Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS OF THE 2026 INTERIM RESULTS

- Contracted sales reached RMB944.0 million, aggregated sales area was 99,998 square meters and the average selling price was RMB9,440 per square meter;
- Revenue amounted to RMB700.3 million, representing a decrease of 74.2% for the corresponding period of 2025 (corresponding period of 2025: RMB2,712.3 million). The revenue of the commercial operations and hotel operations decreased by 24.0% to RMB126.9 million (corresponding period of 2025: RMB167.0 million);
- Gross loss and gross loss margin amounted to RMB1,124.3 million and 160.5%, respectively;
- The net loss was RMB1,757.9 million (corresponding period of 2025: a net loss of RMB2,320.6 million); and
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025 interim: Nil).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Redsun Properties Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
REVENUE	*5*	**700,315**	2,712,287
Cost of sales		**(1,824,584)**	(2,934,402)
Gross loss		**(1,124,269)**	(222,115)
Other income and gains	*5*	**137,344**	232,607
Selling and distribution expenses		**(10,861)**	(76,281)
Administrative expenses		**(50,899)**	(61,253)
Fair value losses on investment properties, net		**–**	(19,660)
Other expenses		**(44,095)**	(53,980)
Finance costs	*7*	**(136,291)**	(540,165)
Share of losses of:			
Joint ventures		**(226,192)**	(624,754)
Associates		**(220,851)**	(610,003)
LOSS BEFORE TAXATION	*6*	**(1,676,114)**	(1,975,604)
Taxation	*8*	**(81,780)**	(344,977)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(1,757,894)**	(2,320,581)
Loss and total comprehensive loss attributable to:			
Owners of the Company		**(1,697,874)**	(1,883,732)
Non-controlling interests		**(60,020)**	(436,849)
		(1,757,894)	(2,320,581)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*10*		
		RMB	RMB
Basic and diluted		**(51) cents**	(56) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**142,145**	148,823
Investment properties		**10,436,708**	10,442,715
Right-of-use assets		**20,126**	20,689
Other intangible assets		**2,718**	3,085
Investments in joint ventures		**2,126,414**	2,041,727
Investments in associates		**4,938,053**	4,904,289
Deferred tax assets		**149,333**	157,234
Total non-current assets		**17,815,497**	17,718,562
CURRENT ASSETS			
Inventories		**522**	537
Properties under development		**5,240,166**	6,317,477
Completed properties held for sale		**5,731,488**	6,310,521
Trade receivables	*11*	**2,134**	2,048
Prepayments, other receivables and other assets		**10,331,682**	10,026,594
Amounts due from related parties		**8,371,488**	9,076,066
Financial assets at fair value through profit or loss		**28,225**	49,499
Tax recoverable		**544,646**	616,804
Cash and bank balances		**464,567**	496,303
Total current assets		**30,714,918**	32,895,849

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
30 June 2026

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	**5,659,327**	5,976,136
Other payables and accruals		**6,313,227**	5,515,109
Contract liabilities		**2,630,942**	2,670,452
Interest-bearing bank and other borrowings		**7,519,708**	7,052,231
Senior notes		**9,977,969**	10,404,055
Lease liabilities		**18,157**	17,710
Amounts due to related parties		**8,197,080**	8,123,337
Tax payable		**3,623,723**	3,623,968
Total current liabilities		**43,940,133**	43,382,998
NET CURRENT LIABILITIES		**(13,225,215)**	(10,487,149)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,590,282**	7,231,413
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**2,515,724**	3,012,424
Lease liabilities		**269,152**	278,334
Deferred tax liabilities		**1,949,396**	1,949,396
Total non-current liabilities		**4,734,272**	5,240,154
Net (liabilities)/assets		**(143,990)**	1,991,259
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		**28,411**	28,411
Share premium		**1,888,469**	1,888,469
Other deficit		**(8,169,440)**	(6,471,566)
		(6,252,560)	(4,554,686)
Non-controlling interests		**6,108,570**	6,545,945
Total (deficit)/equity		**(143,990)**	1,991,259

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1–9008, Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 12 July 2018.

The Company is an investment holding company. During the six months ended 30 June 2026 (the "**Reporting Period**"), the Group is principally engaged in property development and management services, commercial property investment and operations, and hotel operations.

In the opinion of the directors of the Company, the ultimate holding company and the ultimate controlling party of the Company is Hong Yang Group (Holdings) Limited, which is incorporated in the British Virgin Islands and Mr. Zeng Huansha ("**Mr. Zeng**"), an executive director of the Company respectively.

2. BASIS OF PREPARATION

The condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Going concern basis

The Group recorded a net loss of approximately RMB1,757,894,000 for the period ended 30 June 2026. As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB13,225,215,000, of which approximately RMB4,767,705,000 of interest-bearing bank and other borrowings and approximately RMB13,602,543,000 of senior notes and interest payable were in default, included the amount of event triggered by default of certain interest-bearing bank and other borrowings and senior notes. Such that, the lenders and certain senior note holders have the right to demand immediate repayment of the entire outstanding balance as at 30 June 2026. As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB278,757,000 only.

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

(a) The Group has been actively negotiating with several banks and financial institutions on the extension for repayments of certain borrowings;

(b) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;

(c) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;

(d) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties;

(e) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and

(f) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2026. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2026. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, the successful implementation of these plans and measures is subject to uncertainties that are not wholly within the control of the Group. The ability of the Group to continue as a going concern depends on:

(a) successfully negotiating with several banks and financial institutions on the extension for repayments of certain borrowings;

(b) successfully negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;

(c) successfully seeking for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;

(d) successfully preparing a business strategy plan mainly focusing on the acceleration of the sales of properties;

(e) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and

(f) successfully seeking suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

These matters collectively constitute material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group fail to continue as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards–Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The amendments did not have any material impact on the condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- Property development and management services
- Commercial property investment and operations
- Hotel operations

The Group's operations are mainly conducted in Mainland China. Management considered there is no reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

Six months ended 30 June 2026	**Property development and management services** *RMB'000* **(Unaudited)**	**Commercial property investment and operations** *RMB'000* **(Unaudited)**	**Hotel operations** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue *(Note 5)*				
Sales to external customers	**573,372**	**126,943**	**–**	**700,315**
Revenue				**700,315**
Segment results	**(1,479,485)**	**(48,247)**	**(1)**	**(1,527,733)**
Reconciliation:				
Bank interest income				**438**
Fair value losses on financial assets at fair value through profit or loss, net				**(19,582)**
Finance costs (other than interest on lease liabilities)				**(128,980)**
Corporate and other unallocated expenses				**(257)**
Loss before taxation				**(1,676,114)**

Six months ended 30 June 2025	Property development and management services *RMB'000* (Unaudited)	Commercial property investment and operations *RMB'000* (Unaudited)	Hotel operations *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(Note 5)*				
Sales to external customers	2,545,316	166,971	–	2,712,287
Revenue				2,712,287
Segment results	(1,384,283)	(62,500)	(902)	(1,447,685)
Reconciliation:				
Bank interest income				994
Fair value gains on financial assets at fair value through profit or loss, net				2,946
Finance costs (other than interest on lease liabilities)				(524,579)
Corporate and other unallocated expenses				(7,280)
Loss before taxation				(1,975,604)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2026 and 31 December 2025.

	Property development and management services *RMB'000* **(Unaudited)**	**Commercial property investment and operations** *RMB'000* **(Unaudited)**	**Hotel operations** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment assets				
30 June 2026	**34,334,451**	**13,848,715**	**93,841**	**48,277,007**
Reconciliation:				
Corporate and other unallocated assets				**276,692**
Total assets				**48,553,699**
Segment liabilities				
30 June 2026	**46,651,122**	**1,894,447**	**43,504**	**48,589,073**
Reconciliation:				
Corporate and other unallocated liabilities				**76,764**
Total liabilities				**48,665,837**

	Property development and management services *RMB'000* (Audited)	Commercial property investment and operations *RMB'000* (Audited)	Hotel operations *RMB'000* (Audited)	Total *RMB'000* (Audited)
Segment assets				
31 December 2025	36,587,848	13,671,668	131,142	50,390,658
Reconciliation:				
Corporate and other unallocated assets				223,753
Total assets				50,614,411
Segment liabilities				
31 December 2025	46,408,918	2,126,486	50,045	48,585,449
Reconciliation:				
Corporate and other unallocated liabilities				37,703
Total liabilities				48,623,152

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the six months ended 30 June 2026 and 2025.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**574,209**	2,548,408
Revenue from other sources		
Gross rental income	**126,106**	163,879
Total	**700,315**	2,712,287

<u>Disaggregated revenue information for revenue from contracts with customers</u>

For the six months ended 30 June 2026

Segments	**Property development and management services**	**Commercial property investment and operations**	**Hotel operations**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Types of goods or services				
Sale of properties	**549,905**	**–**	**–**	**549,905**
Project management services	**23,467**	**–**	**–**	**23,467**
Others	**–**	**837**	**–**	**837**
Total	**573,372**	**837**	**–**	**574,209**
Timing of revenue recognition				
Sale of properties transferred at a point in time	**549,905**	**–**	**–**	**549,905**
Services transferred over time	**23,467**	**837**	**–**	**24,304**
Total	**573,372**	**837**	**–**	**574,209**

For the six months ended 30 June 2025

Segments	Property development and management services *RMB'000* (Unaudited)	Commercial property investment and operations *RMB'000* (Unaudited)	Hotel operations *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services				
Sale of properties	2,533,070	–	–	2,533,070
Project management services	12,246	–	–	12,246
Others	–	3,092	–	3,092
Total	2,545,316	3,092	–	2,548,408
Timing of revenue recognition				
Sale of properties transferred at a point in time	2,533,070	–	–	2,533,070
Services transferred over time	12,246	3,092	–	15,338
Total	2,545,316	3,092	–	2,548,408

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**438**	994
Forfeiture of deposit	**88**	760
Government grants *(Note (i))*	**71**	335
Fair value gains on financial assets at fair value through profit or loss, net	**–**	2,946
Reversal of impairment losses recognised on financial assets, net	**82,946**	143,375
Gains on disposal of property, plant and equipment	**–***	–
Gain on disposal of investment properties	**269**	–
Exchange gains	**52,716**	–
Gains on settlement of borrowing *(Note (ii))*	**–**	83,435
Others	**816**	762
	137,344	232,607

Notes:

(i) It mainly represented unconditional cash received from the local government to encourage the business operations in the Mainland China.

* *Less than RMB1,000*

(ii) During the six months ended 30 June 2025, pursuant to a court ruling, pledged investment properties with a carrying amount of approximately RMB66,645,000 were used to settle a defaulted borrowing of approximately RMB150,080,000. As a result, a gain on settlement of borrowing of approximately RMB83,435,000 was recognised and included in other income and gains. No such transaction occurred during the six months ended 30 June 2026.

6. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**649,373**	2,521,297
Cost of services provided	**21,688**	58,422
Impairment losses recognised on properties under development and completed properties held for sale, net	**1,153,523**	354,683
Reversal of impairment losses recognised on financial assets, net	**(82,946)**	(143,375)
Depreciation of property, plant and equipment	**7,180**	6,788
Depreciation of right-of-use assets	**563**	1,367
Amortisation of other intangible assets	**367**	309
Fair value losses on investment properties, net	**–**	19,660
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	**19,582**	(2,946)
(Gains)/losses on disposal of property, plant and equipment	**–***	1
Gains on settlement of borrowing	**–**	(83,435)
Written off of property, plant and equipment	**853**	–
Share of losses of:		
Joint ventures	**226,192**	624,754
Associates	**220,851**	610,003
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**28,859**	68,872
Pension scheme contributions and social welfare	**4,690**	8,272
Less: Amount capitalised	**(2,797)**	(14,216)
	30,752	62,928

* *Less than RMB1,000*

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank and other borrowings and senior notes	**553,536**	757,291
Interest on lease liabilities	**7,311**	15,586
Interest expense arising from revenue contracts	**10,245**	20,625
Total interest expense	**571,092**	793,502
Less: Net foreign exchange gains on financing activities	**(348,640)**	(48,384)
Interest capitalised	**(86,161)**	(204,953)
	136,291	540,165

8. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income currently arising in Hong Kong for the six months ended 30 June 2026 and 2025.

Subsidiaries of the Group operating in Mainland China are subject to the People's Republic of China ("**PRC**") corporate income tax rate of 25% for the period.

Land appreciation tax ("**LAT**") 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 land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Corporate income tax	**12,424**	32,274
LAT	**61,455**	68,598
Deferred tax	**7,901**	43,079
	81,780	143,951
Under-provision in prior years:		
LAT	**–**	201,026
Total tax charge for the period	**81,780**	344,977

9. DIVIDENDS

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 3,338,898,000 (six months ended 30 June 2025: 3,338,898,000) in issue during the period.

The calculations of basic and diluted losses per share are based on:

	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**(1,697,874)**	(1,883,732)

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,338,898,000**	3,338,898,000

11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 month	**1,852**	1,557
1 to 3 months	**–**	250
3 to 6 months	**–**	–
6 to 12 months	**282**	241
	2,134	2,048

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Based on evaluation on the expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered to be immaterial, and therefore, there has not been a loss allowance provision.

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**507,665**	629,376
Over 1 year	**5,151,662**	5,346,760
	5,659,327	5,976,136

Trade payables are unsecured and interest-free and are normally settled based on the progress of construction.

OVERVIEW AND OUTLOOK

Review for the First Half of 2026

According to the National Bureau of Statistics, China's gross domestic product (GDP) for the first half of the year reached RMB69.5704 trillion, representing a year-on-year increase of 4.7% at constant prices. Withstanding downward pressure, the national economy operated within a reasonable range, characterized by relatively rapid growth in production and supply, generally stable employment, and a mild increase in consumer prices. Furthermore, foreign trade sustained robust momentum, while new economic drivers expanded rapidly. With people's livelihoods effectively safeguarded, the underlying resilience of economic development was continuously demonstrated. In the real estate sector, the central government persistently advanced policies aimed at stabilizing the market, adopted city-specific measures to control incremental supply, accelerate destocking and optimize the supply structure, and explored diverse channels to revitalize existing commercial housing, such as encouraging the acquisition of existing commercial housing to be repurposed for affordable housing.

In the first half of 2026, the sales area of newly built commercial housing stood at 401.40 million sq.m., representing a year-on-year decrease of 11.6%, of which the sales area of residential housing decreased by 12.4%. The sales amount of newly built commercial properties was RMB3.7945 trillion, representing a decrease of 13.6%, of which the sales amount of residential properties decreased by 13.7%. The residential sector underperformed the broader market. Although the cumulative decline has generally plateaued, the year-on-year drop in June widened, reflecting persistently weak homebuyer confidence. The release of both rigid and upgrade demand remained insufficient; only high-quality upgrade projects in core cities demonstrated robust destocking performance, illustrating a structural market trend of "contracting volume alongside stable prices". At the end of June, the unsold area of commercial housing was 763.15 million sq.m., down 0.9% year-on-year. Notably, the unsold area of properties available for less than three years decreased by 3.5% to 561.67 million sq.m. Marking a decline for four consecutive months, this highlighted the tangible effectiveness of destocking short-term housing inventory (less than three years). The strategy of controlling incremental supply and accelerating destocking was gradually bearing fruit. Nevertheless, the overall market remained in a phase of adjustment and bottoming-out. With key indicators still trending downwards year-on-year, policies have effectively held the risk bottom line. However, a trend-level recovery on the demand side is yet to materialize, and the polarization among different cities and projects has further intensified.

In the face of a shifting external consumer market, the Company steadfastly upheld its core values of "professionalism and building credibility for the long term". Adhering to the service philosophy of "quality first, customer foremost", we devoted unwavering efforts to safeguard housing delivery and comprehensively addressed customer needs.

In the first half of 2026, the Group delivered one project of a total of 324 new housing with 42,000 sq.m. in aggregate, steadfastly keeping its word to provide good homes.

During the Reporting Period, the Company adhered to an operational strategy centered on strengthening debt management, safeguarding assets, and controlling risks, with steady operation as its overriding priority. Strictly defending the safety red line of our cash flow and building upon the foundation of safeguarding housing delivery, we employed multiple measures to tackle the collection of outstanding receivables, accelerate capital return, and fortify our operational bedrock. Furthermore, the Company conducted a comprehensive and full-dimensional review of its accounts and asset inventory. By meticulously examining current accounts item by item and unlocking the potential of receivables recovery, we formulated categorized collection plans to activate idle funds. We also enforced strict and refined control over administrative and operating expenses, optimized our cost structure, and rigidly curtailed non-essential expenditures. Through continuous improvements in the input-output ratio and overall cost-efficiency, we ensured the steady and healthy operation of the enterprise, underpinned by a robust financial control system.

Outlook for the Second Half of 2026

Looking ahead to the second half of 2026, the real estate policy environment is expected to remain accommodative. In the first half of the year, the central government twice emphasized "stabilizing the real estate market", underscoring its firm commitment to market stabilization. As the industry transitions from incremental development to existing stock operation, the market will be predominantly in the bottoming-out and adjustment phase, with the divergence landscape persisting. Going forward, it is expected that destocking and boosting residents' housing demand will be the core policy priorities in the next stage.

We anticipate an intensification of structural polarization in the property market during the second half of 2026. Land resources and housing demand will continue to concentrate in core high-tier cities. Supported by endogenous demand driven by population and industries, first- and second-tier cities will stabilize their market fundamentals. Conversely, third-and fourth-tier cities, hampered by insufficient demand, will remain in a deep bottoming-out phase. The market transaction structure is undergoing a paradigm shift, with second-hand housing transactions continuing to increase and gradually emerging as the primary force in the market. The new housing market has bid farewell to the era of broad-based price appreciation. Only upgraded projects possessing hardcore product strength can defy the overall trend and carve out an independent upward trajectory, whereas the destocking of homogenized rigid-demand properties will face persistent pressure.

Embarking on a new journey at our 30th anniversary, we are gathering our collective strength to chart a new course. The Company will actively fulfill its corporate social responsibility by resolutely defending the bottom line of project delivery. Through safeguarding livelihood-critical handovers, we aim to facilitate the steady development of cities and uphold the orderly operation of the industry. On the financial front, we will strictly maintain our cash flow bottom line, channeling our utmost efforts into receivables collection, activating existing assets, and rigorously controlling cost-efficiency outlays. In terms of risk management, we will continually enhance the full-cycle oversight of our debts, assets, and overall operations to prudently defuse any hidden operational risks. Simultaneously, we will solidify our organizational foundation and optimize team efficiency. Relying on steady operations, refined management, and a highly efficient organizational framework, we will secure the smooth and high-quality development of the Group.

Looking forward, as we stand at the historic milestone of our 30th anniversary, the Company will reaffirm its conviction and persevere through hard work. By addressing challenges with pragmatic actions and fulfilling our mission with unwavering responsibility, we will join hands to write a new chapter of high-quality development on the journey of the new era.

Business Review

1. *Sales of Properties*

For the six months ended 30 June 2026, the Group achieved contracted sales of approximately RMB0.94 billion, representing a decrease of 67.1% as compared to RMB2.87 billion in the same period last year.

Details of the contracted sales of the Group for the six months ended 30 June 2026 are set out as below:

Region	**Contracted Sales in Total Gross Floor Area** *sq.m.*	**Contracted Sales Amount** *RMB'000*	**Average Contracted Selling Price** *RMB/sq.m.*
Nanjing	7,619	195,487	25,657
Xuzhou	2,182	15,554	7,128
Weifang	7,001	59,491	8,498
Ningbo	2,629	47,789	18,178
Suzhou	7,178	109,636	15,273
Chengdu	1,774	22,237	12,532
Qingdao	3,644	32,560	8,936
Hefei	1,366	11,449	8,384
Foshan	1,414	26,733	18,911
Wuhan	1,865	19,939	10,688
Yancheng	9,196	60,657	6,596
Changsha	302	4,062	13,450
Changzhou	3,485	42,705	12,255
Nantong	31,657	63,500	2,006
Huai'an	4,099	31,835	7,767
Anqing	962	18,679	19,422
Chongqing	5,817	70,554	12,129
Nanchang	246	3,455	14,065
Wuxi	334	10,089	30,197
Wenzhou	1,913	29,127	15,223
Suqian	4,869	32,285	6,631
Yangzhou	–	344	–
Others	448	35,973	80,332
Total	**99,998**	**944,139**	**9,442**

2. *Land Bank*

As at 30 June 2026, the Group's total gross floor area of land bank was approximately 6,974,761 sq.m., including completed properties totaled 2,105,616 sq.m., rentable area held for investment totaled 1,034,882 sq.m. and properties under development totaled 3,834,262 sq.m.

Details of the land bank of the Group (including the land bank which is undergoing the acquisition process) as at 30 June 2026 are set out as below:

Region	Name of Project	Area of Land *(sq.m.)*	Completed Total Gross Floor Area for Sale *(sq.m.)*	Rentable Area Held for Investment *(sq.m.)*	Total Gross Floor Area under Development *(sq.m.)*	Total Area of Land Bank *(sq.m.)*	The Group's Interests
Anqing	Anqing Hong Yang Upper City (安慶弘陽上城)	147,547	153	80,000	–	80,153	100%
Bengbu	Huadi Hongyang Residence (華地弘陽府)	32,646	5,328	–	–	5,328	50%
Bozhou	Verse of River and Mountain (formerly: Bozhou Land Lot No. 2017-217 (江山賦(原名稱：亳州2017-217號地塊))	201,216	7,694	–	–	7,694	40%
Changshu	Hefeng Architecture in Xinhua Road (新華路和風名築)	45,742	423	–	–	423	40%
Changshu	Changshu Guli Tieqin Road Project (常熟古裡鐵琴路項目)	40,805	39,450	–	–	39,450	34%
Changzhou	Commercial and Trading Peak (商貿雲峰)	50,921	15,020	–	–	15,020	57%
Changzhou	Phoenix East Phoenix One (formerly: Phoenix East Project) (鳳凰東錦鳳合鳴(原名稱：鳳凰東項目))	115,615	8,521	30,086	94,266	132,873	49%
Changzhou	Golden Seal and Heaven Shire (金璽天郡)	88,719	1,608	–	–	1,608	50%
Changzhou	Sang Ma Land Lot A (桑麻A地塊)	44,524	–	11,690	–	11,690	70%
Changzhou	Yanlan Fenghua (燕瀾風華)	126,695	1,051	–	–	1,051	85%
Changzhou	Changzhou Hong Yang Plaza (常州弘陽廣場)	43,590	–	89,865	–	89,865	100%
Changzhou	Changzhou Hong Yang 1936 (formerly: Sang Ma Land Lot CD) (常州弘陽1936(原名稱：桑麻CD地塊))	156,115	36,385	105,818	26,509	168,712	70%
Changzhou	Sanmao Longyun Tiancheng (formerly: Sanmao Land Lot) (三毛龍運天城(原名稱：三毛地塊))	108,486	4,219	–	–	4,219	31%
Changzhou	Xi Xia Shu Yun Xi (西夏墅雲禧)	36,712	17,798	–	–	17,798	37%
Changzhou	Changzhou Yaoguan Yuhushangguan Garden (常州遙觀昱湖上觀花苑)	58,093	8,090	–	–	8,090	60%
Chengdu	Dujiangyan DJY2017-09 (都江堰DJY2017-09)	26,393	2,457	–	–	2,457	99%
Chengdu	Dujiangyan DJY2017-10 (都江堰DJY2017-10)	39,064	4,347	–	–	4,347	99%
Chengdu	Central Road Fanjin 108 (formerly: Central Road Project) (中環路梵錦108(原名稱：中環路項目))	72,114	11,988	41,730	20,787	74,505	50%
Chengdu	Shuangliu Heyuan Project (雙流合園項目)	19,794	433	–	–	433	50%

Region	Name of Project	Area of Land (*sq.m.*)	Completed Total Gross Floor Area for Sale (*sq.m.*)	Rentable Area Held for Investment (*sq.m.*)	Total Gross Floor Area under Development (*sq.m.*)	Total Area of Land Bank (*sq.m.*)	The Group's Interests
Chengdu	Qionglai Hong Yang Weilai Shiguang (邛崍弘陽未崍時光)	39,809	7,088	–	–	7,088	99%
Chengdu	Chengdu Xinglonghu Lakeside Yun Jing Garden (formerly: Tianfu Xinqu 42 mu) (成都興隆湖湖畔雲璟花園 (原名稱：天府新區42畝))	28,432	11,545	–	–	11,545	51%
Chuzhou	Metropolitan Art Atmosphere (都會藝境)	60,189	5,599	–	–	5,599	33%
Chuzhou	Hong Yang Garden (弘陽苑)	8,782	1,103	–	–	1,103	100%
Chuzhou	Glory Residence (正榮府)	80,867	11,383	–	–	11,383	30%
Chuzhou	Garden in Times (Chuzhou Times Billow) (時光裡花園(滁州時光瀾庭))	89,886	10,425	–	–	10,425	100%
Chuzhou	Jingzi Road Times Magnificence (敬梓路時光風華)	55,719	12,197	–	–	12,197	50%
Danyang	Phoenix Terrace (鳳熹台)	88,498	4,968	–	–	4,968	20%
Foshan	Hongyang Shan Xin Garden (弘陽山馨花園)	63,132	937	–	–	937	100%
Foshan	Benevolence Lake No.1 (博愛湖一號)	44,156	2,219	8,011	–	10,230	100%
Foshan	Foshan Lakeside Mansion (formerly: Lv Dao Hu) (佛山綠島湖公館 (原名稱：綠島湖))	51,240	21,225	–	–	21,225	33%
Foshan	Nanyou Park No.1 (南油公園一號)	67,582	22,066	–	–	22,066	33%
Foshan	Foshan Jihua North Joy River No.1 (佛山季華北悅江一號)	33,220	11,444	–	–	11,444	49%
Foshan	Foshan Zhangcha Sunrise Joy Residence (佛山張槎昕悅府)	17,059	4,896	–	–	4,896	51%
Fuyang	Yingzhou Hong Yang Residence (潁州弘陽府)	38,297	4,616	–	–	4,616	50%
Guangzhou	Guangzhou Wanjing No.1 (廣州灣璟壹號)	32,387	39,052	–	–	39,052	25%

Region	Name of Project	Area of Land (*sq.m.*)	Completed Total Gross Floor Area for Sale (*sq.m.*)	Rentable Area Held for Investment (*sq.m.*)	Total Gross Floor Area under Development (*sq.m.*)	Total Area of Land Bank (*sq.m.*)	The Group's Interests
Haimen	Jianghai Road The One World (formerly: Jianghai Road Zuo An Gong Yuan) (江海路水岸觀瀾苑(原名稱：江海路左岸公元))	75,028	313	–	–	313	67%
Hangzhou	Hangxing Road Project (杭行路項目)	18,703	1,931	–	–	1,931	30%
Hangzhou	Fuchun Bay Jichen Residence (富春灣濟宸府)	39,313	10,469	–	–	10,469	35%
Hangzhou	Hangzhou Binyao Mansion (formerly: Binjiang Pule Project) (杭州濱耀學府(原名稱：濱江浦樂項目))	44,633	3,668	–	–	3,668	30%
Hefei	Changfeng in Times (長豐時光裡)	42,621	4,699	–	–	4,699	100%
Hefei	Yaohai Joy Residence (瑤海昕悦府)	37,254	2,133	–	–	2,133	80%
Hefei	Dongfangyin (東方印)	28,081	4,553	–	–	4,553	51%
Hefei	Fengle Oriental Jade (formerly: Yaohai Prosper and Joy) (豐樂翡麗東方(原名稱：瑤海豐樂))	59,233	11,763	–	–	11,763	34%
Hefei	Longzi Lake Times (龍子湖湖語時光)	68,461	7,326	–	–	7,326	30%
Hefei	Lujiang Lakeside Shade Mountain (廬江湖畔樾山)	161,263	81,856	0	127,588	209,444	50%
Hengyang	Yangliu Road Sunrise Joy Residence (楊柳路昕悦府)	36,912	5,831	–	–	5,831	100%
Huzhou	Ren Huang 43 Yan Lan Residence (仁皇43燕瀾府)	48,652	4,079	–	–	4,079	100%
Huzhou	Ren Huang 58 Yan Lan Residence (formerly: Huzhou Ren Huang No.58#) (仁皇58燕瀾府(原名稱：湖州仁皇58#))	102,218	6,672	–	–	6,672	100%
Huzhou	Huzhou Southwest Development Zone Qinlan Residence (formerly: Huzhou South Taihu New District Project) (湖州西南開發區沁瀾府(原名稱：湖州南太湖新區項目))	30,200	36,737	–	–	36,737	38%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Huai'an	Heyi Road Yunhe Fenghua (合意路運河風華)	68,362	4,623	–	–	4,623	49%
Huai'an	Huai'an Fengdeng Road Jinyuefu (formerly: Huai'an Fengdeng Road) (淮安豐登路金樾府(原名稱：淮安豐登路))	41,476	1,955	–	–	1,955	34%
Huai'an	Huai'an Eco-City Grand One (淮安生態新城泓著大觀)	82,734	2,980	–	114,841	117,821	51%
Jinan	Jiqi Road Leisure's Mansion (formerly: Jiqi Road Project) (濟齊路君逸府(原名稱：濟齊路項目))	34,290	4,639	–	–	4,639	45%
Jiangmen	Liyue Guoyue Residence (formerly: Liyue Project) (禮樂國樾府(原名稱：禮樂項目))	30,231	19,831	–	–	19,831	33%
Jiangyin	Yunting Tangyue Jinyuan (formerly: Yunting Primary School Project) (雲亭棠樾錦園(原名稱：雲亭小學項目))	92,953	7,508	–	–	7,508	50%
Jurong	Jurong C Ziyue Residence (formerly: Land Lot No.2018-J1-06) (句容C紫悅府(原名稱：2018-J1-06號地塊))	72,609	40,290	–	–	40,290	33%
Jurong	Jurong B Project (formerly: Jurong Land Lot No.B) (句容B 項目(原名稱：句容B地塊))	38,731	–	–	74,274	74,274	19%
Kaifeng	Zhong Yi Hu Yan Lan Residence (formerly: Kaifeng Yan Lan Residence) (中意湖燕瀾府(原名稱：開封燕瀾府))	63,533	9,358	–	–	9,358	49%
Ma'anshan	Hexian Peacock City (和縣孔雀城)	97,340	2,146	–	–	2,146	20%
Meishan	Renshou in Times (仁壽時光裡)	68,107	84	–	45,421	45,505	100%
Nanchang	Nanchang Hong Yang Residence (南昌弘陽府)	43,410	9,335	–	–	9,335	49%

Region	Name of Project	Area of Land *(sq.m.)*	Completed Total Gross Floor Area for Sale *(sq.m.)*	Rentable Area Held for Investment *(sq.m.)*	Total Gross Floor Area under Development *(sq.m.)*	Total Area of Land Bank *(sq.m.)*	The Group's Interests
Nanchang	Yao Lake Times Sky Shade (瑤湖時光天樾)	102,269	18,996	–	129,964	148,960	66%
Nanchang	Zhong Da Hong Yang (formerly: Qing Yun Pu) (中大弘陽(原名稱：青雲譜))	29,452	11,095	–	–	11,095	49%
Nanchang	Wanli in Times (灣里時光裡)	13,717	3,262	–	–	3,262	100%
Nanchang	Nanchang Qingshan Lake Avenue Times Garden (南昌青山湖大道時光玖悦)	20,182	9,380	–	11,320	20,700	49%
Nanjing	Solaris Loving City Section 8 (旭日愛上城八區)	40,552	4,324	–	–	4,324	100%
Nanjing	Shiguang Chunxiao (時光春曉)	32,246	449	–	–	449	49%
Nanjing	Binhuli (濱湖裡)	52,763	5,426	–	–	5,426	51%
Nanjing	Qilin Garden in the East (麒麟頌東苑)	67,810	14,219	–	–	14,219	33%
Nanjing	Yanlan Qijin (燕瀾七縉)	57,503	4,024	–	–	4,024	49%
Nanjing	Shiguang Yinxiang (時光印象)	61,145	119	–	–	119	49%
Nanjing	Gaoxin G27 Yinyue Residence (高新G27印悦府)	68,644	12,212	–	–	12,212	20%
Nanjing	Mountain and Lake View in Times (時光山湖)	14,338	2,120	–	–	2,120	25%
Nanjing	Shidai Tianyue (formerly: Nanjing Land Lot No.2017G36) (時代天樾(原名稱：南京•2017G36地塊))	54,173	–	–	78,508	78,508	20%
Nanjing	Xiaolongwan Garden of Joy and Happiness (formerly: Land Lot No.2017G57) (小龍灣悦禧苑(原名稱：2017G57地塊))	58,024	8,949	–	–	8,949	100%
Nanjing	Gaoxin Xingyuecheng Phase 2 (高新星悦城二期)	7,025	–	–	14,687	14,687	50%
Nanjing	Gaochun Pinglan Residence (formerly: Gaochun Land Lot No. 02-03) (高淳平瀾府(原名稱：高淳02-03地塊))	102,787	11,450	–	–	11,450	12%

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Nanjing	Solaris Jingcheng Store (旭日景城商舖)	1,371	–	4,450	–	4,450	100%
Nanjing	Solaris Loving City Section 6 Store (旭日愛上城六區商舖)	989	–	7,301	–	7,301	100%
Nanjing	Nanjing Hong Yang Plaza (南京弘陽廣場)	230,871	–	504,373	–	504,373	100%
Nanjing	3rd–4th Floor of Redsun Tower (弘陽大廈3–4層)	277	–	4,964	–	4,964	100%
Nanjing	Lishui Times Joy Residence (formerly: Shiqiu Project) (溧水時光悦府 (原名稱：石湫項目))	131,964	30,486	–	–	30,486	51%
Nanjing	Lukou Lakeside Mansion (formerly: Lukou Project) (祿口雲溪璟園 (原名稱：祿口項目))	73,686	18,339	–	50,283	68,622	49%
Nanjing	Puzhu North Road Shangshang Joy Garden (浦珠北路尚上悦苑)	7,232	5,889	–	–	5,889	70%
Nanjing	Lishui Sunrise Joy Shangchen (溧水昕悦尚宸)	41,931	1,269	–	8,870	10,139	50%
Nanjing	Qiaolin Shiguang Boyueyuan (橋林時光泊月園)	28,188	5,323	–	–	5,323	50%
Nanjing	Nanjing Times Avenue Lan Wan Jiu Zhu (formerly: Times Avenue Project) (南京時代大道攬灣玖築(原名稱：時代大道項目))	60,138	90,411	–	–	90,411	15%
Nanjing	Nanjing Zhuangyuanfang Xiyue Garden (formerly: Lishui Zhuangyuanfang Project) (南京狀元坊熹樾花園 (原名稱：溧水狀元坊項目))	67,192	32,493	–	12,544	45,037	33%
Nanjing	Nanjing Yaohuamen Qiyao Meizhu (南京堯化門棲堯美著)	14,670	3,853	–	–	3,853	83%
Nanjing	Nanjing Kangjian Road Glance River Joy Residence (南京康健路望江悦府)	65,227	23,131	–	–	23,131	49%
Nanjing	Nanjing Jiangbei Core District Yuejiang Shidai (南京江北核心區越江時代)	66,057	27,203	–	–	27,203	25%
Nanjing	Nanjing Dachang Top Cloud Mansion (南京大廠雲玥美著)	18,130	9,892	–	10,220	20,112	51%

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Nanjing	Nanjing Tangshan Yunchen Yuanlu (南京湯山雲辰原麓)	68,029	–	–	108,995	108,995	33%
Nanjing	Nanjing Qinhuai Chengdong Atmosphere of Mind (南京秦淮城東玖樾印象)	31,813	31,908	–	–	31,908	33%
Nantong	Yunyue Oriental (雲樾東方)	86,652	4,016	–	–	4,016	17%
Nantong	Upper Joy City (上悦城)	82,741	9,125	–	–	9,125	25%
Nantong	New Metropolitan (新都會)	109,890	2,135	–	–	2,135	13%
Nantong	Center Creation Metropolitan (中創大都會)	47,963	–	1,035	–	1,035	24%
Nantong	Sutong Yongjin Lanwan (蘇通雍錦瀾灣)	47,405	7,091	–	–	7,091	36%
Nantong	Zisheng Road Junlan Tianyue (資生路君蘭天悦)	40,689	540	–	–	540	100%
Nantong	Nantong Gaotie Xincheng Honored Palace (formerly: Pingchao Gaotie Xincheng) (南通高鐵新城時光峰匯(原名稱：平潮高鐵新城))	84,022	41,823	–	101,513	143,336	60%
Nantong	Nantong Fuxing Road Guanjianghai (formerly: Nantong Fuxing Road Project) (南通富興路觀江海(原名稱：南通富興路項目))	69,966	6,216	–	–	6,216	20%
Nantong	Antai Road Jingchen Residence (安泰路璟宸府)	53,761	–	–	116,056	116,056	30%
Ningbo	Chen Po Du Yong Chao Yin Residence (formerly: Chen Po Du) (陳婆渡湧潮印府(原名稱：陳婆渡))	40,148	4,163	–	–	4,163	31%
Ningbo	Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府)	84,775	38,631	42,129	–	80,760	50%
Qingdao	Jinshatan Beyond the Sea (金沙灘天賦雲海)	14,077	11,726	–	37,415	49,141	30%
Qingdao	Jimo Yunhai Road Beauty Collection in Times (即墨雲海路集美時光)	116,220	–	–	129,851	129,851	35%

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Rugao	Wanshou Road Zi Yun Ji (formerly: Wanshou Road Project) (萬壽路紫雲集(原名稱：萬壽路項目))	89,669	9,447	–	–	9,447	29%
Suzhou	Upper Sunny Masterpiece Garden (上熙名苑)	44,701	1,872	–	–	1,872	50%
Suzhou	Shangshui Garden of Elegance (上水雅苑)	69,325	95	–	–	95	100%
Suzhou	Xiangcheng Shangchen View Mansion (formerly: Fuyuan Road Project) (相城天境上辰(原名稱：富元路項目))	154,101	16,320	–	174,496	190,816	80%
Suzhou	Suzhou Lumu Heaven Billow (蘇州陸慕天境瀾庭)	37,963	4,105	–	–	4,105	51%
Suqian	Wutaishan Heyue Garden (五台山和樾花園)	139,947	12,419	–	242,657	255,076	20%
Taizhou (泰州)	Taixing Jinjiang Residence (泰興襟江府)	56,230	6,289	–	–	6,289	100%
Tongxiang	Wuzhen Joy Court (formerly: Wuzhen Longxiang Avenue Project) (烏鎮昕悅棠(原名稱：烏鎮龍翔大道項目))	42,811	2,013	–	–	2,013	100%
Weifang	Weifang Kuiwen North District Project (濰坊奎文北項目)	202,107	39,516	93,430	390,251	523,197	100%
Wenzhou	Huichang River Prosperous Seasons (formerly: Huichang River B03 Project) (會昌河潮啟四季(原名稱：會昌河B03項目))	25,721	12,538	–	–	12,538	50%
Wenzhou	Huichang River West Lakeside Seasons (formerly: Huichang River B07 Project) (會昌河西湖四季(原名稱：會昌河B07項目))	19,967	12,771	–	–	12,771	50%

Region	Name of Project	Area of Land (*sq.m.*)	Completed Total Gross Floor Area for Sale (*sq.m.*)	Rentable Area Held for Investment (*sq.m.*)	Total Gross Floor Area under Development (*sq.m.*)	Total Area of Land Bank (*sq.m.*)	The Group's Interests
Wenzhou	Guanghuaqiao Jiangbin ONE (廣化橋江濱ONE)	21,191	446	–	–	446	47%
Wenzhou	Yueqing Central District Junlan Hezhu (樂清中心區君蘭和著)	41,342	470	–	–	470	34%
Wuxi	Hong Yang Sanwan Qing (弘陽三萬頃)	800,000	6,433	–	–	6,433	100%
Wuxi	Huishan Sunrise Joy Court (惠山昕悅棠)	85,122	3,122	–	–	3,122	100%
Wuxi	Liyuan The Art of Shine (formerly: Liyuan Project) (利源長江映(原名稱：利源項目))	39,021	3,779	–	–	3,779	30%
Wuxi	Yangjian Platinum Residence (formerly: Yangjian Project) (羊尖鉑悅名邸(原名稱：羊尖項目))	63,050	1,775	–	–	1,775	98%
Wuxi	Jade Seal (formerly: Wuxi Yangshan) (無錫陽山悦陽九璽(原名稱：無錫陽山))	28,166	8,286	–	–	8,286	30%
Wuhu	Mengxi Road Shiguang Lane (夢溪路時光裡)	74,135	810	–	–	810	40%
Wuhan	NK1 Hong Yang Tian Yue (formerly: Yin Yue Residence) (NK1弘陽天悦(原名稱：印月府))	106,207	113,399	–	–	113,399	95%
Wuhan	Wuhan Xiao Jun Shan Aesthetics of Life (formerly: Xiao Jun Shan) (武漢小軍山天璽尚院(原名稱：小軍山))	128,129	26,494	–	270,292	296,786	50%
Wuhan	Wuhan Huangjia Hu Project (武漢黃家湖項目)	25,290	–	–	36,938	36,938	95%
Xi'an	Yan Liang Sunrise Joy Residence (閻良昕悦府)	24,649	4,838	–	–	4,838	51%
Xi'an	Xi'an Jinghe New Town The Polaris Mansion (西安涇河新城北宸天樾)	95,017	–	–	122,283	122,283	32%
Xiangyang	Prime Watery Court (襄御瀾庭)	45,761	9,008	–	–	9,008	95%
Xiangyang	Xiangzhou Park 1873 (襄州公園1873)	93,846	9,472	–	135,060	144,532	50%

Region	Name of Project	Area of Land *(sq.m.)*	Completed Total Gross Floor Area for Sale *(sq.m.)*	Rentable Area Held for Investment *(sq.m.)*	Total Gross Floor Area under Development *(sq.m.)*	Total Area of Land Bank *(sq.m.)*	The Group's Interests
Xiangyang	Taiziwan Lu Yun Ting (台子灣路雲庭)	29,569	7,122	–	–	7,122	100%
Xuzhou	Fengming Residence (鳳鳴府)	104,284	10,561	–	–	10,561	76%
Xuzhou	Beautiful Scenery Residence (麗景府)	26,646	2,214	–	–	2,214	33%
Xuzhou	Metropolitan City in Xinyuan Avenue (新元大道大都會)	90,236	8,888	–	–	8,888	100%
Xuzhou	Phoenix Hill Puyue Residence (鳳凰山璞樾門第)	59,770	4,596	–	–	4,596	96%
Xuzhou	Dawu Park Avenue (大吳公園大道)	213,207	37,486	–	288,094	325,580	51%
Xuzhou	Dawu Shugang Road Project (大吳疏港大道項目)	65,828	–	–	182,340	182,340	51%
Xuzhou	Xuzhou Songshan Road One Sino Long (formerly: Songshan Road Project) (徐州嵩山路山河瓏胤(原名稱：嵩山路項目))	142,721	258,200	–	–	258,200	16%
Xuzhou	Xuzhou Damiao Heping Gongguan (formerly: Zhongtian Shiming Road Project) (徐州大廟和平公館(原名稱：中天仕名路項目))	55,614	21,057	–	21,021	42,078	51%
Xuzhou	Taoloushan Land Lot Project B (陶樓山B地塊項目)	25,157	13,754	–	16,900	30,654	50%
Xuzhou	Taoloushan Land Lot Project C (陶樓山C地塊項目)	24,514	–	–	67,973	67,973	50%
Yancheng	Begonia View Residence in Yanzhen Road (鹽枕路觀棠府)	69,049	7,452	–	–	7,452	33%
Yancheng	Dongjin Road Sunrise Joy Residence (東進路昕悅府)	103,847	8,713	–	–	8,713	34%
Yancheng	Haikuo Road Fenglin Residence (海闊路鳳麟府)	100,491	31,301	–	–	31,301	35%
Yancheng	Yancheng Yandangshan Road Fengyue Residence (formerly: Yancheng Yandangshan Road Project) (鹽城雁蕩山路鳳樾府(原名稱：鹽城雁蕩山路項目))	104,088	27,205	–	8,500	35,705	15%

Region	Name of Project	Area of Land *(sq.m.)*	Completed Total Gross Floor Area for Sale *(sq.m.)*	Rentable Area Held for Investment *(sq.m.)*	Total Gross Floor Area under Development *(sq.m.)*	Total Area of Land Bank *(sq.m.)*	The Group's Interests
Yangzhou	Yangzhou City Two Central Mansion (揚州二城和光昕悅)	23,234	11,977	–	10,587	22,564	67%
Yizheng	Yizheng 38 Yuedi Bay (儀征38悅堤灣)	69,788	12,061	–	–	12,061	50%
Yizheng	Yizheng 39 Yuejiang Bay (formerly: Yizheng 39) (儀征39悅江灣 (原名稱：儀征39))	66,358	7,722	10,000	–	17,722	50%
Yizheng	Yizheng Yuelong Bay (儀征悅瓏灣)	27,589	7,637	–	–	7,637	100%
Zhangjiagang	Tang Qiao Xing Tang Residence (塘橋星唐府)	36,829	4,887	–	–	4,887	50%
Zhangjiagang	Daxin Sunrise Joy Masterpiece Residence (大新昕悅名邸)	47,706	6,147	–	–	6,147	100%
Zhangjiagang	Jinfeng Beautiful in Ten (錦豐十里錦繡)	98,783	–	–	–	–	16%
Zhangjiagang	Tang Qiao Cloud Mansion (formerly: Tang Qiao Fumin Road Project) (塘橋雲築(原名稱：塘橋富民路項目))	40,317	9,804	–	–	9,804	48%
Zhangjiagang	Zhangjiagang Chengdong Tangyue Royalty (formerly: Zhangjiagang Jiangcheng Road) (張家港城東棠樾世家(原名稱：張家港蔣乘路))	44,590	32,582	–	–	32,582	45%
Changsha	Deyi in Times (德一時光裡)	12,956	9,255	–	–	9,255	70%
Changsha	Black Stone Sunrise Joy Residence (formerly: Black Stone Project) (黑石昕悅府(原名稱：黑石項目))	32,684	7,591	–	–	7,591	100%
Changsha	Changsha Wanhou Residence (formerly: Wanhou Road) (長沙萬侯府 (原名稱：萬侯路))	21,967	5,215	–	–	5,215	100%
Changsha	Changsha Wayao Road Sunrise Joy Court (formerly: Wayao Road) (長沙瓦窯路昕悅棠(原名稱：瓦窯路))	34,269	1,614	–	1,105	2,719	51%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Changsha	Changsha Xinglian Road Natural Bustling (formerly: Xinglian Road) (長沙興聯路雲瀟賦(原名稱：興聯路))	16,111	16,763	–	27,094	43,857	50%
Zhenjiang	Zhenjiang Zhoujiazhuang Jingkou Times (鎮江周家莊京口時光)	16,168	1,479	–	–	1,479	51%
Zhenjiang	Xiaoniu Hill No. 1 Four Seasons Magnificence (小牛山一號四季風華)	20,536	2,228	–	–	2,228	33%
Zhenjiang	Xiaoniu Hill No. 2 Four Seasons Magnificence (小牛山二號四季風華)	28,920	5,123	–	–	5,123	33%
Zhengzhou	Zhongmou Hong Yang Residence (中牟弘陽府)	119,924	–	–	261,447	261,447	95%
Chongqing	Taojia Times Billow (formerly: Cypress View • Seattle) (陶家時光瀾庭(原名稱：柏景 • 西雅圖))	89,273	26,051	–	47,367	73,418	100%
Chongqing	Bishan Sunrise Joy Residence (formerly: Bishan 295) (璧山昕悅府(原名稱：璧山295))	106,259	24,353	–	–	24,353	50%
Chongqing	Guan Yin Tang Sunrise Joy Residence (觀音塘昕悅府)	14,785	5,962	–	–	5,962	49%
Chongqing	Beibei Utopia (formerly: Beibei Project) (北碚樾景台(原名稱：北碚項目))	109,540	11,553	–	8,094	19,647	49%
Chongqing	Chongqing Central Park Sunrise Joy Court (formerly: Central Park) (重慶中央公園昕悅棠(原名稱：中央公園))	39,636	3,796	–	–	3,796	100%
Chongqing	Chongqing Babin Road Glistening River (formerly: Babin Road Project) (重慶巴濱路一曲晴江(原名稱：巴濱路項目))	66,926	2,714	–	1,403	4,117	51%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 71 mu Project (重慶界石曉風江南71畝項目)	47,039	12,644	–	–	12,644	24%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 141 mu Project (重慶界石曉風江南141畝項目)	94,061	–	–	206,447	206,447	24%
		11,443,835	**2,105,616**	**1,034,882**	**3,834,262**	**6,974,761**	

3. *Commercial Operations*

For the six months ended 30 June 2026, the Group's sales revenue from commercial operations amounted to approximately RMB126.9 million, representing a decrease of 24.0% as compared to the corresponding period last year. It was due to the reduction of the rental prices of some stores.

4. Hotel Operations

For the six months ended 30 June 2026, the Group has no revenue from hotel operations. It was due to suspension of hotel operations during the period.

FINANCIAL REVIEW

1. Revenue

For the six months ended 30 June 2026, the Group's revenue amounted to approximately RMB700.3 million, representing a decrease of 74.2% from approximately RMB2,712.3 million for the same period last year. The revenue mainly included income generated from sales of properties and commercial operations, of which income generated from: (i) sales of properties decreased by 77.5% to approximately RMB573.4 million as compared to the same period last year, accounting for 81.9% of the total recognized revenue; and (ii) commercial operations decreased by 24.0% to approximately RMB126.9 million as compared to the same period last year.

Details of recognized revenue are set out as follows:

	For the six months ended 30 June				
	2026		2025		
	Recognized Revenue *(RMB'000)*	**Percentage of Total Recognized Revenue** *(%)*	Recognized Revenue *(RMB'000)*	Percentage of Total Recognized Revenue *(%)*	Year-on-year change *(%)*
Sales of properties	**573,372**	**81.9**	2,545,316	93.8	-77.5
Commercial operations	**126,943**	**18.1**	166,971	6.2	-24.0
Hotel operations	**–**	**–**	–	–	–
Total	**700,315**	**100.0**	2,712,287	100.0	-74.2

2. Cost of sales

For the six months ended 30 June 2026, the cost of sales of the Group was approximately RMB1,824.6 million, representing a decrease of 37.8% as compared to that of approximately RMB2,934.4 million for the same period last year. The decrease was primarily due to the decrease in the number of projects delivered during the period as compared with the corresponding period last year. During the period, the Group primarily delivered Weifang Kuiwen North District Project.

3. Gross Loss and Gross Loss Margin

For the six months ended 30 June 2026, the Group's gross loss was approximately RMB1,124.3 million, representing an increase of 406.2% from gross loss of approximately RMB222.1 million for the corresponding period last year. For the six months ended 30 June 2026, the gross loss margin was 160.5%, compared with a gross loss margin of 8.2% for the corresponding period last year, the increase in gross loss margin was mainly due to the amount of provisions for impairment of inventories for properties under development and completed properties held for sale during the period was higher than the corresponding period last year.

4. Changes in Fair Value of Investment Properties

For the six months ended 30 June 2026, the Group did not recognized fair value gains or losses on investment properties.

5. Selling and Distribution Expenses

For the six months ended 30 June 2026, the Group's selling and distribution expenses amounted to approximately RMB10.9 million, representing a decrease of 85.8% from approximately RMB76.3 million for the corresponding period last year. Such decrease was due to the decrease in the launch of new property projects of the Group in the first half of 2026.

6. Administrative Expenses

For the six months ended 30 June 2026, the Group's administrative expenses amounted to approximately RMB50.9 million, representing a decrease of 16.9% from approximately RMB61.3 million for the corresponding period last year. Such decrease was mainly due to the Group's further development in major metropolitan areas and core cities, and the strengthened control in administrative expenses and costs.

7. Share of Profits and Losses of Joint Ventures and Associates

For the six months ended 30 June 2026, the Group's share of losses of joint ventures and associates amounted to approximately RMB447.0 million (corresponding period of 2025: share of losses of RMB1,234.8 million) mainly due to the decrease in losses incurred by the joint ventures and associates held by the Group.

8. Finance Costs

For the six months ended 30 June 2026, the Group's finance costs expended amounted to approximately RMB136.3 million, representing a decrease of 74.8% from approximately RMB540.2 million for the corresponding period last year. Such change in finance costs was mainly due to an increase of the exchange gains on US$-denominated borrowings of the Group and a decrease of total borrowings during the Reporting Period.

9. Taxation

The Group's taxation included provisions for the corporate income tax and LAT net of deferred tax during the period.

During the Reporting Period, the Group's income tax amounted to approximately RMB20.3 million, representing a decrease of 73.0% from approximately RMB75.4 million for the corresponding period last year.

During the Reporting Period, the provision made for LAT by the Group was approximately RMB61.5 million, as compared with approximately RMB269.6 million for the corresponding period last year.

10. Loss for the Reporting Period

As a result of the aforementioned factors, the loss before taxation of the Group during the Reporting Period was approximately RMB1,676.1 million, representing a decrease of 15.2% from approximately RMB1,975.6 million for the corresponding period last year. During the Reporting Period, the net loss was RMB1,757.9 million, representing a decrease of 24.2% as compared with the corresponding period last year.

LIQUIDITY, FINANCE AND CAPITAL

1. Cash Position

As at 30 June 2026, the Group's cash and bank balances were approximately RMB0.46 billion (as at 31 December 2025: approximately RMB0.50 billion), of which, restricted cash amounted to RMB0.19 billion (as at 31 December 2025: RMB0.27 billion), and there was no pledged deposits (as at 31 December 2025: RMB0.02 billion).

2. Borrowings and Pledged Assets

As at 30 June 2026, the Group's total borrowings (including interest-bearing bank and other borrowings and senior notes) amounted to approximately RMB20.01 billion (as at 31 December 2025: approximately RMB20.47 billion), of which, interest-bearing bank and other borrowings were approximately RMB10.04 billion (as at 31 December 2025: approximately RMB10.06 billion) and senior notes were approximately RMB9.98 billion (as at 31 December 2025: approximately RMB10.40 billion).

The Group's total borrowings were repayable as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Interest-bearing bank and other borrowings:		
Repayable within one year or on demand	**7,519,708**	7,052,231
Repayable in the second year	**929,224**	911,672
Repayable in the third to fifth years, inclusive	**1,334,000**	1,793,952
Repayable beyond five years	**252,500**	306,800
Sub-total	**10,035,432**	10,064,655
Senior notes:		
Repayable on demand	**9,977,969**	10,404,055
Total borrowings	**20,013,401**	20,468,710

As at 30 June 2026, except for the borrowings in the amount of RMB11,411.9 million (as at 31 December 2025: RMB11,787.3 million) denominated in US$, the remaining borrowings of the Group were denominated in RMB.

As at 30 June 2026, except for certain bank and other borrowings of RMB4,444.9 million (as at 31 December 2025: RMB4,386.2 million) with fixed interest rates, all of the Group's bank and other borrowings bear interest at floating interest rates.

As at 30 June 2026, assets with an aggregate value of approximately RMB14,147.6 million (as at 31 December 2025: approximately RMB14,859.9 million) have been pledged to banks and other financial institutions to secure the credit facilities granted to the Group and its joint ventures and associates.

3. Gearing Ratio

As at 30 June 2026, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately -13,576.5%, as compared with approximately 1,003.0% as at 31 December 2025. As at 30 June 2026, the Group's debt to asset ratio (total debts divided by total assets) was approximately 100.3%, as compared with approximately 96.1% as at 31 December 2025. As at 30 June 2026, the Group's current ratio (current assets divided by current liabilities) was approximately 0.70 times, as compared with approximately 0.76 times as at 31 December 2025.

As at 30 June 2026, cash to short-term debt ratio (cash and bank balances divided by short-term borrowings) was approximately 0.03 times, as compared with approximately 0.03 times as at 31 December 2025.

4. Capital and Property Development Expenditure Commitments

As at 30 June 2026, the Group had capital and property development expenditure commitments contracted but not provided for of approximately RMB3.36 billion (as at 31 December 2025: approximately RMB2.76 billion).

CORPORATE GOVERNANCE/OTHER INFORMATION

1. Material Acquisitions and Disposals

There was no material acquisition and disposal of subsidiaries, associates or joint ventures by the Group during the Reporting Period.

2. Employment and Remuneration Policies

As of 30 June 2026, the Group had 376 employees in total, of which 219 employees were engaged in the real estate development business and 157 employees were engaged in the commercial property operations.

The emolument of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed based on the performance of the employees. The Group provides employees with career development opportunities and considers if their remuneration should be raised or if they should be promoted with reference to their individual performance and potential. Other benefits provided by the Group include medical benefits and specialized training schemes.

3. Events after the Reporting Period

There is no significant subsequent event undertaken by the Company after 30 June 2026.

4. Interim Dividend

The Board has resolved that the Company will not declare any interim dividend for the Reporting Period (2025 interim: Nil).

5. Purchase, Sale or Redemption of Any of the Company's Listed Securities

During the Reporting Period, there was no purchase, sale or redemption by the Group of any of the Company's listed securities (including sale of treasury shares). As of the end of Reporting Period, no treasury shares were held by the Company.

6. Currency Risk

The Group primarily operates in the PRC and the majority of the Group's transactions were denominated and settled in RMB.

7. Material Legal and Litigation Matters

On 14 February 2024, a winding-up petition (the "**Petition**") was filed against the Company at the High Court of the Hong Kong Special Administrative Region ("**High Court**"), in connection with a financial obligation in the amount of not less than USD228,500,000, being the amount of payment under the USD200,000,000 9.50% guaranteed notes due 2023 issued by the Company.

On 18 March 2026, the High Court has approved the adjournment application jointly proposed by The Bank of New York Mellon, London Branch, the petitioner, and the Company. The hearing of the Petition is now adjourned to 5 October 2026.

As at the date of this announcement, no winding-up order has been made by the High Court against the Company. The Company is grateful to the creditors for their continuing support and engagement and will continue to progress the consensual restructuring in an orderly manner.

For details, please refer to the announcements of the Company dated 16 February 2024, 13 March 2024, 16 September 2024, 26 March 2025, 16 September 2025 and 19 March 2026.

8. Corporate Governance

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") as its own code of corporate governance.

To the knowledge of the Directors, except for code provision C.2.1 of the CG Code, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the Reporting Period, and the Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and performed by different individuals.

During the Reporting Period, the roles of chairman and chief executive officer of the Company were not separated and Mr. Zeng Huansha is currently taking the roles of chairman of the Board and chief executive officer of the Company. Taking into account that Mr. Zeng Huansha has extensive experience in the real estate industry, the Board considered that the roles of chairman and chief executive officer being performed by Mr. Zeng Huansha will enable more effective business planning and implementation of the Group. In order to maintain good corporate governance and fully comply with the provisions of the CG Code, the Board will regularly review the necessity to appoint different individuals to perform the roles of chief executive officer separately.

9. Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code for dealing in securities of the Company by the Directors.

After specific enquiries made to all Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code throughout the Reporting Period.

10. Review of Interim Results by the Audit Committee

The Board has established its audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 in Part 2 of the CG Code.

The primary duties of our audit committee are to review and monitor the Group's financial reporting process, risk management and internal control system, to provide recommendation and advice to the Board, and to perform other duties and responsibilities as may be assigned by the Board. Our audit committee consists of three members, including Mr. Leung Yau Wan John, Mr. Lee Kwok Tung Louis and Mr. Au Yeung Po Fung. Our audit committee is chaired by Mr. Leung Yau Wan John, who possesses appropriate professional qualifications.

Our audit committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended 30 June 2026 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of financial reporting.

11. *Publication of Interim Results and 2026 Interim Report on the Websites of the Hong Kong Stock Exchange and the Company*

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.rsunproperty.hk). The interim report of the Company for the six months ended 30 June 2026 will be provided to the Company's shareholders and posted on the above websites in due course.

On behalf of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 27 August 2026

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha and Ms. Hu Fang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.