the Notes Issuer and the Company deem that it is necessary, through any other consent solicitation, corporate action, legal proceedings or other procedure or step commenced for the primary purpose of implementing the Restructuring.
  - The Restructuring will involve, among other things, a full release of the scheme creditors’ claims in exchange for the restructuring consideration, all In-Scope Debt shall be cancelled and all guarantees and securities (if any) in connection with the In-Scope Debt will be released and extinguished. For the details of the Restructuring plan, please refer to the announcement of the Company dated 16 December 2024.
  - As of the date of approval of these financial statements, the Restructuring is still in progress. The Transaction Companies with the assistance with their advisors, are in active discussions with the major holders of the In-Scope Debt. The Restructuring entails a significant deleveraging of the Group’s offshore indebtedness, which will enable the Company to better manage its operations and deliver long-term value for its stakeholders upon consummation. The Group will continue to maintain active communication with offshore creditors and strive to obtain support from relevant creditors to accede to the RSA as soon as possible, so as to complete the remaining implementation steps of the Restructuring.
- The Group is actively in discussions with other existing lenders to extend, refinance or restructure of the Group’s borrowings and not to demand immediate repayment until the Group generated sufficient cash flows. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales to address upcoming financial obligations and future operating cash flow requirements whilst engaging in existing lenders;

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

## 2. BASIS OF PREPARATION (Continued)

### Going concern basis (continued)

- Subsequent to the completion of the disposal of the Company's equity interest and shareholder's loan in a subsidiary with property development project in London in May 2024, the Group will continue to seek suitable opportunities to dispose of the equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher-tier cities that make them relatively more attractive to potential buyers and retain a higher value in current market conditions;
- The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Group is confident that it will be able to reach a solution to address the named litigations but also dispute claims referred in litigations where the outcome is not certain at this stage;
- 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. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts; and
- The Group has already made significant adjustments to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

The Directors considered 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 for at least 12 months from 30 June 2025. Accordingly, the Directors are of the opinion that it is appropriate to prepare the condensed consolidated financial statements of the Group for the period ended 30 June 2025 on a going concern basis.

However, the validity of the going concern assumption depends upon the successful outcome of the Group's plans and measures, including debt restructuring, loan negotiations, asset disposals, litigation resolutions, accelerating property sales and collections, and implementing business and cost control strategies to improve cash flow and working capital. These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the above-mentioned plans and measures on a timely basis, it may be unable to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

### 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the 2024 financial statements as described therein.

#### **New and amended standards and interpretation adopted by the Group**

The following new or amended standards and interpretation are mandatory for the first time for the financial year beginning on 1 January 2025.

<u>Standards</u>	<u>Subject</u>
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

None of the new or amended standards have a material effect on the reported results or financial position of the Group for both current and prior reporting periods. The Group has not early applied any new or amended standards or interpretations that is not yet effective for the current accounting period.

### 4. JUDGEMENTS AND ESTIMATES

The preparation of interim financial information 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 this interim financial information, 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 that applied to the consolidated financial statements for the year ended 31 December 2024.

### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.2 Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents, including proceeds from pre-sales of properties, short-term and long-term borrowings, available funding through adequate amount of credit lines for which the Group has obtained non-binding letters of intent or strategic cooperation letters from certain domestic banks, to meet its construction and investment commitments.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include controlling investment in land banks, adjusting project development timetable to adapt to the changing local real estate market environment, implementing cost control measures, accelerating sales of properties with more flexible pricing, seeking joint venture partners to co-develop quality projects, and disposing of certain hotel or investment properties with acceptable prices to the Group. The Group will, based on its assessment of the relevant costs and benefits, pursue such options as appropriate.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>At 30 June 2025</b>					
Borrowings (Note (i))	99,536,862	3,625,297	5,375,095	2,722,772	111,260,026
Lease liabilities	18,855	14,437	7,181	10,328	50,801
Financial liabilities as included in accruals and other payables (excluding accruals for staff costs and allowance and other taxes payable)	58,794,017	198,901	305,248	–	59,298,166
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	49,048,428	–	–	–	49,048,428
Guarantees in respect of borrowings of joint ventures and associates	7,109,065	1,825,276	965,213	874,007	10,773,561
Derivative financial instruments	15,400	–	–	–	15,400
<b>At 31 December 2024</b>					
Borrowings (Note (i))	98,598,841	7,475,108	4,570,932	2,907,578	113,552,459
Lease liabilities	22,530	16,038	12,743	11,405	62,716
Financial liabilities as included in accruals and other payables (excluding accruals for staff costs and allowance and other taxes payable)	54,239,356	890,358	250,938	–	55,380,652
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	51,985,832	–	–	–	51,985,832
Guarantees in respect of borrowings of joint ventures and associates	4,838,112	3,165,095	486,739	2,269,298	10,759,244
Derivative financial instruments	15,400	–	–	–	15,400

Note:

- (i) Interest on borrowings is calculated on borrowings held as at 30 June 2025 and 31 December 2024 respectively. Floating-rate interest is estimated using the current interest rate as at 30 June 2025 and 31 December 2024 respectively.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Credit risk

The extent of the Group's maximum exposure to credit risk in relation to financial assets is the aggregate carrying value of cash deposits in banks, trade and other receivables, contract assets and other financial assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking information.

#### 5.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group will consider the macroeconomic conditions, prevailing borrowing rate in the market and adequacy of cash flows generated from operations and may raise funding through capital market or bank borrowings as necessary.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the condensed consolidated interim balance sheet) less cash and cash equivalents and restricted cash.

	As at	
	30 June 2025	31 December 2024
Total borrowings (Note 14)	104,524,329	103,017,849
Less: cash and cash equivalents restricted cash	(688,052) (2,819,523)	(787,385) (3,076,424)
Net debt	101,016,754	99,154,040
Total equity	24,770,954	28,456,715
Gearing ratio	408%	348%

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.5 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follow:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2025 and 31 December 2024 by level of the inputs to valuation techniques used to measure fair value.

	As at	
	30 June 2025	31 December 2024
<b>Financial assets at FVOCI</b>		
Level 1	219,673	309,161
Level 3	3,957,204	4,034,523
	<b>4,176,877</b>	4,343,684

	As at	
	30 June 2025	31 December 2024
<b>Financial assets at FVOCI</b>		
Opening balance	4,343,684	405,392
Retained interest in the then subsidiaries	–	4,165,982
Disposals	–	(933)
Fair value losses recognised as other comprehensive income	(166,807)	(226,757)
Closing balance	<b>4,176,877</b>	4,343,684

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 6. SEGMENT INFORMATION

#### (a) Description of segments and principal activities

The chief operating decision-maker has been identified as the Executive Directors. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purpose of allocating resources and assessing performance.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and other related services. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of loss for the period. The information provided to the Executive Directors is measured in a manner consistent with that in the financial statements.

#### (b) Segment performance

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2025 and 2024 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
<b>Six months ended 30 June 2025</b>					
Segment revenue	4,200,747	399,090	842,718	481,663	5,924,218
Inter-segment revenue	(35,489)	(85,917)	(15,419)	(22,340)	(159,165)
<b>Revenue from external customers</b>	<b>4,165,258</b>	<b>313,173</b>	<b>827,299</b>	<b>459,323</b>	<b>5,765,053</b>
<b>(Loss)/profit for the period</b>	<b>(3,875,417)</b>	<b>148,392</b>	<b>25,915</b>	<b>(381,011)</b>	<b>(4,082,121)</b>
Finance costs – net	(2,126,702)	(83,451)	(12,293)	(171,312)	(2,393,758)
Share of results of joint ventures	75,159	–	–	(116)	75,043
Share of results of associates	39,957	–	–	(14,651)	25,306
Income tax (expenses)/credits	(1,200,893)	(39,824)	37,822	(13,196)	(1,216,091)
Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets	(123,769)	–	(217,081)	(144,431)	(485,281)
Amortisation of incremental costs for obtaining contracts with customers	(240,015)	–	–	–	(240,015)
Provision for impairment losses on financial assets, net of reversal	21,082	33	197	841	22,153



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 6. SEGMENT INFORMATION (Continued)

#### (b) Segment performance (continued)

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2025 and 2024 are as follows: (continued)

	Property development	Property investment	Hotel operations	All other segments	Group
<b>Six months ended 30 June 2024</b>					
Segment revenue	10,484,469	518,524	2,817,003	638,074	14,458,070
Inter-segment revenue	–	(93,871)	(54,808)	(98,531)	(247,210)
<b>Revenue from external customers</b>	<b>10,484,469</b>	<b>424,653</b>	<b>2,762,195</b>	<b>539,543</b>	<b>14,210,860</b>
<b>(Loss)/profit for the period</b>	<b>(1,929,330)</b>	<b>217,273</b>	<b>(440,591)</b>	<b>(178,053)</b>	<b>(2,330,701)</b>
Finance costs – net	(2,118,699)	(96,109)	(415,166)	(121,669)	(2,751,643)
Share of results of joint ventures	20,989	–	–	1,605	22,594
Share of results of associates	5,695	–	–	(1,580)	4,115
Income tax (expenses)/credits	(500,362)	(54,377)	118,972	(29,377)	(465,144)
Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets	(135,772)	–	(682,781)	(127,557)	(946,110)
Amortisation of incremental costs for obtaining contracts with customers	(336,891)	–	–	–	(336,891)
Provision for impairment losses on financial assets, net of reversal	(35,683)	31,191	1,542	1,149	(1,801)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the condensed consolidated interim income statement.

	Property development	Property investment	Hotel operations	All other segments	Group
<b>As at 30 June 2025</b>					
<b>Segment assets</b>	<b>224,959,037</b>	<b>29,665,012</b>	<b>14,166,533</b>	<b>6,807,214</b>	<b>275,597,796</b>
Segment assets include:					
Interests in joint ventures	7,583,164	–	–	1,931	7,585,095
Interests in associates	3,476,586	–	–	65,563	3,542,149
<b>Segment liabilities</b>	<b>121,547,156</b>	<b>669,986</b>	<b>778,833</b>	<b>3,325,680</b>	<b>126,321,655</b>
<b>As at 31 December 2024</b>					
<b>Segment assets</b>	<b>226,011,788</b>	<b>29,859,806</b>	<b>14,348,858</b>	<b>6,889,794</b>	<b>277,110,246</b>
Segment assets include:					
Interests in joint ventures	7,546,846	–	–	2,115	7,548,961
Interests in associates	3,436,825	–	–	79,754	3,516,579
Addition to non-current assets (other than financial instruments and deferred income tax assets)	119,977	–	211,362	82,370	413,709
<b>Segment liabilities</b>	<b>121,586,708</b>	<b>543,892</b>	<b>829,016</b>	<b>3,157,243</b>	<b>126,116,859</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 7. CAPITAL EXPENDITURE

	Intangible assets	Investment properties <i>(Note (a))</i>	Property, plant and equipment		Right-of-use assets
			Other owned assets	Hotel buildings <i>(Note (b))</i>	
<b>Six months ended 30 June 2025</b>					
At 1 January 2025	512,896	29,459,220	9,151,342	11,425,100	3,355,047
Additions	370	174	21,457	9,201	–
Disposal of subsidiaries	–	–	(51)	–	–
Disposals	–	(29,139)	(10,533)	(35,524)	(2,706)
Transfer from properties held for sale	–	–	75,332	–	–
Fair value losses from disposal	–	(6,075)	–	–	–
Depreciation and amortisation	(17,400)	–	(231,270)	(194,379)	(56,115)
Currency translation differences	29	72,105	91,660	–	5,753
<b>At 30 June 2025</b>	<b>495,895</b>	<b>29,496,285</b>	<b>9,097,937</b>	<b>11,204,398</b>	<b>3,301,979</b>
<b>Six months ended 30 June 2024</b>					
At 1 January 2024	567,837	31,743,200	9,549,851	34,756,899	9,327,516
Additions	2,026	–	50,852	7,515	132
Disposal of subsidiaries	–	–	(7,360)	(2,133,629)	(519,892)
Disposals	(15)	(35,906)	(13,266)	(30,457)	(6,310)
Transfer from properties under development	–	–	–	1,317	–
Fair value losses from disposal	–	(8,894)	–	–	–
Depreciation and amortisation	(22,980)	–	(241,323)	(535,280)	(160,562)
Currency translation differences	(4)	(33,517)	(96,966)	891	(3,401)
<b>At 30 June 2024</b>	<b>546,864</b>	<b>31,664,883</b>	<b>9,241,788</b>	<b>32,067,256</b>	<b>8,637,483</b>

#### (a) Investment properties

The Group's investment properties were valued at 31 December 2024 by independent and professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

As at 30 June 2025, management did not revalue the investment properties considering that the carrying amount does not differ materially from that which would be determined using fair value.

#### (b) Hotel buildings

As at 30 June 2025, management did not revalue the hotel buildings considering that the carrying amount does not differ materially from that which would be determined using fair value.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 8. INTERESTS IN JOINT VENTURES

	Six months ended 30 June	
	2025	2024
At 1 January	7,548,961	7,828,582
Disposal	–	(108,576)
Share of results	75,043	22,594
Share of other comprehensive income/(loss)	46	(7)
Elimination of unrealised (profits)/losses	(38,955)	126,835
At 30 June	7,585,095	7,869,428

### 9. INTERESTS IN ASSOCIATES

	Six months ended 30 June	
	2025	2024
At 1 January	3,516,579	3,623,859
Share of results	25,306	4,115
Share of other comprehensive income/(loss)	265	(8)
Elimination of unrealised (profits)/losses	(1)	1
At 30 June	3,542,149	3,627,967

### 10. OTHER FINANCIAL ASSETS

As at 30 June 2025, the balance represented the Group's investments in certain PRC debt securities, which were measured at fair value. As at 30 June 2025, the fair value of such PRC debt securities, which was determined by reference to "China Securities Index Co., Ltd", was approximately RMB247 million.

	As at	
	30 June 2025	31 December 2024
Opening balance	246,981	390,747
Fair value losses recognised in profit or loss	(12)	(143,766)
Closing balance	246,969	246,981

Other financial assets as at 30 June 2025 and 31 December 2024 are denominated in RMB.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 10. OTHER FINANCIAL ASSETS (Continued)

#### (a) Other financial assets include the following

	As at	
	30 June 2025	31 December 2024
Listed securities:		
– Bonds	246,969	246,981

#### (b) Amounts recognised in the consolidated profit and loss

During the period, the following loss was recognised in the consolidated profit and loss:

	As at	
	30 June 2025	31 December 2024
Listed securities:		
– Loss recognised in profit or loss	(12)	(143,766)

### 11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at	
	30 June 2025	31 December 2024
Trade receivables – net	2,247,995	2,581,977
Other receivables – net	21,111,174	18,353,581
Prepayments	3,628,664	3,823,579
Capitalised costs to obtain contracts	718,878	941,877
Due from joint ventures	3,783,284	3,739,791
Due from associates	1,865,296	1,865,435
Amounts due from then subsidiaries	7,788,300	7,636,232
Total	41,143,591	38,942,472

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

As at 30 June 2025, trade receivables were mainly derived from sale of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements.

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2025</b>	2024
Trade receivables		
– Due from third parties	2,075,146	2,391,726
– Due from joint ventures	395,032	414,395
– Due from an associate	9,939	9,939
– Due from entities jointly controlled by major shareholders of the Company	29	–
Total	2,480,146	2,816,060
Less: loss allowance	(232,151)	(234,083)
	<b>2,247,995</b>	<b>2,581,977</b>

At 30 June 2025 and 31 December 2024, the ageing analysis of trade receivables is as follows:

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2025</b>	2024
Up to 1 year	1,306,748	1,500,543
1 year to 2 years	211,070	199,582
2 years to 3 years	41,949	378,323
Over 3 years	920,379	737,612
	<b>2,480,146</b>	<b>2,816,060</b>

### 12. RESTRICTED CASH

As at 30 June 2025 and 31 December 2024, the Group's restricted cash were mainly denominated in RMB. Restricted cash mainly comprised guarantee deposits for construction of pre-sold properties, guarantee deposits for borrowings and others.

### 13. SHARE CAPITAL

	<b>Number</b>	
	<b>of shares</b>	
	<b>(thousands)</b>	<b>Share capital</b>
At 30 June 2025	3,752,367	3,752,367
At 31 December 2024	3,752,367	3,752,367

Share capital refers to the Company's shares listed on The Main Board of Stock Exchange of Hong Kong Limited.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 14. BORROWINGS

	As at	
	30 June 2025	31 December 2024
<b>Non-current</b>		
Long-term borrowings		
Bank borrowings (Note (a))		
– Secured	43,795,899	43,171,314
– Unsecured (Note (f))	878,000	2,558,013
	<b>44,673,899</b>	45,729,327
Domestic bonds (Note (b))		
– Secured	11,985,868	11,931,076
– Unsecured	531,570	531,570
	<b>12,517,438</b>	12,462,646
Senior notes (Note (c))		
– Secured	32,187,926	32,251,590
Other borrowings (Note (d))		
– Secured	11,527,176	11,169,133
– Unsecured (Note (f))	925,773	950,773
	<b>12,452,949</b>	12,119,906
<b>Total long-term borrowings</b>	<b>101,832,212</b>	102,563,469
Less: current portion of long-term borrowings	<b>(94,902,261)</b>	(93,687,778)
	<b>6,929,951</b>	8,875,691
<b>Current</b>		
Short-term borrowings		
Bank borrowings (Note (a))		
– Secured	2,557,731	294,634
	<b>2,557,731</b>	294,634
Other borrowings (Note (d))		
– Secured	37,100	59,746
– Unsecured (Note (f))	97,286	100,000
	<b>134,386</b>	159,746
<b>Total short-term borrowings</b>	<b>2,692,117</b>	454,380
Current portion of long-term borrowings	<b>94,902,261</b>	93,687,778
<b>Total borrowings</b>	<b>104,524,329</b>	103,017,849

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 14. BORROWINGS (Continued)

#### (a) Bank borrowings

Movements in bank borrowings are analysed as follows:

	Six months ended 30 June	
	2025	2024
At 1 January	46,023,961	53,337,534
Additions	3,725,312	275,200
Disposals of subsidiaries and derecognition of then subsidiaries	(179,239)	–
Repayments	(2,334,117)	(396,497)
Foreign exchange (gains)/losses	(4,287)	8,412
At 30 June	47,231,630	53,224,649

The effective interest rate of bank borrowings is 5.81% (six months ended 30 June 2024: 5.60%).

#### (b) Domestic bonds

As at 30 June 2025, the aggregate carrying amount of the Company's domestic bonds (including corporate bonds on stock exchange and bonds on inter-bank bond market) amounted to RMB12,517,438,000 with annualized coupon rates ranging from 6.3% to 7%.

As at 30 June 2025, the fair values of the 2016 public bonds, the 2016 non-public bonds, the 2018 public bonds and the 2019 public bonds amounted to RMB2,357,712,000 (31 December 2024: RMB4,054,825,000) in total. The fair values were determined with reference to the quoted price on the last trading day of the six months ended 30 June 2025. Such fair values are level 1 of the fair value hierarchy.

As at 30 June 2025, the fair value of the 2020 non-public bonds approximates its carrying amounts. The fair value was based on cash flows discounted at the borrowing rate of 6.3% and is level 2 of the fair value hierarchy.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 14. BORROWINGS (Continued)

#### (b) Domestic bonds (Continued)

The movements of domestic bonds are set out below:

	Six months ended 30 June	
	2025	2024
At 1 January	12,462,646	12,887,096
Redemption	–	(577,373)
Interest charged (Note 18)	522,837	569,613
Interest paid or included in other payables	(468,045)	(479,131)
At 30 June	12,517,438	12,400,205

#### (c) Senior notes

The senior notes are the only direct, unsubordinated, unconditional and secured obligations of the relevant issuers (the “Senior Notes”).

As at 30 June 2025, the principal amount, interest rates and maturity dates of the Senior Notes are as follows:

Series	Principal (USD'000)	Interest rate	Maturity
Group A	1,034,162	6.5% Cash/7.5% PIK*	11 July 2025
Group B	1,921,828	6.5% Cash/7.5% PIK*	11 July 2027
Group C	1,571,167	6.5% Cash/7.5% PIK*	11 July 2028
	4,527,157		

\* PIK – Payment-in-kind

As at 30 June 2025, the Senior Notes were guaranteed by certain subsidiaries of the Group and were secured by shares of certain offshore subsidiaries of the Group.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 14. BORROWINGS (Continued)

#### (c) Senior notes (Continued)

The movements of Senior Notes are set out below:

	Six months ended 30 June	
	2025	2024
At 1 January	32,251,590	38,486,932
PIK interest	–	1,462,969
Cancellation	–	(8,312,311)
Interest charged (Note 18)	1,126,382	1,118,785
Interest paid or included in other payables	(1,055,137)	(1,070,735)
Foreign exchange (gains)/losses	(134,909)	217,404
At 30 June	32,187,926	31,903,044

The carrying amounts of the Group's Senior Notes are denominated in USD.

The fair values of the Senior Notes as at 30 June 2025 amounted to RMB798,104,000 (31 December 2024: RMB1,223,798,000). The fair value is determined by reference to the price quotations published by Bloomberg on the last trading date of the period ended 30 June 2025 and is within level 1 of the fair value hierarchy.

#### (d) Other borrowings

Certain subsidiaries of the Group (the "Project Companies") have entered into funding arrangements with certain financial institutions (the "Trustees"), under which the Trustees have raised funds from third parties and injected the funds to the Project Companies.

The movements of other borrowings are set out below:

	Six months ended 30 June	
	2025	2024
At 1 January	12,279,652	22,592,614
Additions	380,000	528,458
Repayments	(71,242)	(6,876,976)
Interest charged (Note 18)	843,097	1,199,885
Interest paid or included in other payables	(843,097)	(1,199,885)
Foreign exchanges (gains)/losses	(1,075)	58,033
At 30 June	12,587,335	16,302,129

The carrying amounts of other borrowings as at 30 June 2025 are denominated in RMB and USD.

The effective interest rate of these funding arrangements ranged from 4.88% to 14.8% (six months ended 30 June 2024: 3.5% to 14.8%).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 14. BORROWINGS (Continued)

- (e) As at 30 June 2025, bank and other borrowings totaling RMB57,917,906,000 (31 December 2024: RMB54,694,827,000) of the Group were secured by the following assets and the Group's shares of certain subsidiaries:

	As at	
	30 June 2025	31 December 2024
Right-of-use assets	1,906,685	1,931,826
Property, plant and equipment	8,861,538	9,045,068
Investment properties	17,875,714	17,875,714
Properties under development	26,773,394	29,321,500
Completed properties held for sale	7,616,211	7,792,477
Restricted cash	116,750	351,762
	<b>63,150,292</b>	66,318,347

- (f) The majority of the unsecured bank and other borrowings are guaranteed by the Company and certain subsidiaries of the Group.

### 15. ACCRUALS AND OTHER PAYABLES

	As at	
	30 June 2025	31 December 2024
Amounts due to joint ventures	8,779,450	8,856,003
Amounts due to associates	394,989	399,946
Amounts due to entities jointly controlled by major shareholders and other related parties of the Company	172,553	175,408
Amounts due to major shareholders	980,761	967,290
Amounts due to then subsidiaries	489,202	498,825
Amounts due to a shareholder of certain joint ventures (Note (a))	7,331,537	6,973,048
Construction payables (Note (b))	38,179,494	40,301,870
Other payables and accrued charges (Note (c))	47,506,830	43,976,032
Total	<b>103,834,816</b>	102,148,422
Less: non-current portion (Note (a))	(478,911)	(1,104,307)
Current portion	<b>103,355,905</b>	101,044,115

Notes:

- (a) The balance was secured by the Group's shares in certain wholly-owned subsidiaries, the Group's right to receive the economic benefits deriving from one property development project and the guarantee provided by the Company.
- (b) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis is presented.
- (c) The balance mainly represents interest payables, accruals, salary payables and other taxes payable excluding income tax.
- (d) The carrying amounts of accruals and other payables approximate their fair values.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 16. OTHER INCOME

	Six months ended 30 June	
	2025	2024
Interest income	9,793	32,317
Forfeited deposits from customers	5,105	5,941
Other operating income	333,529	131,997
Others	1,047	1,105
	<b>349,474</b>	171,360

### 17. OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	2025	2024
Gains on disposals of subsidiaries	–	1,093,387
Gain on disposal of an associate	–	56,000
Gain on disposal of a joint venture	–	254,991
Gains/(losses) on disposals of property, plant and equipment	4,775	(2,929)
Fair value loss on other financial assets	(12)	–
Others	(235,148)	141,748
	<b>(230,385)</b>	1,543,197

### 18. FINANCE COSTS – NET

	Six months ended 30 June	
	2025	2024
Interest expenses:		
– bank borrowings	1,755,463	1,715,220
– domestic bonds	522,837	569,613
– senior notes	1,126,382	1,118,785
– other borrowings	843,097	1,199,885
– lease liabilities	1,692	9,148
	<b>4,249,471</b>	4,612,651
Net foreign exchange (gains)/losses	(174,747)	337,128
Less: finance costs capitalised	(1,680,966)	(2,198,136)
	<b>2,393,758</b>	2,751,643

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 19. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
Current income tax		
– Hong Kong profits tax (Note (a))	–	28
– Enterprise income tax (Note (b))	(367,008)	249,766
– PRC land appreciation tax (Note (c))	1,140,287	356,063
Deferred income tax	442,812	(140,713)
	<b>1,216,091</b>	465,144

#### (a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have estimated assessable profit for the period (six months ended 30 June 2024: 16.5%).

#### (b) Enterprise income tax

Enterprise income tax is computed according to the relevant laws and regulations enacted in the countries where the Group operated and generated taxable income.

In respect of the applicable income tax rates for the period ended 30 June 2025, the companies in the PRC, Cambodia and Malaysia were primarily taxed at 25%, 20% and 24% (six months ended 30 June 2024: 25%, 20% and 24%) on their profits, respectively.

#### (c) PRC land appreciation tax

Certain PRC subsidiaries are also subject to PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including costs of land use rights and development and construction expenditures.

### 20. DIVIDENDS

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 21. FINANCIAL GUARANTEE CONTRACTS

	As at	
	30 June 2025	31 December 2024
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties (Note (a))	49,048,428	51,985,832
Guarantees in respect of borrowings of joint ventures (Note (b))	10,773,561	10,743,344
Guarantees in respect of borrowings of an associate (Note (b))	–	15,900
Subtotal	10,773,561	10,759,244
Total	59,821,989	62,745,076

Notes:

- (a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to the bank over the repayment obligations of the purchasers. Such guarantees terminate upon the earlier of (i) issuance of the certificate of real estate ownership which will generally be available within an average period of 25 months upon the completion of guarantee registration; or (ii) the satisfaction of relevant mortgage loan by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends when the certificate of real estate ownership for the mortgage is issued and submitted to the banks. The directors consider that the fair value of these contracts at date of inception was minimal and in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

- (b) The balance represents the maximum exposure of the guarantee provided for joint ventures and associates for their borrowings.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 22. COMMITMENTS

#### Commitments for capital and property development activities

	As at	
	30 June 2025	31 December 2024
Contracted but not provided for		
– Property development activities (including land premium)	10,405,817	12,033,074

### 23. SIGNIFICANT RELATED-PARTY TRANSACTIONS

The major shareholders of the Group include Dr. Li Sze Lim and Mr. Zhang Li, who own 26.31% and 22.44%, respectively as at 30 June 2025, of the Company's shares.

Transactions are based on the price lists in force and terms that would be available to third parties. The following transactions were carried out with related parties:

#### (a) Key management compensation

	Six months ended 30 June	
	2025	2024
Salaries and welfare benefits	7,761	9,647

#### (b) Provision of construction and other services

	Six months ended 30 June	
	2025	2024
Joint ventures	133,760	349,403
Associates	–	657
	133,760	350,060

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### 23. SIGNIFICANT RELATED-PARTY TRANSACTIONS (Continued)

#### (c) Provision of guarantees for borrowings

The Group and certain other shareholders of the joint ventures and associates have jointly provided guarantees for certain borrowings granted to the Group's joint ventures and associates for project development purpose. As at 30 June 2025, the Group's guarantees for borrowings provided to its joint ventures and associates are shown as follows:

##### (i) Bank borrowings

	As at	
	30 June 2025	31 December 2024
Joint ventures	8,846,674	8,346,977
	8,846,674	8,346,977

##### (ii) Other borrowings

	As at	
	30 June 2025	31 December 2024
A joint venture	1,274,029	1,275,334
An associate	–	15,500
	1,274,029	1,290,834

#### (d) Interest income on loans to related parties

	Six months ended 30 June	
	2025	2024
Joint ventures	1,999	3,671
	1,999	3,671

#### (e) Interest expense on borrowings due to related parties

	Six months ended 30 June	
	2025	2024
A joint venture	–	16,883
Major shareholders	59,551	41,633
	59,551	58,516

## 24. LITIGATIONS

As at the reporting date, the Group has the following significant litigations with its business partners which remain outstanding:

- (a) A PRC bank as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB1.899 billion. Such lawsuit has been accepted by 海口市中级人民法院 (Haikou Intermediate People's Court). As at the reporting date, the lawsuit is still in progress.
- (b) A PRC bank as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB1.816 billion. Such lawsuit has been accepted by 廣州市中级人民法院 (Guangzhou Intermediate People's Court). As at the reporting date, the lawsuit is still in progress.
- (c) A PRC bank as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB1.752 billion. Such lawsuit has been accepted by 廣州市中级人民法院 (Guangzhou Intermediate People's Court). As at the reporting date, the lawsuit is still in progress.
- (d) 國興環球土地整理開發有限公司 (Guoxing Global Land Reclamation and Development Co., Ltd.\*) ("Guoxing Global") as claimant filed a lawsuit against 富力(北京)地產開發有限公司 (R&F (Beijing) Property Development Co., Ltd.\*) ("R&F Beijing"), a subsidiary of the Company, for adjudication by 河北省高級人民法院 (The High People's Court of Hebei Province) (the "Hebei High People's Court") in relation to a contractual dispute over a land development project, in respect of which Guoxing Global claimed against R&F Beijing for land consolidation costs of RMB649 million and interest and legal costs incurred thereon, and counterclaims were made by R&F Beijing against Guoxing Global. Such lawsuit was adjudicated by the Hebei High People's Court and a first instance judgement was handed down in December 2018. Subsequently, both R&F Beijing and Guoxing Global sought and obtained a ruling from 中華人民共和國最高人民法院 (The Supreme People's Court of the People's Republic of China) (the "SPC") to overturn the first instance judgement of the Hebei High People's Court and the lawsuit was reverted to the Hebei High People's Court for retrial. The Hebei High People's Court handed down its first instance retrial judgment, pursuant to which all claims and counterclaims by the parties were dismissed. Afterwards, both R&F Beijing and Guoxing Global filed an appeal with the SPC. As at the reporting date, the appeal with the SPC is still in progress.
- (e) An asset management company as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB549 million. Such lawsuit has been accepted by 廣州市中级人民法院 (Guangzhou Intermediate People's Court). As at the reporting date, the lawsuit is still in progress.



## SUPPLEMENTARY INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

### RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared a separate set of consolidated financial statements for the period ended 30 June 2025 in accordance with China Accounting Standards for Business Enterprises (“CAS”). The differences between the consolidated financial statements prepared under CAS and HKFRS are summarised as follows:

	Loss for the period		Total equity as at	
	ended 30 June		30 June	31 December
	2025	2024	2025	2024
As stated in accordance with CAS	<b>(4,024,200)</b>	(2,224,832)	<b>22,527,683</b>	26,163,053
Impact of HKFRS adjustments:				
1. Amortisation of revaluation gain arising from business combinations	<b>(15)</b>	(128)	<b>34,272</b>	34,287
2. Deferred taxation	<b>4</b>	32	<b>(8,569)</b>	(8,573)
3. Revaluation gains on investment properties transferred from properties under development	<b>(7,530)</b>	(15,342)	<b>3,267</b>	3,267
4. Revaluation model of subsequent measurement for hotel buildings	<b>(50,380)</b>	(90,431)	<b>2,214,301</b>	2,264,681
As stated in accordance with HKFRS	<b>(4,082,121)</b>	(2,330,701)	<b>24,770,954</b>	28,456,715

Notes:

- The Group adopted SSAP 27 “Accounting for Group Reconstructions” for acquisition of certain subsidiaries before the issuance of Accounting Guideline 5 “Merger Accounting for Common Control Combinations” in November 2005. As the acquisitions did not meet the conditions for using merger accounting under SSAP 27, which prevented the use of predecessor costs when non-controlling interests or rights of the ultimate shareholder have changed, the Group adopted purchase method to account for the acquisitions.
- It refers to the effects of deferred tax arising from the above adjustments and recognition of deferred tax due to tax rate difference.
- The revaluation gains on investment properties transferred from properties under development was recognised in income statement under HKFRS, while in accordance with CAS was recognised in other comprehensive income.
- The Group changed its accounting policies on hotel buildings to follow the revaluation model under HKAS 16 with effective from 1 January 2020.