越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

Announcement of 2026 Interim Results

Results Summary

- The revenue was approximately RMB36.65 billion, representing a period-to-period decrease of 23.0%.
- The gross profit margin was approximately 6.2%, representing a period-to-period decrease of 4.4 percentage points.
- Profit attributable to equity holders was approximately RMB0.09 billion, representing a period-to-period decrease of 93.6%.
- Core net profit* was approximately RMB0.08 billion, representing a period-to-period decrease of 94.6%.
- The value of the aggregate contracted sales (including sales of projects of joint ventures and associates) during the period amounted to approximately RMB50.51 billion, among which the proportion of contracted sales from existing inventory projects increased period-to-period to 80.7%, indicating notable progress in destocking. The contracted sales value of the six core cities** accounted for 84.5% of the total during the period. The Group's contracted sales value ranked eighth nationwide in the first half of 2026 according to CRIC.
- The Group has newly acquired 6 land parcels located in 5 cities, adding a total GFA of approximately 0.68 million sq.m. to its landbank, with equity investments amounting to approximately RMB7.00 billion during the period, 96.8% of which are concentrated in the six core cities. As of 30 June, the total landbank GFA was approximately 16.57 million sq.m., 94% of which are located in tier-1 and tier-2 cities.

- As of 30 June, the "Three Red Lines" indicators of the Group were all in "green lights", with total liabilities/total assets ratio (excluding unearned revenue) of 65.2%, net gearing ratio*** of 49.2% and cash to short-term debt ratio of 2.1 times. The financial position was healthy and sound. The Group maintained its BBB- investment-grade credit ratings with stable outlook from S&P and Fitch.

- As of 30 June, the Group's total cash and bank balances, time deposits, time deposits and other restricted deposits amounted to approximately RMB51.50 billion. Net cash inflows from operating activities amounted to approximately RMB13.77 billion, with sufficient and secure liquidity.

- The weighted average borrowing interest rate for the period dropped below 3% for the first time to 2.91% per annum, representing a period-to-period decrease of 25 basis points.

- The Board has resolved to declare an interim dividend for 2026 of HKD0.009 per share (equivalent to RMB0.008 per share). The payout ratio was approximately 40% of the core net profit*.

•	Revenue	RMB36.65 billion (-23.0%)
•	Gross profit margin	6.2% (-4.4 percentage points)
•	Profit attributable to equity holders	RMB0.09 billion (-93.6%)
•	Core net profit*	RMB0.08 billion (-94.6%)
•	Contracted sales value	RMB50.51 billion (-17.9%)
•	Unrecognised sales value	RMB132.44 billion (+0.3%)
•	Total assets	RMB365.39 billion (-1.2%)
•	Cash and bank balances, time deposits, time deposits and other restricted deposits	RMB51.50 billion (+10.1%)
•	Net gearing ratio***	49.2% (-5.7 percentage points)
•	Weighted average borrowing interest rate	2.91% per annum (-25 basis points)

* Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) in the condensed consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year/period) and the related tax effect, and impairment of intangible assets.

** Six core cities refer to Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou and Chengdu.

*** Net gearing ratio represents net debt (i.e., total borrowings less cash and bank balances, time deposits, time deposits and other restricted deposits) divided by total equity.

UNAUDITED RESULTS

The board of directors ("Directors" or "Board") of Yuexiu Property Company Limited ("Company") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") prepared under Hong Kong Accounting Standard 34 "Interim Financial Reporting" for the six months ended 30 June 2026, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited	
		Six months ended 30 June	
	Notes	**2026**	**2025**
		RMB'000	*RMB'000*
Revenue	4	36,648,532	47,573,703
Cost of sales		(34,380,465)	(42,510,795)
Gross profit		2,268,067	5,062,908
Other gains and losses	5	151,786	135,710
Selling and marketing expenses		(1,019,216)	(1,479,049)
Administrative expenses		(559,394)	(618,862)
Operating profit		841,243	3,100,707
Finance income	6	274,898	269,997
Finance costs	7	(357,022)	(480,552)
Share of (losses)/profits of			
– joint ventures		(70,841)	(83,566)
– associates		887,434	1,347,611
Profit before taxation		1,575,712	4,154,197
Taxation	9	(691,717)	(1,178,581)
Profit for the period		883,995	2,975,616

		Unaudited	
		Six months ended 30 June	
	Note	**2026**	**2025**
		RMB'000	*RMB'000*
Attributable to			
Equity holders of the Company		87,234	1,369,652
Non-controlling interests		796,761	1,605,964
		883,995	2,975,616
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted	11	0.0217	0.3403

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	883,995	2,975,616
Other comprehensive income:		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(71,333)	(45,092)
Cash flow hedges	60	49,341
Share of other comprehensive income of an associate accounted for using the equity method	45,442	38,057
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(25,831)	42,306
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	290,562	864
Tax impact of the derecognition of an equity investment at fair value through other comprehensive income	298,124	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	588,686	864
Other comprehensive income for the period, net of tax	562,855	43,170
Total comprehensive income for the period	1,446,850	3,018,786
Attributable to		
Equity holders of the Company	620,693	1,412,536
Non-controlling interests	826,157	1,606,250
	1,446,850	3,018,786

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 JUNE 2026

		As at	
		30 June	**31 December**
	Notes	**2026**	**2025**
		Unaudited	*Audited*
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,402,612	3,066,810
Right-of-use assets		1,771,783	1,892,773
Investment properties	13	13,620,481	17,126,904
Intangible assets		348,749	388,277
Properties under development		7,971,359	7,886,324
Interests in joint ventures		6,607,713	5,791,049
Interests in associates		28,631,691	27,600,142
Financial assets at fair value through other comprehensive income		4,777	966,889
Deferred tax assets		5,764,965	5,757,590
Derivative financial instruments		577	—
Other receivables, prepayments and deposits		99,118	177,830
Time deposits and other restricted deposits		3,762	1,404,468
Total non-current assets		67,227,587	72,059,056
CURRENT ASSETS			
Properties under development		126,756,288	126,423,671
Properties held for sale		51,417,207	57,904,923
Contract costs		690,158	817,629
Prepayments for land use rights		—	4,832,007
Trade and notes receivables	14	1,512,127	1,515,676
Other receivables, prepayments and deposits		57,073,604	51,987,586
Derivative financial instruments		—	4,421
Prepaid taxation		9,221,217	8,843,718
Time deposits		1,402,687	4,516
Cash and bank balances		50,091,190	45,351,667
Total current assets		298,164,478	297,685,814

	Notes	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
CURRENT LIABILITIES			
Trade and notes payables	15	3,165,726	2,917,782
Contract liabilities		59,662,218	63,058,337
Other payables and accruals		85,129,709	84,036,332
Borrowings	16	25,036,350	27,201,874
Lease liabilities		164,353	218,410
Derivative financial instruments		48,156	80,966
Taxation payable		3,390,666	4,531,273
Total current liabilities		176,597,178	182,044,974
NET CURRENT ASSETS		121,567,300	115,640,840
TOTAL ASSETS LESS CURRENT LIABILITIES		188,794,887	187,699,896
NON-CURRENT LIABILITIES			
Borrowings	16	78,835,641	77,625,088
Lease liabilities		298,093	462,077
Deferred tax liabilities		3,008,658	3,693,574
Deferred income		54,651	56,063
Derivative financial instruments		62,376	30,706
Total non-current liabilities		82,259,419	81,867,508
Net assets		106,535,468	105,832,388
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		25,545,008	25,545,008
Shares held under share award scheme		(26,309)	(26,309)
Other reserves		2,572,012	3,066,636
Retained earnings		27,347,242	26,231,925
		55,437,953	54,817,260
Non-controlling interests		51,097,515	51,015,128
Total equity		106,535,468	105,832,388

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Unaudited	
	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Operating activities		
Net cash generated from operations	17,771,535	9,695,313
Interest received	205,650	246,329
Interest paid	(1,716,651)	(1,850,179)
Chinese mainland taxation paid	(2,487,114)	(3,989,753)
Net cash generated from operating activities	13,773,420	4,101,710
Investing activities		
Acquisition of subsidiaries, net of cash received	66,341	1,597,128
Disposal of subsidiaries, net of cash disposed	3,296,021	(452,471)
Deemed disposal of a subsidiary, net of cash disposed	(112,407)	—
Purchases of property, plant and equipment, investment properties and intangible assets	(27,919)	(59,259)
Proceeds from sale of property, plant and equipment and intangible assets	9,526	2,753
Dividends received from associates	66,392	52,548
(Increase)/decrease in charged bank deposits	(2,302,274)	4,837,040
(Increase)/decrease in time deposits	(21,357)	349,401
Decrease in other restricted deposits	23,892	20,655
Capital injection in joint ventures and associates	(814,432)	(1,884,270)
Capital reduction from joint ventures and associates	57,953	—
(Increase)/decrease in balances with joint ventures and associates	(2,953,058)	581,238
Net cash (used in)/generated from investing activities	(2,711,322)	5,044,763

	Unaudited	
	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Financing activities		
Capital contribution from non-controlling interests	240,000	4,024,101
Dividends paid to non-controlling interests	(24,371)	(49,872)
Increase/(decrease) in balances with associates	9,023,847	(2,096,860)
Decrease in balances with other related parties	(1,360,685)	(510,676)
Decrease in balances with non-controlling interests and related parties of non-controlling interests	(3,985,662)	(2,675,382)
Proceeds from bank borrowings	13,060,903	16,789,511
Repayment of bank borrowings	(19,129,450)	(20,660,138)
Proceeds from other borrowings	5,935,000	1,500,000
Repayment of other borrowings	(9,476,567)	(2,500,000)
Repayment to external finance providers under supplier settlement scheme	(2,561,906)	(3,039,499)
Payments for derivative financial instruments	(82,781)	(106)
Repayment of lease liabilities	(132,376)	(112,420)
Net cash used in financing activities	(8,494,048)	(9,331,341)
Increase/(decrease) in cash and cash equivalents	2,568,050	(184,868)
Cash and cash equivalents at the beginning of period	32,524,986	29,728,316
Exchange losses on cash and cash equivalents	(130,801)	(13,459)
Cash and cash equivalents at the end of period	34,962,235	29,529,989
Add: Charged bank deposits	15,128,955	12,723,353
Cash and bank balances	50,091,190	42,253,342

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This interim condensed consolidated financial information is presented in Renminbi ("RMB"), unless otherwise stated.

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. The interim 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 annual financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditors have reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim 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 amended HKFRS Accounting Standard for the first time for the current period's financial information.

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

The Group has assessed the impact of the adoption of these amended standards that are effective for the first time for this interim period. The adoption of these amended standards did not result in any significant impact on the results and financial position of the Group.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group does not early adopt following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective for the financial year ending 31 December 2026.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

1 Effective for annual periods beginning on or after 1 January 2027

2 Effective for reporting periods beginning on or after 1 January 2027

3 Effective for annual periods beginning on or after 1 January 2029

4 No mandatory effective date yet determined but available for adoption

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other Hong Kong Accounting Standards. HKFRS 18 and the consequential amendments to other Hong Kong Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for HKFRS 18, the above new standards and amendments to existing standards and interpretation are effective for annual/reporting periods beginning on or after 1 January 2027 and have not been early applied in preparing these interim condensed consolidated financial statements and none of these is expected to have a significant effect on the interim condensed consolidated financial statements of the Group.

3 SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of property development, property management, property investment and others.

The Group's operating and reportable segments under HKFRS 8 and the types of turnover are as follows:

Property development	sales of property development units
Property management	revenue from provision of property management services
Property investment	property rental income
Others	revenue from real estate agency and decoration services, etc.

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the interim condensed consolidated financial information.

Total reportable segment assets excluded deferred tax assets, prepaid taxation and corporate assets. Corporate assets are not directly attributable to segments.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss.

The following table presents revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2026 and 30 June 2025 respectively.

	Property development	**Property management**	**Property investment**	**Others**	**Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026					
Revenue	33,377,150	1,914,592	332,842	3,135,243	38,759,827
Inter-segment revenue	—	(322,558)	(70,858)	(1,717,879)	(2,111,295)
Revenue from external customers	33,377,150	1,592,034	261,984	1,417,364	36,648,532
Segment results	360,841	212,374	(10,168)	39,243	602,290
Depreciation and amortisation	(111,918)	(42,265)	—	(96,678)	(250,861)
Losses on revaluation of investment properties, net	—	—	(100,010)	—	(100,010)
Share of (losses)/profits of:					
– joint ventures	(54,199)	753	(16,856)	(539)	(70,841)
– associates	304,864	—	567,463	15,107	887,434

	Property development	Property management	Property investment	Others	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025					
Revenue	44,027,345	1,980,135	295,275	4,967,149	51,269,904
Inter-segment revenue	—	(372,606)	(27,281)	(3,296,314)	(3,696,201)
Revenue from external customers	44,027,345	1,607,529	267,994	1,670,835	47,573,703
Segment results	2,569,962	212,952	247,267	60,333	3,090,514
Depreciation and amortisation	(84,934)	(49,442)	—	(113,040)	(247,416)
Gains on revaluation of investment properties, net	—	—	99,049	—	99,049
Share of (losses)/profits of:					
– joint ventures	(75,592)	837	—	(8,811)	(83,566)
– associates	1,430,325	—	(64,830)	(17,884)	1,347,611

	Property development	Property management	Property investment	Others	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026					
Total reportable segments' assets	314,709,219	6,555,964	23,415,825	4,321,068	349,002,076
As at 31 December 2025					
Total reportable segments' assets	310,726,353	6,469,137	25,191,545	5,339,193	347,726,228

A reconciliation of total segment results to total profit before taxation is provided as follows:

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Segment results	602,290	3,090,514
Unallocated operating costs *(note)*	(12,843)	(26,468)
Other gains and losses, net (excluding (losses)/gains on revaluation of investment properties, net) *(note 5)*	251,796	36,661
Operating profit	841,243	3,100,707
Finance income *(note 6)*	274,898	269,997
Finance costs *(note 7)*	(357,022)	(480,552)
Share of (losses)/profits of:		
– joint ventures	(70,841)	(83,566)
– associates	887,434	1,347,611
Profit before taxation	1,575,712	4,154,197

Note: Unallocated operating costs include mainly staff salaries and other operating expenses of the Company.

A reconciliation of total segment assets to total assets is provided as follows:

	As at	
	30 June	**31 December**
	2026	**2025**
	RMB'000	*RMB'000*
Total reportable segments' assets	349,002,076	347,726,228
Deferred tax assets	5,764,965	5,757,590
Prepaid taxation	9,221,217	8,843,718
Corporate assets *(note)*	1,403,807	7,417,334
Total assets	365,392,065	369,744,870

Note: Corporate assets represent property, plant and equipment, intangible assets, right-of-use assets, other receivables and cash and bank balances of the Company.

No geographical segment analysis is shown as more than 90% of the Group's revenue are derived from activities in and from customers located in Chinese mainland and more than 90% of the carrying values of the Group's non-current assets excluding deferred income tax are situated in Chinese mainland.

For the six months ended 30 June 2026, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales (six months ended 30 June 2025: none).

4 REVENUE

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Property development	33,377,150	44,027,345
Property management	1,592,034	1,607,529
Others	1,417,364	1,670,835
	36,386,548	47,305,709
Revenue from other sources		
Property investment	261,984	267,994
	36,648,532	47,573,703

Revenue from contracts with customers:

For the six months ended 30 June 2026

Segments	**Property development** *RMB'000*	**Property management** *RMB'000*	**Others** *RMB'000*	**Group** *RMB'000*
Types of goods or services				
Sale of property development	33,377,150	—	—	33,377,150
Property management service	—	1,592,034	—	1,592,034
Others	—	—	1,417,364	1,417,364
Total revenue from contracts with customers:	33,377,150	1,592,034	1,417,364	36,386,548
Timing of revenue recognition				
Recognised at a point in time	33,377,150	269,316	755,153	34,401,619
Recognised over time	—	1,322,718	662,211	1,984,929
Total revenue from contracts with customers:	33,377,150	1,592,034	1,417,364	36,386,548

For the six months ended 30 June 2025

Segments	**Property development** *RMB'000*	**Property management** *RMB'000*	**Others** *RMB'000*	**Group** *RMB'000*
Types of goods or services				
Sale of property development	44,027,345	—	—	44,027,345
Property management service	—	1,607,529	—	1,607,529
Others	—	—	1,670,835	1,670,835
Total revenue from contracts with customers:	44,027,345	1,607,529	1,670,835	47,305,709
Timing of revenue recognition				
Recognised at a point in time	44,027,345	288,871	1,124,748	45,440,964
Recognised over time	—	1,318,658	546,087	1,864,745
Total revenue from contracts with customers:	44,027,345	1,607,529	1,670,835	47,305,709

5 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
(Losses)/gains on revaluation of investment properties, net	(100,010)	99,049
Gains on disposal of subsidiaries, net	204,646	—
Penalty income	33,449	28,056
Other gains	13,701	8,605
	151,786	135,710

6 FINANCE INCOME

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Interest income from bank deposits	118,281	179,598
Interest income on amounts due from related parties (excluding bank deposits) *(note 19(b)(I))*	152,997	85,632
Interest income on amounts due from non-controlling interests ("NCI")	3,270	4,256
Other interest income	350	511
	274,898	269,997

7 FINANCE COSTS

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Interest on bank borrowings and bank overdrafts	736,530	840,532
Interest on other borrowings	698,034	799,594
Interest on amounts due to related parties *(note 19(b)(II))*	144,279	138,408
Interest on amounts due to NCI and related parties of NCI *(note)*	64,865	57,937
Interest expense on lease liabilities	19,970	11,047
Total interest expenses incurred	1,663,678	1,847,518
Less: amount capitalised as properties under development and property, plant and equipment	(1,174,978)	(1,476,394)
Total interest expenses recorded in finance costs	488,700	371,124
Net fair value losses on derivative financial instruments	42,715	16,838
Net foreign exchange (gains)/losses	(174,393)	92,590
	357,022	480,552

Note:

The amount represents interest on the amounts of subsidiaries of the Group due to NCI and related parties of NCI. Out of the total amount of approximately RMB5,081 million (31 December 2025: RMB5,602 million), the interest bearing balance is approximately RMB965 million as at 30 June 2026 (31 December 2025: RMB1,008 million) and bears interest at a weighted average rate of 3.14% per annum (2025: 3.89% per annum). The balance which is included in other payables and accruals is repayable on demand and denominated in RMB.

8 EXPENSES BY NATURE

Cost of sales, selling and marketing expenses and administrative expenses include the following:

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Cost of properties sold included in cost of sales	30,497,951	37,779,870
Other tax and surcharges	130,954	176,748
Depreciation of right-of-use assets	123,437	114,044
Depreciation of property, plant and equipment *(note 12)*	100,849	108,827
Amortisation of intangible assets	26,575	24,545
Provision for impairment of properties under development and properties held for sale	551,409	532,109

9 TAXATION

(a) Hong Kong profits tax has been provided for at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the period.

(b) Chinese mainland enterprise income taxation is provided on the profit of the Group's principal subsidiaries, joint ventures and associates in Chinese mainland at 25% (2025: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates of 5% or 10%.

(c) Chinese mainland land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land, development and construction.

(d) The amount of taxation charged to the interim condensed consolidated statement of profit or loss comprises:

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Current taxation		
– China enterprise income tax and corporate withholding income tax	1,034,661	1,212,307
– Chinese mainland land appreciation tax	148,046	203,799
	1,182,707	1,416,106
Deferred taxation	(490,990)	(237,525)
	691,717	1,178,581

10 DIVIDENDS

	Six months ended 30 June	
	2026	**2025**
	RMB'000	*RMB'000*
Cash dividends		
2025 final, of Nil (2024 final: Nil) per ordinary share	—	—
2026 interim, resolved, of HKD0.009 equivalent to RMB0.008 (2025 interim: HKD0.166 equivalent to RMB0.151) per ordinary share	32,203	607,834

The interim dividend resolved after the balance sheet date has not been recognised as a liability at the balance sheet date. It will be recognised in the shareholders' equity during the year ending 31 December 2026.

11 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding during the period.

	Six months ended 30 June	
	2026	**2025**
Profit attributable to equity holders of the Company (RMB'000)	87,234	1,369,652
Weighted average number of ordinary shares outstanding ('000)	4,025,393	4,025,393
Basic earnings per share (RMB)	0.0217	0.3403

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since there was no dilutive potential ordinary shares during the six months ended 30 June 2026, diluted earnings per share is equal to basic earnings per share (six months ended 30 June 2025: same).

12 PROPERTY, PLANT AND EQUIPMENT

	2026	2025
	RMB'000	*RMB'000*
At 1 January	3,066,810	3,159,869
Additions	27,420	30,352
Disposals	(3,846)	(49,647)
Disposal of subsidiaries	(507,610)	—
Deemed disposal of a subsidiary	(19)	—
Depreciation *(note 8)*	(100,849)	(108,827)
Transfer	(79,190)	(3,028)
Exchange differences	(104)	(471)
At 30 June	2,402,612	3,028,248

13 INVESTMENT PROPERTIES

	2026	2025
	RMB'000	*RMB'000*
At 1 January	17,126,904	17,029,312
Additions	—	113,321
Transfer	—	(48,700)
Disposal of subsidiaries	(3,379,300)	—
Fair value (losses)/gains, net	(100,010)	99,049
Exchange differences	(27,113)	(10,768)
At 30 June	13,620,481	17,182,214

14 TRADE AND NOTES RECEIVABLES

The ageing analysis of trade and notes receivables based on invoice date is as follows:

	As at	
	30 June 2026	**31 December 2025**
	RMB'000	*RMB'000*
Within 1 year	1,263,068	1,307,286
1 to 2 years	247,667	181,034
2 to 3 years	55,901	60,008
Over 3 years	32,111	34,775
	1,598,747	1,583,103
Less: provision for impairment	(86,620)	(67,427)
	1,512,127	1,515,676

15 TRADE AND NOTES PAYABLES

The ageing analysis of trade and notes payables based on invoice date is as follows:

	As at	
	30 June 2026	**31 December 2025**
	RMB'000	*RMB'000*
Within 90 days	1,368,170	1,500,165
91 to 180 days	210,001	561,319
181 to 365 days	893,635	580,172
1 to 2 years	435,788	245,407
Over 2 years	258,132	30,719
	3,165,726	2,917,782

16 BORROWINGS

	As at	
	30 June	**31 December**
	2026	**2025**
	RMB'000	*RMB'000*
Non-current		
Long-term bank borrowings		
– Secured	21,127,936	22,768,178
– Unsecured	26,072,975	23,883,561
Other borrowings		
– Unsecured	31,634,730	30,973,349
	78,835,641	77,625,088
Current		
Short-term bank borrowings		
– Unsecured	4,599,323	4,042,556
Current portion of long-term bank borrowings		
– Secured	5,973,238	4,067,508
– Unsecured	3,007,976	3,263,353
Other borrowings		
– Unsecured	11,455,813	15,828,457
	25,036,350	27,201,874
Total borrowings	103,871,991	104,826,962

The maturity of borrowings is as follows:

	Bank borrowings		Other borrowings	
	As at		As at	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	13,580,537	11,373,417	11,455,813	15,828,457
In the second year	19,287,279	17,537,582	7,674,458	10,122,539
In the third to fifth year	17,647,138	19,995,800	20,563,015	16,402,077
Over five years	10,266,494	9,118,357	3,397,257	4,448,733
	60,781,448	58,025,156	43,090,543	46,801,806

17 GUARANTEES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties *(note (a))*	22,680,635	30,356,944
Guarantees for banking and loan facilities granted to related parties *(note (b))*	2,241,980	2,170,980
	24,922,615	32,527,924

Notes:

(a) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying 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. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

(b) As at 30 June 2026, certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB2,242 million (31 December 2025: RMB2,171 million) in respect of loans borrowed by related parties of the Group, among which, guarantee of approximately RMB658 million (31 December 2025: RMB517 million) was utilised and guarantee of approximately RMB1,584 million (31 December 2025: RMB1,654 million) was not utilised yet.

18 SECURITIES FOR BANKING FACILITIES AND BORROWINGS

At 30 June 2026, certain banking facilities and borrowings granted to the Group were secured by mortgages of the Group's certain properties under development, properties held for sale and investment properties with aggregate carrying values of approximately RMB32,099 million (31 December 2025: RMB36,507 million), RMB8,469 million (31 December 2025: RMB4,735 million) and RMB Nil (31 December 2025: RMB1,274 million), respectively.

19 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The Company's ultimate holding company is Guangzhou Yue Xiu Holdings Limited ("Guangzhou Yue Xiu"). The table below summarises the names of related parties, with whom the Group has significant transactions during the six months ended 30 June 2026, and their relationship with the Company as at 30 June 2026:

Significant related parties	**Relationship with the Company**
Guangzhou Yue Xiu	Ultimate holding company
Yue Xiu Enterprises (Holdings) Limited ("YXE")	Immediate holding company
Guangzhou Metro Group Co., Ltd. ("Guangzhou Metro")	Substantial shareholder
Yuexiu Real Estate Investment Trust ("Yuexiu REIT")	An associate
上海城樾置業有限公司	An associate
上海招越置業有限公司	An associate
廣州越創房地產開發有限公司	An associate
廣州越宏房地產開發有限公司	An associate
廣州越合通房地產開發有限公司	An associate
廣州市悅匯城商業經營管理有限公司	An associate
廣州粵恒房地產開發有限公司	An associate
廣州宸茂置業有限公司	An associate
廣州南沙科城投資發展有限公司	A joint venture
Chong Hing Bank Limited	A fellow subsidiary
Guangzhou Paper Group Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Intelligent Manufacturing Technology Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Health Technology Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Industrial Investment Co., Ltd.	A fellow subsidiary

(b) Transactions with related parties

		Six months ended 30 June	
		2026	**2025**
		RMB'000	*RMB'000*
(I)	Interest income *(note 6)*		
	– associates	119,078	59,982
	– joint ventures	33,919	25,650
		152,997	85,632
	– a fellow subsidiary (bank deposits)	24,875	20,352
		177,872	105,984
(II)	Interest expense *(note 7)*		
	– immediate holding company	(61,529)	(36,858)
	– ultimate holding company	(60,320)	(73,817)
	– a fellow subsidiary	(15,051)	(14,990)
	– associates	(7,379)	(12,743)
		(144,279)	(138,408)
(III)	Addition of right-of-use assets		
	– associates	17,601	89,668
(IV)	Rental income		
	– associates	29,407	47,684
	– fellow subsidiaries	3,887	9,280
		33,294	56,964
(V)	Short-term leases rental expenses		
	– associates	(14,884)	(21,069)
	– fellow subsidiaries	(2,327)	—
		(17,211)	(21,069)

		Six months ended 30 June	
		2026	**2025**
		RMB'000	*RMB'000*
(VI)	Revenue from sales of materials		
	– associates	99,826	493,555
	– joint ventures	20,598	107,178
		120,424	600,733
(VII)	Property management service income		
	– substantial shareholder	149,990	136,702
	– associates	88,966	116,557
	– fellow subsidiaries	37,728	36,662
	– joint ventures	20,712	28,329
		297,396	318,250
(VIII)	Construction service income		
	– associates	19,430	24,760
	– fellow subsidiaries	13,952	8,155
	– joint ventures	2,472	4,597
		35,854	37,512
(IX)	Tenancy service fees income		
	– associates	10,130	13,520
	– fellow subsidiaries	3,910	—
		14,040	13,520
(X)	Share consideration received on disposal of subsidiaries to fellow subsidiaries	3,478,786	—
(XI)	Purchase of the relevant procured products and services from fellow subsidiaries	8,814	8,638

The price of the above transactions was determined in accordance with the terms agreed by the relevant contracting parties.

(c) Balances with related parties

	Notes	30 June 2026 RMB'000	31 December 2025 RMB'000
Amounts due from recorded in current assets			
– joint ventures	(ii), (iii)	6,251,264	3,254,471
– associates	(ii), (iv)	6,110,173	4,969,385
– substantial shareholder	(i), (ii)	1,505,170	1,412,179
– fellow subsidiaries	(i), (ii)	51,380	66,029
Amounts due from recorded in non-current assets	(v)		
– joint ventures		1,415,499	1,414,232
– associates		987,882	1,031,381
Amounts due to			
– associates	(ii), (vi)	(31,859,189)	(24,332,948)
– immediate holding company	(ii), (vii)	(2,791,467)	(3,964,473)
– joint ventures	(i), (ii)	(1,671,205)	(1,642,652)
– fellow subsidiaries	(i), (ii)	(972,914)	(963,349)
– substantial shareholder	(ii), (viii)	(417,793)	(429,069)
– ultimate holding company	(i), (ii)	(63,830)	(129,535)
Bank deposits in a fellow subsidiary	(ix)	3,850,970	5,547,726
Bank borrowing from a fellow subsidiary	(x)	(766,561)	(1,083,188)
Lease liabilities	(xi)		
– associates		(76,350)	(87,960)
– fellow subsidiaries		(9,762)	(142,911)
Trade and notes receivables from	(xii)		
– associates		298,660	410,998
– joint ventures		118,481	110,574
– substantial shareholder		89,084	86,180
– fellow subsidiaries		78,261	89,332

Except for the amounts denominated in HKD and USD listed below, other balances with related parties are denominated in RMB.

	30 June 2026	**31 December 2025**
	RMB'000	*RMB'000*
Denominated in HKD		
Bank deposit in a fellow subsidiary	62,355	14,611
Amount due from a joint venture	20,966	21,803
Denominated in USD		
Amount due from an associate	612,981	632,592
Bank deposit in a fellow subsidiary	141,184	736,515

Notes:

(i) These balances are unsecured, interest free and repayable or receivable on demand.

(ii) These balances are included in other receivables, prepayments and deposits or other payables and accruals, as appropriate.

(iii) Except for the amounts of approximately RMB1,096,680,000 (31 December 2025: RMB1,076,700,000), which are unsecured and interest bearing at a weighted average rate of 6.36% (2025: 6.31%) per annum, the remaining balances are unsecured, interest free and receivable on demand.

(iv) Except for the amounts of approximately RMB3,340,683,000 (31 December 2025: RMB2,494,671,000), which are unsecured and interest bearing at a weighted average rate of 4.36% (2025: 4.78%) per annum, the remaining balances are unsecured, interest free and receivable on demand.

(v) These balances are included in interest in joint ventures and interest in associates. Except for the amounts of approximately RMB167,278,000 (31 December 2025: RMB710,859,000), which are unsecured and interest bearing at a weighted average rate of 3.97% (2025: 5.59%) per annum, the remaining balances are unsecured and interest free.

(vi) Except for the amounts of approximately RMB513,841,000 (31 December 2025: RMB297,846,000), which are unsecured and interest bearing at a weighted average rate of 3.94% (2025: 4.98%) per annum, the remaining balances are unsecured, interest free and repayable on demand.

(vii) The balances as at 30 June 2026 are unsecured, interest free and repayable on demand. Interest incurred for loans from immediate holding company during the six months ended 30 June 2026 was charged at 3.94% (2025: 5.41%) per annum.

(viii) The amount due to the substantial shareholder, Guangzhou Metro, is unsecured, interest free and repayable in 2026 (31 December 2025: Same).

(ix) These balances are bank deposits maintained with a fellow subsidiary on normal commercial terms.

(x) These balances were unsecured and interest bearing at 2.98% (2025: 2.75%) per annum.

(xi) The Group leases office premises from associates and fellow subsidiaries. The monthly rents payable by the Group during the leasing terms are determined with reference to the prevailing market prices.

(xii) These balances are receivables from Guangzhou Metro, joint ventures, associates and fellow subsidiaries for the provision of property management services, construction services, agency services and the sales of materials on normal commercial terms.

(d) Key management compensation

Key management compensation amounted to RMB1,495,000 for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB1,927,000).

(e) Guarantee received

Guangzhou Yue Xiu provides corporate guarantee for the corporate bonds of Guangzhou City Construction & Development Co. Ltd., a subsidiary of the Group, amounted to approximately RMB26,522 million as at 30 June 2026 (31 December 2025: RMB25,519 million).

(f) Provision of guarantee

The Group provides guarantees for the borrowings of related parties, the details of which are included in note 17 to the interim condensed consolidated financial information.

CHAIRMAN'S STATEMENT

I. BUSINESS REVIEW

Economic and Market Environment

In the first half of 2026, as global inflation continued to moderate and the interest rate cut cycle among major economies advanced, external liquidity saw marginal improvement, creating relatively favourable expansion opportunities for emerging markets. However, with the resurgence of trade protectionism, recurring geopolitical conflicts and elevated debt pressures across countries, global economic growth remained lacklustre, with regional divergence continuing to intensify. China's economy advanced steadily with a focus on cultivating new quality productive forces. GDP reached RMB69.6 trillion in the first half of the year, representing a period-to-period increase of 4.7%, underpinned by a stable and positive macroeconomic foundation.

In the first half of 2026, China's real estate market showed a trend of "narrowing declines, persistent divergence and model reshaping" during its bottoming-out phase, as the industry gradually transitioned from scale contraction to high-quality development. According to data from the National Bureau of Statistics, the national sales area and sales value of newly built commercial housing in the first half of the year decreased by approximately 11.6% and 13.6% period-to-period, respectively, representing a slight widening compared with the full-year declines in 2025; however, signs of month-to-month stabilisation emerged in the second quarter. Inventory of unsold commercial housing nationwide continued to decline since March, reflecting substantive progress in destocking. Investment in real estate development and the gross floor area ("GFA") of newly commenced residential projects remained low, declining by 18.0% and 24.1% period-to-period, respectively. The direction of industry policies continued to evolve and upgrade, with the focus shifting from short-term market stimulus to stabilising expectations, destocking and improving quality. The Outline of the "15th Five-Year Plan" dedicates a standalone chapter to the real estate sector for the first time, with three key initiatives: vigorously advancing the “Good Housing” initiative, establishing pilots for the sale of completed housing, and acquiring existing commercial housing for use as affordable housing. As various cities continued to refine their policies on purchase restrictions, lending restrictions, housing provident funds and urban renewal policies on a city-specific basis, the supportive effects of these policies have gradually materialised, with tier-1 and strong tier-2 cities taking the lead in achieving bottom-out and recovery in both transaction volumes and prices. The land market has maintained a pattern of “reduced volume with upgraded quality and a focus on core areas”, with competition for premium land parcels in high-tier cities remaining intense. Product and quality capabilities have become the core competitive differentiators, with capital and land resources continuing to concentrate in tier-1 and tier-2 cities.

2026 Interim Operating Results

The year 2026 marks the Group’s first year of aligning with the “15th Five-Year Plan” and deepening its high-quality transformation. Against the backdrop of a complex external environment characterised by continued profound industry adjustments and mounting pressure on industry profitability, the Group remained firmly focused on its core annual theme of “stabilising performance through operational refinement, enhancing capabilities through reform, and driving development through transformation”. Staying anchored to its long-term development strategy of “Being a Company with Quality Products, Excellent Services, Strong Brand and Capable Teamwork”, the Group deeply aligned with the broader development framework of the Guangdong-Hong Kong-Macao Greater Bay Area and national new-type urbanisation and shouldered its responsibilities as a state-owned enterprise to anchor its efforts on high-quality development as the top priority. Through these efforts, the Group has fully advanced refined management and improved quality and efficiency. In the first half of the year, the Group achieved steady progress in its production and operation with a focus on innovation, demonstrating continued operational resilience.

Stabilising Sales above RMB100 Billion, Maintaining Top-Ten Industry Ranking

In the face of the continued market adjustments, the Group continued to deepen its full-cycle targeted marketing system centred on "pinpoint project-based strategy, customer value proposition and phased destocking", leveraging big data to achieve precise pricing, promotion and services, thereby unlocking and maximising the sales value of existing inventory. In the first half of 2026, the Group recorded aggregate contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB50.51 billion, among which the proportion of contracted sales from existing inventory projects increased period-to-period to 80.7%, indicating significant improvement in destocking efficiency. The contracted sales value of the six core cities accounted for 84.5% of the total during the period. According to CRIC, the Group steadily ranked among the top ten industry players nationwide in terms of contracted sales value, securing the eighth position in the first half of 2026. This further consolidated the Group's tier-1 market position and demonstrated its through-the-cycle resilience and capability for sustainable development.

Targeted Investment Concentrated in Six Cities, Revitalisation of Existing Inventory Steadily Advanced

The Group fully implemented its investment strategy of "promoting stability through investment and putting quality first", scientifically controlled the pace of investment, continued to deepen its diversified investment models, focused on quality resources in high-tier cities and actively replenished its premium land reserves through multiple channels, including land tenders, auctions and listings, urban renewal projects, co-development arrangements and land acquisitions. In the first half of 2026, the Group secured 6 new projects in Guangzhou, Shanghai, Hangzhou, Chengdu and Qingdao, adding a total GFA of approximately 0.68 million sq.m. to its landbank, with equity investments amounting to approximately RMB7.00 billion, 96.8% of which concentrated in the six core cities. Building on its continued progress in revitalising existing inventory, the Group successfully completed the "commercial-to-residential conversion" of the Qingdao Inner Peace land parcel, effectively unlocking the value of idle and underperforming assets. As of the end of the reporting period, the total landbank GFA of the Group amounted to approximately 16.57 million sq.m., 94% of which are located in tier-1 and tier-2 cities. The continued optimisation of its resource structure has laid a solid foundation for the Group's stable growth in future operating performance and high-quality development.

Enhanced Financial Management, Continued Improvement in Liquidity

The Group has consistently adhered to a prudent and measured financial strategy, continuing to optimise its capital structure and strengthen full-cycle cash management. In the first half of 2026, the Group's weighted average borrowing interest rate decreased by 25 basis points period-to-period to 2.91% per annum, dropping below 3% for the first time. The contracted sales cash collection rate for the period increased by 10 percentage points period-to-period to 71%. Net cash inflows from operating activities amounted to approximately RMB13.77 billion, with cash balance (including cash and bank balances, time deposits, time deposits and other restricted deposits) exceeding RMB50.0 billion. The Group maintained diverse and accessible financing channels. In the first half of 2026, the Group issued two tranches of onshore corporate bonds in an aggregate principal amount of RMB2.6 billion, with coupon rates ranging from 1.97% to 2.18% per annum, and issued offshore green dim sum bonds in an aggregate principal amount of RMB3.335 billion, with coupon rate of 3.4% per annum. The balance of interest-bearing liabilities and the gearing ratio fell further by 0.9% and 1.9 percentage points, respectively, as compared to the end of 2025, further strengthening its financial resilience. As of the end of the reporting period, the "Three Red Lines" indicators of the Group remained in "green lights", with total liabilities/total assets ratio (excluding unearned revenue) of 65.2%, net gearing ratio of 49.2% and cash to short-term debt ratio of 2.1 times. In addition, the Group maintained its BBB- investment grade credit ratings with stable outlook from S&P and Fitch, demonstrating continued recognition of its solid financial strength from the international capital market.

"One Core, Two Wings" Synergy Accelerated, Diversified Businesses Hedging Cyclical Fluctuations

The Group continued to advance its strategic approach of "residential development as the core, with commercial operations and property services as the two wings", driving the three-in-one synergistic growth of its development, operations and services. By leveraging stable cash inflows from operating activities, the Group smoothed out the impact of cyclical fluctuations in the industry. The operating fundamentals of the commercial property sector remained stable, with customer composition continuing to improve. During the period, the Group continued to enhance its operation and management services for third-party owned commercial projects, with the GFA scale of its asset-light expansion increasing by 147.8% period-to-period. The property management services business continued to enhance service quality and expand its market presence, entering core cities such as Beijing, Chengdu and Xi'an for the first time in the first half of the year. Revenue from Guangzhou Yuexiu Construction Technology Co., Ltd. ("**Yuexiu Construction Technology**", a subsidiary of the Company principally engaged in, among others, project design and R&D, cost consulting, and project management) rose against the market trend, increasing by 17% period-to-period in the first half of the year, whilst the Group continued to improve its standardised system of "integration of design and construction" establishing a "second curve" for its principal business growth. The synergistic effect of the Group's diversified business continued to unfold, further broadening its development moat and providing multi-faceted support for the Company's high-quality and sustainable development.

Deepening "Good Housing" Initiative, Setting Industry Benchmarks in Product Capabilities

The Group has responded thoroughly to the national policy requirements of the "Good Housing" initiative by implementing its "4x4 High-Quality Product Concept" and establishing a three-in-one product innovation system that integrates "research-construction-service". Centred on customers' full-lifecycle living needs, the Group has put in place a quality control mechanism covering the entire value chain from research and development, construction, delivery to operation and maintenance, and has integrated the healthy living technology system, green and low-carbon solutions, and smart construction systems to build a differentiated, high-quality product portfolio. In the first half of 2026, multiple projects, including Inner Vanguard in Zhengzhou (鄭州金水雲啟), were awarded CRIC's national "Top 10 Projects" accolades, whilst Yuejingtai (閱璟台) and Hongjingtai (鴻璟台) projects in Guangzhou were selected as part of the first batch of "Good Housing" pilot projects in Guangzhou. By setting benchmarks for green, healthy, smart and livable communities, the Group continued to enhance its product sales premium capability and brand influence, achieving value growth driven by product capability.

Pursuing Long-term Value and Creating a Sustainable Future

The Group adheres to the core development philosophy of long-termism, and integrates sustainable development into all aspects of business operations, operational management and strategic development, striving to achieve synergistic enhancement of corporate value and socio-environmental value. In respect of climate and nature risk management, the Group proactively performed its green and low-carbon obligations, taking the lead in completing the comprehensive accounting and disclosure for six Scope 3 carbon emissions categories. In addition, with reference to the Taskforce on Nature-related Financial Disclosures (TNFD) framework and by applying the LEAP (Locate, Evaluate, Assess and Prepare) methodology, the Group systematically complete the full-dimensional comprehensive assessment of nature-related risks and opportunities, thereby establishing a full life-cycle risk management system to safeguard the sustainable development. With the continued development of sustainable finance and expansion of green financing channels, the proportion of sustainable finance in the Group increased to 42.0% during the reporting period, providing solid financial support for green business expansion, low-carbon transition and strategy implementation, and thus continuously consolidating the foundation for long-term development.

The Group maintains a leading position in the industry in terms of sustainability governance, and has gained widespread recognition from prominent organisations both domestically and internationally. In 2026, the Group was included in the S&P Global Sustainability Yearbook (China Edition) 2026, its Wind ESG rating was upgraded to the highest level of "AAA", its Hong Kong Quality Assurance Agency (HKQAA) Sustainability Rating climbed three notches to AA+, and it was included as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for the third consecutive year. These authoritative recognitions have fully demonstrated the Group's outstanding capabilities in comprehensive management of environmental protection, social responsibility and corporate governance, as well as its core competitive strengths in high quality and sustainable development.

II. BUSINESS OUTLOOK

Looking ahead to the second half of the year, the Group will closely follow the strategic requirements of the first year of the "15th Five-Year Plan". Adhering to the theme of "stabilising performance through operational refinement, enhancing capabilities through reform, and driving development through transformation", the Group will deepen its focus on its principal business, strengthen its two wings, improve efficiency through reform, and achieve breakthroughs through innovation, thereby ensuring the achievement of its full-year targets.

Focusing on the Principal Business of Property Development, Deepening Urban Renewal and Consolidating Strategic Advantages

The Group will remain focused on the principal business of property development and continue to optimise its strategic layout in core cities. It will stay firmly rooted in Guangzhou as its home base, proactively integrate with the broader development framework of the Guangdong-Hong Kong-Macao Greater Bay Area, and fully shoulder its responsibilities as a state-owned enterprise to support high-quality regional development. The Group will attach equal importance to targeted investment and refined development, anchoring its efforts to create more benchmark projects with its premium resources in high-tier cities. The Group will advance the implementation of major complex and urban renewal projects with high standards and efficiency, deepening its participation in urban renewal and revitalising urban functions and enhancing spatial value through superior quality.

Optimising Commercial Property Sector and Upgrading Asset Management Model to Improve Operational Efficiency

The Group will continue to enhance the operation capabilities of its commercial properties and accelerate the quality and efficiency improvement of its commercial operation segment. Firstly, it will continuously refine its operating strategies across various business formats to steadily improve occupancy rates and rental levels, thereby consolidating the fundamentals of its commercial operations. Secondly, it will steadily advance the research and planning for key integrated commercial projects, accelerate the development of quality commercial assets, and continuously enhance asset operation value. Thirdly, it will actively explore asset-light management businesses, with focus on the needs of key clients such as government bodies and central state-owned enterprises, whilst exploring pathways for commercial REITs to further strengthen its assets management capabilities and unlock the long-term value of its existing commercial assets.

Strengthening the Property Service Sector and Expanding Value-added Businesses to Achieve High-quality Growth

The Group will remain committed to advancing the high-quality development of the property service sector, continuing to leverage its dual-drive development advantages of "property services + urban services" and steadily improving its service quality and market expansion capabilities. In the property services segment, the Group will remain customer-centric, leveraging smart technologies and refined operations to continuously enhance its full-lifecycle service system, with the aim of building communities that offer a greater quality, well-being and sense of belonging. In the non-residential sectors, the Group will actively expand its diverse service offerings across sectors such as commercial properties, office buildings, industrial parks, rail transit and public premises. It will continue to deepen synergies in value-added services and strengthen its integrated service capabilities, adding value to urban spaces through high-quality services and achieving growth in both service scale and operating performance.

Expanding Entrusted Construction Services Business, Strengthening Core Business Support and Exploring External Opportunities

The Group continues to deepen its management model of "integration of design and construction" to ensure high-standard project delivery and further strengthen the supporting capabilities of its core business. Meanwhile, the Group will proactively explore "second curve" business growth opportunities, accelerate the obtaining of general contracting qualifications, and strengthen its capabilities in entrusted construction services and engineering procurement construction (EPC) business expansion. Through deepening synergies across segments such as regional development and urban renewal, the Group will leverage the "+ Yuexiu Construction Technology" model to expand its project sources, continuously unlocking its competitive edge through the synergistic development of its core and new businesses.

Acknowledgements

The Group's operating results achieved in the first half of the year were hard-won. They were made possible by the strategic leadership of the Board and the diligent efforts of the management and all employees, as well as the long-standing trust and support of shareholders, customers, business partners and all sectors of society, to whom the Group hereby extends its sincere gratitude. Looking ahead to the second half of the year, the Group will remain firmly committed to high-quality development, maintain its strategic focus, take proactive, pragmatic and innovative steps, to achieve its full-year operating targets and create greater value for shareholders, customers and society.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE AND GROSS PROFIT

In the first half of 2026, the Group realised revenue of approximately RMB36.65 billion (in the first half of 2025: RMB47.57 billion), representing a period-to-period decrease of 23.0%. The gross profit was approximately RMB2.27 billion (in the first half of 2025: RMB5.06 billion), representing a period-to-period decrease of 55.2%, and the gross profit margin was approximately 6.2%, representing a period-to-period decrease of 4.4 percentage points.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

In the first half of 2026, profit attributable to equity holders of the Group was approximately RMB0.09 billion (in the first half of 2025: RMB1.37 billion), representing a period-to-period decrease of 93.6%. The core net profit* was approximately RMB0.08 billion (in the first half of 2025: RMB1.52 billion), representing a period-to-period decrease of 94.6%.

The decrease in profit attributable to equity holders and core net profit was mainly due to: (1) as a result of cyclical fluctuations of projects that recognised sales, the value of the recognised sales and share of profits from joint ventures and associates in the first half of 2026 decreased compared to the first half of 2025, leading to a decline in revenue and profit attributable to equity holders; and (2) the PRC property market remained in a profound adjustment phase, with pressure on project profit margins, resulting in a period-to-period decrease in the gross profit of the Group's property development business in the first half of 2026.

* To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measure: core net profit. Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised in the condensed consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year/period) and the related tax effect, and impairment of intangible assets. We believe that this non-GAAP financial measure is broadly used by management and investors to measure the Group's profitability and provide opportunities for investors to have a better understanding on the Group's operational efficiency. This non-GAAP financial measure presented here has no standardised meaning under GAAP and may not be comparable to similarly titled financial measure presented by other companies. Other companies may calculate their similarly titled financial measure differently, limiting their usefulness as comparative measure to our measure.

CONTRACTED SALES

In the first half of 2026, the Group recorded aggregate contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB50.51 billion, representing a period-to-period decrease of 17.9%. The aggregate contracted sales GFA (including sales of projects of joint ventures and associates) amounted to approximately 1.70 million sq.m., representing a period-to-period increase of 16.2%, while the average selling price was approximately RMB29,700 per sq.m., representing a period-to-period decrease of 29.5%.

Geographically, Greater Bay Area, Eastern China Region, Central-western China Region and Northern China Region accounted for approximately 41.5%, 25.9%, 13.4% and 19.2%, of the contracted sales value for the first half of 2026, respectively.

Contracted sales of the Group in the first half of 2026 are summarised as follows:

Region	**GFA**	**Value**	**ASP**
	(sq.m.)	*(RMB million)*	*(RMB/sq.m.)*
Greater Bay Area	652,600	20,965	32,100
Eastern China Region	407,200	13,052	32,100
Central-western China Region	416,000	6,776	16,300
Northern China Region	222,900	9,713	43,600
Total	**1,698,700**	**50,506**	**29,700**

RECOGNISED SALES

In the first half of 2026, the value of the recognised sales amounted to approximiately RMB33.38 billion, representing a period-to-period decrease of 24.2%, the recognised sales GFA amounted to approximately 1.38 million sq.m., representing a period-to-period increase of 9.9% and the average selling price was approximately RMB24,200 per sq.m., representing a period-to-period decrease of 31.1%.

Recognised sales of the Group in the first half of 2026 are summarised as follows:

Region	**GFA** *(sq.m.)*	**Value** *(RMB million)*	**ASP** *(RMB/sq.m.)*
Greater Bay Area	505,700	13,047	25,800
Eastern China Region	510,900	12,516	24,500
Central-western China Region	295,400	5,728	19,400
Northern China Region	64,800	2,086	32,200
Total	**1,376,800**	**33,377**	**24,200**

UNRECOGNISED SALES

As of 30 June 2026, the unrecognised sales value amounted to approximately RMB132.44 billion, representing an increase of 0.3% as compared to that as of the beginning of the year, and the unrecognised sales GFA was approximately 3.00 million sq.m., representing a decrease of 1.6% as compared to that as of the beginning of the year. The average selling price was approximately RMB44,100 per sq.m., representing an increase of 2.1% as compared to that as of the beginning of the year.

LANDBANK

In the first half of 2026, the Group has newly acquired 6 land parcels located in Guangzhou, Shanghai, Hangzhou, Chengdu and Qingdao with a total GFA of approximately 0.68 million sq.m..

The land parcels newly acquired in the first half of 2026 are summarised as follows:

No.	Project	Equity Holding	Total GFA
			(sq.m.)
1	Guangzhou Pazhou Middle and East Land	95.48%	35,300
2	Guangzhou Wonder City III	51.39%	150,300
3	Shanghai Pudong Gaohang Land	95.00%	110,800
4	Hangzhou Above Life	47.98%	129,500
5	Chengdu Chenghua Cuijiadian Land	95.48%	98,000
6	Qingdao Inner Peace	22.50%	155,500
	Total		**679,400**

Note: The number of land parcels newly acquired in the first half of 2026 is based on the number of development projects expected to be carried out thereon.

As of 30 June 2026, the landbank of the Group reached approximately 16.57 million sq.m., the structure and regional layout of the landbank continued to improve. Geographically, Greater Bay Area, Eastern China Region, Central-western China Region, and Northern China Region accounted for approximately 42.8%, 16.9%, 24.4%, and 15.9%, respectively.

The landbank of the Group is summarised as follows:

Region	LANDBANK GFA*
	(sq.m.)
Greater Bay Area	7,098,400
Eastern China Region	2,792,000
Central-western China Region	4,044,800
Northern China Region	2,637,600
Total	**16,572,800**

* Landbank GFA includes completed but unsold GFA.

OTHER GAINS AND LOSSES

In the first half of 2026, the Group's other gains, net amounted to approximately RMB152 million, which was mainly due to the combined effects of losses on revaluation of investment properties held at the end of the period, net of approximately RMB100 million, gains on disposal of subsidiaries, net of approximately RMB205 million, and penalty income of approximately RMB33 million.

As of 30 June 2026, the Group owned investment properties under lease of approximately 818,000 sq.m. in total, of which offices, commercial properties and car parks and others accounted for approximately 29.0%, 60.7% and 10.3%, respectively. The Group recorded rental income of approximately RMB262 million in the first half of 2026, representing a period-to-period decrease of 2.2%, which was mainly due to a decline in rental rates for certain commercial properties.

In the first half of 2026, the Group recorded losses on revaluation of investment properties, net of approximately RMB100 million, which was mainly attributable to the decline in both average rental level and occupancy rate of a commercial property in Guangzhou that was adversely affected by the market operating conditions. In the first half of 2026, the Group recorded gains on disposal of subsidiaries, net of approximately RMB205 million arising from its disposal of subsidiaries holding a number of assets and businesses, including, among others, the Nansha International Financial Center, Yungu Industrial Park, Zhigu Industrial Park, Bijie Hotel and healthcare, nursing and elderly care businesses. For details of the disposal, please refer to the announcement of the Company dated 4 May 2026 and the circular of the Company dated 26 May 2026.

SELLING AND MARKETING EXPENSES

In the first half of 2026, the Group's selling and marketing expenses were approximately RMB1,019 million, representing a period-to-period decrease of 31.1%, which was mainly due to a period-to-period decrease of 23.0% in total revenue for the period, leading to a corresponding decrease in sales agency fees. The selling and marketing expenses accounted for 2.8% of total revenue for the period, representing a period-to-period decrease of 0.3 percentage point as compared to the same period of 2025.

ADMINISTRATIVE EXPENSES

In the first half of 2026, the Group's administrative expenses amounted to approximately RMB559 million, representing a period-to-period decrease of 9.6%. The administrative expenses accounted for 1.5% of total revenue for the period, increased by 0.2 percentage point from 1.3% for the same period of 2025, which was mainly due to the increased expenditure on information technology systems as the Group continued to roll out digitalisation initiatives. The Group will embed lean management philosophy across all aspects of business operations and continue to strengthen cost control.

FINANCE COSTS

In the first half of 2026, the Group's finance costs amounted to approximately RMB357 million, representing a decrease of RMB124 million as compared to the same period of 2025. This was mainly attributable to fluctuations in market exchange rates, which resulted in a net exchange gain (including net changes in fair value of derivative financial instruments) of approximately RMB132 million for the period, as compared to a net exchange loss (including net changes in fair value of derivative financial instruments) of approximately RMB109 million in the same period of 2025, contributing to a decrease in the relevant finance costs of approximately RMB241 million; and an increase of approximately RMB118 million in interest expenses recognised as expenses as compared to the same period of 2025 due to a period-to-period decrease in the interest capitalisation rate for the period. In the first half of 2026, as the overall financing environment remained moderately balanced, the Group's weighted average borrowing interest rate for the period fell to 2.91% per annum from 3.16% per annum for the same period of 2025.

SHARE OF PROFIT FROM ASSOCIATES

In the first half of 2026, the overall net profit from associates attributable to the Group was approximately RMB887 million, mainly attributable to the effects of net gains on the investments in cooperative projects of approximately RMB853 million and gains on the investment in Yuexiu Real Estate Investment Trust ("Yuexiu REIT") of approximately RMB34 million.

In the first half of 2026, a subsidiary of the Group became a legal shareholder of GDH Teem (Holdings) Limited and its controlling shareholder, Teem Holdings Limited (collectively, "Teem Holdings"), and appointed one director to Teem Holdings, thus having significant influence over it. Accordingly, the Group reclassified this investment from financial assets at fair value through other comprehensive income (the "FVOCI") to interest in an associate. On the date of reclassification, the Group recognised the investment cost of interest in the associate based on its share of the fair value of the identifiable net assets of Teem Holdings (calculated based on its shareholding percentage), the difference between such cost and the fair value of the FVOCI was recognised in profit before tax of approximately RMB552 million for the period, which is included in the net gains on the investments in cooperative projects of approximately RMB853 million for the period.

In the first half of 2026, the total distributable amount of Yuexiu REIT amounted to approximately RMB144 million, representing a period-to-period decrease of 15.6%, and the cash distribution attributable to the Group amounted to approximately RMB62 million.

BASIC EARNINGS PER SHARE

In the first half of 2026, basic earnings per share attributable to the equity holders of the Company were RMB0.0217 (in the first half of 2025: RMB0.3403).

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for 2026 of HKD0.009 per share (equivalent to RMB0.008 per share) (2025 interim: HKD0.166 per share equivalent to RMB0.151 per share) to shareholders whose names appear on the register of members of the Company on 16 October 2026. The interim dividend will be distributed to shareholders on or around 19 November 2026. The payout ratio was approximately 40% of the core net profit.

Dividends payable to shareholders will be paid in HKD. The exchange rate adopted by the Company for its dividend payable is the average middle exchange rate of HKD against RMB announced by the People's Bank of China ("PBOC") in the five business days preceding the date of dividend declaration.

LIQUIDITY AND FINANCIAL RESOURCES

Cash receipts from operating activities and committed banking facilities are the Group's main sources of liquidity. The Group has always adhered to prudent financial management principles, emphasised on funding management and risk control, established a sustainable and sound monitoring system to respond to market changes, ensured healthy and adequate liquidity and secured the business development. While continuing to maintain a good relationship with commercial banks in Chinese mainland and Hong Kong, the Group also explores more funding channels, optimises the capital structure and lowers the funding costs, enhances the ability to protect its resources, and enhances its risk resistance capabilities.

In the first half of 2026, the Group obtained new borrowings of approximately RMB28.38 billion, including onshore borrowings of approximately RMB22.33 billion and offshore borrowings of approximately RMB6.05 billion. As at 30 June 2026, total borrowings amounted to approximately RMB103.87 billion (31 December 2025: RMB104.83 billion), cash and bank balances, time deposits, time deposits and other restricted deposits amounted to approximately RMB51.50 billion, and the net gearing ratio was 49.2%, which was calculated as net debt (i.e., total borrowings less cash and bank balances, time deposits, time deposits and other restricted deposits) divided by total equity. Borrowings due within one year accounted for approximately 24% of the total borrowings (31 December 2025: 26%), fixed-rate borrowings accounted for approximately 45% of the total borrowings (31 December 2025: 45%). The overall financing environment has remained moderate since the first half of 2026. The Group's weighted average borrowing interest rate for the period was approximately 2.91% per annum, representing a decrease of 25 basis points from 3.16% per annum for the same period of 2025.

As at 30 June 2026, among the Group's total borrowings and notes, approximately 51% was Renminbi denominated bank borrowings and other borrowings (31 December 2025: 47%), 12% was Hong Kong dollar denominated bank borrowings (31 December 2025: 13%), 3% was Hong Kong dollar and US dollar denominated medium-to-long term notes (31 December 2025: 7%), and 34% was Renminbi denominated medium-to-long term notes (31 December 2025: 33%).

WORKING CAPITAL

As at 30 June 2026, the Group's working capital (current assets less current liabilities) amounted to approximately RMB121.57 billion (31 December 2025: approximately RMB115.64 billion). The Group's current ratio (current assets divided by current liabilities) was 1.7 times (31 December 2025: 1.6 times). Cash and bank balances (excluding charged bank deposits) and current portion of time deposits amounted to approximately RMB36.36 billion (31December 2025: RMB32.53 billion). Charged bank deposits amounted to approximately RMB15.13 billion (31 December 2025: RMB12.83 billion). As a result, the total amount was approximately RMB51.49 billion, of which approximately RMB49.88 billion were denominated in Renminbi, approximately RMB1.27 billion were denominated in Hong Kong dollars, approximately RMB0.34 billion were denominated in US dollars, and approximately RMB1 million were denominated in other currencies. Undrawn committed bank facilities amounted to approximately RMB42.08 billion.

CAPITAL AND FINANCIAL STRUCTURE ANALYSIS

The Group's debts are summarised as follows:

	As at	
	30 June 2026	**31 December 2025**
	RMB'000	*RMB'000*
Borrowings and notes		
Denominated in RMB	88,112,242	84,227,732
Denominated in HKD	14,745,275	15,018,324
Denominated in USD	1,014,474	5,580,906
Total debts	103,871,991	104,826,962

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Ageing analysis:		
Within one year	25,036,350	27,201,874
In the second year	26,961,737	27,660,121
In the third to fifth year	38,210,153	36,397,877
Over five years	13,663,751	13,567,090
Total borrowings	103,871,991	104,826,962
Lease liabilities	462,446	680,487
Less: Cash and bank balances (excluding charged bank deposits) and current portion of time deposits	(36,364,922)	(32,529,502)
Net borrowings	67,969,515	72,977,947
Total equity	106,535,468	105,832,388
Total capital	174,504,983	178,810,335
Gearing ratio (net borrowings divided by total capital)	38.9%	40.8%

INTEREST RATE EXPOSURE

The Group's interest rate exposure is mainly derived from floating rate loans and deposits denominated in Renminbi, Hong Kong dollars and US dollars. As of 30 June 2026, among the total borrowings of the Group, approximately 43% was floating rate bank loans denominated in Renminbi, approximately 12% was floating rate bank loans denominated in Hong Kong dollars, approximately 8% was fixed rate bank loans and other borrowings denominated in Renminbi, approximately 34% was fixed rate bonds denominated in Renminbi, and approximately 3% was fixed rate notes denominated in US dollars and Hong Kong dollars. The weighted average borrowing interest rate for the first half of 2026 was approximately 2.91% per annum, representing a decrease of 25 basis points from 3.16% per annum for the same period of 2025.

With respect to US dollar interest rates, influenced by geopolitical factors (such as supply chain disruptions in energy and other sectors triggered by conflicts in the Middle East), persistently high domestic inflation and a resilient labor market in the United States, the Federal Reserve maintained the target range for the federal funds rate at 3.50% to 3.75% at its first four meetings in 2026, contrary to market expectations at the beginning of the year for an easing approach of continued interest rate cuts. At its mid-June meeting, the Federal Reserve released a summary of its economic projections that raised the median interest rate forecast for the full year, indicating that the focus of both the market and policymakers had gradually shifted from "the timing of interest rate cuts" to vigilance regarding the risk of "a potential resumption of interest rate hikes" in the face of sticky inflation.

With respect to Hong Kong dollar interest rates, due to the impact of the linked exchange rate system, Hong Kong dollar interest rates generally followed the trend of US dollar interest rates. In the first half of 2026, Hong Kong dollar interest rates exhibited a trend of "fall followed by rise, with increasing volatility". From the beginning of the year to late March, the inflow of safe-haven-seeking capitals into Hong Kong kept the banking system's total balances at HKD53.0 billion to HKD54.0 billion. 1-month HIBOR fell from approximately 3.9% at the end of 2025 to a low of 1.95% on 23 March 2026. Subsequently, as the widening interest rate spread between Hong Kong dollars and the US dollars triggered carry trades in the market, the Hong Kong dollar weakened against the US dollar to close to 7.85:1 (which would trigger the weak-side convertibility undertaking), and large-scale IPOs on the Hong Kong Stock Exchange led to lower liquidity, Hong Kong dollar interest rates rebounded, with the current 1-month HIBOR standing at approximately 2.6%.

With respect to Renminbi interest rates, in the first half of 2026, the People's Bank of China maintained a prudent and loose monetary policy stance, without implementing further across-the-board interest rate cuts or reserve requirement ratio reductions. The interest rate for 7-day reverse repo operations has remained stable at 1.40% since May 2025, while the 1-year LPR has stayed at 3.00% and the over-5-year LPR at 3.50%, remaining unchanged for 13 consecutive months as of June. Offshore CNH HIBOR has been falling over the first half of the year, with the 1-month CNH HIBOR at approximately 1.63% at the end of June, narrowing the interest rate spread with onshore SHIBOR. In line with the policy priorities of "stabilising interest rate spreads, supporting the technology-based sector, and propping up the real estate market", Renminbi loan pricing has remained generally at low levels, with targeted support provided through structural tools such as the refinancing facility for technological innovation and the refinancing facility for consumer services.

The Group will pay close attention to changes in the domestic and foreign interest rate markets, continuously optimise its debt structure and appropriately lock in interest rate risk exposure at reasonable costs to manage its interest rate risk.

FOREIGN EXCHANGE RISK

Since the main business operations of the Group are conducted in Chinese mainland, its income and assets are denominated primarily in Renminbi. The Group has foreign currency financing and is thus exposed to foreign exchange risk. The Group has actively utilised various types of derivative financial instruments to enhance the management and control of the foreign exchange exposure. As at 30 June 2026, among the borrowings denominated in foreign currencies, approximately HKD14.68 billion (equivalent to approximately RMB12.75 billion) was bank borrowings denominated in Hong Kong dollars, approximately USD150 million (equivalent to approximately RMB1.01 billion) was notes denominated in US dollars, and approximately HKD2.29 billion (equivalent to approximately RMB1.99 billion) was notes denominated in Hong Kong dollars. Approximately 15% of the total borrowings of the Group was borrowings denominated in foreign currencies, among which, financial products were purchased to manage part of foreign exchange exposures with respect to the borrowings denominated in foreign currencies equivalent to approximately RMB2.34 billion. The Group currently has limited foreign exchange exposure with controllable foreign exchange risks.

In the first half of 2026, the central parity rates of RMB against both USD and HKD showed a steady upward trend, rising by more than 3.1% and 3.8%, respectively as compared to the beginning of the year. After briefly hitting a low at the beginning of the year, the USD index followed a trajectory of "initial decline followed by recovery with increasing fluctuations". Supported by the high-interest rate policy by the Federal Reserve and the consistent resilience of the US economy, the index currently hovers around 100 to 101, up more than 5% from its low level in January. The RMB exchange rate remained strong, driven by China's trade surplus, corporate demand for foreign exchange settlement, and central bank expectations. The foreign exchange market witnessed an unusual pattern of "strong exchange rate of both USD and RMB". The market expects that in the second half of 2026, supported by a marginal easing of Sino-US tariffs, flexible and appropriate domestic monetary policy and demand for foreign exchange settlement, the RMB exchange rates against USD and HKD will remain stable with a slightly stronger fluctuation. Meanwhile, it is expected that China will continue to introduce policies to stabilise the economy, the real estate market, and the exchange rate, thereby boosting economic growth and stabilising financial markets.

The Group will continue to keep track of developments in the foreign exchange market, adopt financial instruments to manage its foreign exchange exposure as and when appropriate, and optimise its debt structure to manage its foreign exchange exposure.

CONTINGENT LIABILITIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying 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. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As of 30 June 2026, total contingent liabilities relating to these guarantees amounted to approximately RMB22.68 billion (31 December 2025: RMB30.36 billion).

As of 30 June 2026, certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB2,242 million (31 December 2025: RMB2,171 million) in respect of loans borrowed by related parties of the Group, among which, guarantee of approximately RMB658 million (31 December 2025: RMB517 million) was utilised and guarantee of approximately RMB1,584 million (31 December 2025: RMB1,654 million) was not utilised yet.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had approximately 13,440 employees (31 December 2025: 14,000 employees). The Group offers its employees reasonable remuneration in accordance with industry practice. Salary increment and promotion of employees are based on performance and achievements. In the meantime, the Group provides employees with other benefits, such as mandatory provident funds, medical insurance, educational allowances and professional training. The Group adopted the Share Incentive Scheme on 2 December 2016 and the Share Award Scheme on 17 March 2017. Both schemes will (i) provide the selected participants (including senior management, middle management and other employees) with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals to work with the Company and the Group; and (iii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of the Group, the Company and its shareholders, with a view to achieving the objective of aligning the interests of the selected participants with those of the shareholders of the Company. Details of the Share Incentive Scheme and Share Award Scheme were respectively disclosed in the announcements dated 2 December 2016 and 17 March 2017.

CORPORATE GOVERNANCE

Following the appointment of Ms. Chen Jing, an executive Director of the Company, as a member of the nomination committee of the Board with effect from 25 March 2026, the Company has complied with the requirement under code provision B.3.5 of the Corporate Governance Code, which stipulates that at least one director of a different gender should be appointed to the nomination committee. Save as disclosed above, the Company has complied with the code provisions as set out in the Corporate Governance Code throughout the six months ended 30 June 2026.

REVIEW OF INTERIM RESULTS

The results of the Group for the six months ended 30 June 2026 have been reviewed by the audit committee of the Board and by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2026.

CLOSURE OF REGISTER OF MEMBERS

The record date for interim dividend will be Friday, 16 October 2026. The register of members of the Company will be closed from Wednesday, 14 October 2026 to Friday, 16 October 2026, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to the interim dividend. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Tuesday, 13 October 2026.

By order of the Board
Yuexiu Property Company Limited
LIN Zhaoyuan
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises:

Executive Directors:	*LIN Zhaoyuan (Chairman), ZHU Huisong, JIANG Guoxiong, HE Yuping, CHEN Jing and LIU Yan*
Non-executive Directors:	*ZHANG Yibing and SU Junjie*
Independent Non-executive Directors:	*YU Lup Fat Joseph, LEE Ka Lun, LAU Hon Chuen Ambrose and CHEUNG Kin Sang*