中國奧園集團股份有限公司
China Aoyuan Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3883)

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

The board (the "Board") of directors (the "Director(s)") of China Aoyuan Group Limited ("China Aoyuan", "Aoyuan" or the "Company") presents the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 (the "Reporting Period") together with comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended	
		30.6.2026	30.6.2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*		
Contracts with customers		**3,658,493**	4,404,258
Leases		**45,814**	61,479
Total revenue		**3,704,307**	4,465,737
Cost of sales		**(5,148,142)**	(7,306,587)
Gross loss		**(1,443,835)**	(2,840,850)
Other income, gains and losses, net	*5*	**(631,735)**	(1,587,716)
Change in fair value of investment properties		**(306,718)**	(355,000)
Selling and distribution expenses		**(45,884)**	(159,764)
Administrative expenses		**(179,327)**	(348,640)
Loss on disposal of subsidiaries		**(930,431)**	(836,185)
Share of results of joint ventures		**(108,209)**	(102,053)
Share of results of associates		**(56,945)**	(146,168)
Finance costs	*7*	**(2,712,935)**	(2,850,996)
Loss before tax		**(6,416,019)**	(9,227,372)
Income tax expenses	*6*	**(109,345)**	(252,468)
Loss for the period	*7*	**(6,525,364)**	(9,479,840)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Notes	Six months ended 30.6.2026 RMB'000 (unaudited)	Six months ended 30.6.2025 RMB'000 (unaudited)
Other comprehensive (expenses)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(1,003)**	(58,162)
Items that will not be reclassified to profit or loss:			
Fair value (loss) on equity instruments designated at fair value through other comprehensive income ("FVTOCI")		**4,828**	(1,346)
OTHER COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD		**3,825**	(59,508)
Total comprehensive expenses for the period		**(6,521,539)**	(9,539,348)
Loss for the period attributable to:			
Owners of the Company		**(6,270,815)**	(8,814,418)
Non-controlling interests		**(254,549)**	(665,422)
		(6,525,364)	(9,479,840)
Total comprehensive expenses for the period attributable to:			
Owners of the Company		**(6,266,990)**	(8,873,926)
Non-controlling interests		**(254,549)**	(665,422)
		(6,521,539)	(9,539,348)
Loss per share *(RMB cents)*			
Basic	*9*	**(113)**	(217)
Diluted		**(113)**	(217)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	**30.6.2026**	31.12.2025
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,386,160**	1,479,328
Right-of-use assets		**340,460**	357,790
Investment properties		**6,386,248**	7,090,224
Intangible assets		**–**	–
Interests in joint ventures		**1,891,499**	1,999,736
Interests in associates		**638,679**	695,624
Financial assets at fair value through profit or loss ("FVTPL")		**155,465**	155,465
Equity instruments designated at FVTOCI		**156,713**	151,886
Deferred tax assets		**25,695**	36,037
Total non-current assets		**10,980,919**	11,966,090
CURRENT ASSETS			
Properties for sale		**68,792,908**	75,232,908
Inventories		**548**	7,606
Trade and other receivables	*10*	**20,962,467**	22,317,955
Amounts due from non-controlling shareholders of subsidiaries		**840,094**	841,808
Amounts due from joint ventures		**10,729,383**	11,070,380
Amounts due from associates		**389,392**	539,690
Financial assets at FVTPL		**538,356**	600,275
Tax recoverable		**3,540,356**	4,052,592
Restricted bank deposits		**1,141,905**	1,409,804
Bank balances and cash		**208,476**	184,018
Total current assets		**107,143,885**	116,257,036

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	NOTES	**30.6.2026** **RMB'000** **(Unaudited)**	31.12.2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	11	**60,337,534**	58,778,831
Contract liabilities		**14,233,206**	18,371,715
Amounts due to non-controlling shareholders of subsidiaries		**1,855,113**	1,852,676
Amounts due to joint ventures		**7,492,274**	7,462,549
Amounts due to associates		**1,157,543**	1,158,215
Tax liabilities		**11,482,054**	11,581,219
Bank and other borrowings		**45,196,338**	46,419,948
Lease liabilities		**617,583**	598,633
Senior notes and bonds		**24,551,704**	9,645,304
Convertible bonds		**360,530**	401,664
Total current liabilities		**167,283,879**	156,270,754
NET CURRENT LIABILITIES		**(60,139,994)**	(40,013,718)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(49,159,075)**	(28,047,628)
NON-CURRENT LIABILITIES			
Bank and other borrowings		**897,267**	932,916
Deferred tax liabilities		**601,446**	671,610
Lease liabilities		**999,560**	976,864
Senior notes and bonds		**–**	14,529,300
Deferred income		**486,750**	486,750
Total non-current liabilities		**2,985,023**	17,597,440
NET LIABILITIES		**(52,144,098)**	(45,645,068)
EQUITY			
CAPITAL AND RESERVES			
Share capital		**43,582**	42,529
Reserves		**(51,563,540)**	(45,326,516)
Equity attributable to owners of the Company		**(51,519,958)**	(45,283,987)
Non-controlling interests		**(624,140)**	(361,081)
TOTAL EQUITY		**(52,144,098)**	(45,645,068)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements of China Aoyuan Group Limited and its subsidiaries (collectively "the Group") for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ("**Stock Exchange**") (the "Listing Rules").

Going concern basis

For the six months ended 30 June 2026, the Group recorded a net loss of approximately RMB6,525 million and a net operating cash outflow. At the same date, the Group's total bank and other borrowings, senior notes and bonds amounted to RMB70,645 million, out of which RMB69,748 million will be due for repayment within the next twelve months from the end of the reporting period. Further, the Group has commitments including its share of commitments made jointly with investors relating to its joint ventures in aggregate of approximately RMB12,421 million, while the Group has total bank balances and cash (including restricted bank deposits) of approximately RMB1,350 million.

The real estate sector in the PRC continues to experience continuing challenges and volatility, the Group experienced a significant decline of its contracted sales of property in 2026, which adversely impacted the Group's cash receipts from sales and pre-sales of properties.

In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Directors implemented or are in the process of implementing the following measures:

(a) The Group has been actively promoting a comprehensive restructuring of onshore debts of the Group to establish a long-term mechanism to alleviate debt pressure and strengthen the full-cycle cash flow risk control system to ensure operational stability of the Group. The Group is close to the finalisation of the onshore debts restructuring proposal and is in the process of soliciting opinions from all parties (including onshore creditors).

(b) The Group has been actively negotiating with various onshore lenders on the renewal and extension of borrowings. During the Reporting Period and up to the date of approval of these condensed consolidated financial statements, the Group has entered into contractual arrangements with certain onshore financial institutions to extend the maturity of existing onshore financing arrangements, involving onshore borrowings of approximately RMB2 million in principal amount. The Directors consider that the Group will be able to extend the repayment period for its other onshore financing arrangements.

(c) The Group has been actively exploring potential asset disposal opportunities to create liquidity for, inter alia, repayment of the various instruments which are issued pursuant to the Group's offshore debt restructuring schemes.

(d) To ensure the stability and sustainable operation of the Group's business, the Group has consolidated and optimised resources to revitalise the construction and sales of its properties, reducing its operating expenses and make every effort to improve the Group's liquidity position. Measures undertaken include:

    (I) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;

(II) The Group has prioritised delivery of property development projects. As at the date of approval of these condensed consolidated financial statements, majority of the Group's property development projects are progressing according to schedule, and the Group continues to ensure the completion and delivery of its property development projects;

(III) The Group will continue to adopt stringent cost control and to actively implement additional measures to further reduce discretionary spending;

(IV) The Group will continue to obtain support from its contractors and suppliers in completing its property development projects; and

(V) The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Directors believed that the Group will reach an amicable solution to address claims and disputes where the outcome is not certain at this stage.

After taken into account the above plans and measures, and the Group's cash flow projections prepared by the management covering a period of not less than twelve months from 30 June 2026, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the Directors considered that it is appropriate to prepare the condensed consolidated financial statements of the Group for the six months ended 30 June 2026 on a going concern basis.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned above, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of all these adjustments have not been reflected in the condensed consolidated financial statements of the Group for the period ended 30 June 2026.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for the investment properties and certain financial instruments, which are measured at fair values as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards, issued by the IASB which are effective for the Group's interim period beginning on 1 January 2026:

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*
Amendments to IFRS Accounting Standards	*Annual Improvements to IFRS Accounting Standards – Volume 11*

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new standards and amendments to IFRS that have been issued but are not yet effective. The Group intends to adopt these standards, where applicable, when they become effective.

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation in the statement of profit or loss and other comprehensive income and disclosures of the Group's financial performance. The new standard is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements. Other than IFRS 18, so far, the Group considers that IFRS 19 and other amended IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

3. REVENUE

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2026			
	Property development	Property investment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods or services				
Sales of properties				
Residential apartments	3,105,124	–	–	3,105,124
Commercial apartments	312,481	–	–	312,481
Retail shops and others	85,394	–	–	85,394
Low-density residential	95,594	–	–	95,594
	3,598,593	–	–	3,598,593
Others	–	–	59,900	59,900
Revenue from contracts with customers	3,598,593	–	59,900	3,658,493
Property investment				
Commercial and retail shops	–	45,814	–	45,814
Total	3,598,593	45,814	59,900	3,704,307
Timing of revenue recognition				
At a point of time	3,598,593	–	59,900	3,658,493
Rental income	–	45,814	–	45,814
Total	3,598,593	45,814	59,900	3,704,307

	For the six months ended 30 June 2025			
	Property development *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services				
Sales of properties				
Residential apartments	3,316,536	–	–	3,316,536
Commercial apartments	135,881	–	–	135,881
Retail shops and others	242,303	–	–	242,303
Low-density residential	134,778	–	–	134,778
	3,829,498	–	–	3,829,498
Others	–	–	574,760	574,760
Revenue from contracts with customers	3,829,498	–	574,760	4,404,258
Property investment				
Commercial and retail shops	–	61,479	–	61,479
Total	3,829,498	61,479	574,760	4,465,737
Timing of revenue recognition				
At a point of time	3,829,498	–	574,760	4,404,258
Rental income	–	61,479	–	61,479
Total	3,829,498	61,479	574,760	4,465,737

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2026 (unaudited)

	Property development *RMB'000*	**Property investment** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
External segment revenue	**3,598,593**	**45,814**	**59,900**	**3,704,307**
Segment result	**(2,558,811)**	**(446,489)**	**8,408**	**(2,996,892)**
Other income, gains and losses, net				**432,589**
Loss on disposal of subsidiaries				**(930,431)**
Unallocated corporate expenses				**(43,196)**
Share of results of joint ventures				**(108,209)**
Share of results of associates				**(56,945)**
Finance costs				**(2,712,935)**
Loss before tax				**(6,416,019)**

Six months ended 30 June 2025 (unaudited)

	Property development *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
External segment revenue	3,829,498	61,479	574,760	4,465,737
Segment result	(4,471,167)	(575,626)	(219,698)	(5,266,491)
Other income, gains and losses, net				17,239
Loss on disposal of subsidiaries				(836,185)
Unallocated corporate expenses				(42,718)
Share of results of joint ventures				(102,053)
Share of results of associates				(146,168)
Finance costs				(2,850,996)
Loss before tax				(9,227,372)

5. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**(1,615)**	(4,531)
Loss on:		
– disposal of property, plant and equipment	**–**	16
– disposal of joint ventures	**–**	60,825
– change in fair value of financial assets at FVTPL	**61,919**	1,233
Exchange gains, net	**(496,821)**	(63,110)
Impairment loss on:		
– trade and other receivables	**599,125**	948,833
– amounts due from joint ventures	**168,992**	347,296
– amounts due from associates	**164,771**	–
– amounts due from non-controlling shareholders of subsidiaries	**1,261**	28,023
– property, plant and equipment	**–**	20,790
– goodwill	**–**	17,674
Loss on debt restructuring in specie	**147,323**	239,915
Others	**(13,220)**	(9,248)
	631,735	1,587,716

6. INCOME TAX EXPENSES

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Income tax expense/(credit) recognised comprises of:		
Current tax:		
PRC		
EIT	**135,310**	165,389
LAT	**50,714**	135,995
	186,024	301,384
Deferred tax:		
PRC	**(76,679)**	(48,916)
	109,345	252,468

Under the Law of the People's Republic of China of EIT (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, subject to certain preferential income tax policies.

Under the Provisional Regulations of the People's Republic of China on LAT (the "LAT Provisional Regulations") and Implementation Regulation of the LAT Provisional Regulations, the tax rate of the PRC subsidiaries 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 expenditures including cost of land use rights and relevant property development expenditures.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements for both periods as there was no assessable profits derived from Hong Kong.

Under Canadian tax law, the tax rate used for the period is 26.5% (six months ended 30 June 2025: 26.5%) on taxable profits on Canadian incorporated entities.

7. LOSS FOR THE PERIOD

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting) the following items:		
Interest on:		
Bank and other borrowings	**2,294,158**	2,409,167
Senior notes and bonds	**831,198**	1,034,040
Amount due to a joint venture	**21,601**	21,601
Lease liabilities	**52,045**	54,673
	3,199,002	3,519,481
Less: amounts capitalised to properties under development for sale	**(486,067)**	(668,485)
	2,712,935	2,850,996
Impairment of properties for sale (included in cost of sales)	**1,507,238**	3,133,184
Staff costs	**56,953**	98,910
Depreciation of property, plant and equipment	**93,206**	139,154
Depreciation of right-of-use assets	**17,330**	41,971

8. DIVIDENDS

The directors of the Company do not recommend or declare any payment of any dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended	
	30.6.2026	30.6.2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss:		
Loss for the purpose of basic loss per share	**(6,270,815)**	(8,814,418)

	30.6.2026	30.6.2025
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**5,551,290**	4,061,944

For the purpose of computation of basic loss per share for the six months ended 30 June 2025 and 2026, the weighted average number of ordinary shares in issue has taken into account ordinary shares issuable upon conversion of mandatorily convertible bonds.

Diluted loss per share

There are no potential ordinary shares outstanding during the six months ended 30 June 2025 and 2026. Accordingly, diluted loss per share is the same as basic loss per share for both six months ended 30 June 2025 and 2026.

10. TRADE AND OTHER RECEIVABLES

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**1,065,030**	1,051,530
Less: Allowance for expected credit losses	**(667,687)**	(653,226)
	397,343	398,304
Rental receivables	**126,082**	122,791
Other receivables	**22,071,313**	22,487,265
Security deposits	**663,551**	663,605
Less: Allowance for expected credit losses	**(8,479,136)**	(7,894,725)
	14,255,728	15,256,145
Contract costs	**243,499**	256,035
Advance to constructors and suppliers	**900,418**	901,559
Prepayment paid for potential purchases of land use rights and property projects	**4,234,750**	4,233,700
Less: Impairment	**(987,936)**	(987,936)
	3,246,814	3,245,764
Other tax prepayments	**1,792,583**	2,137,357
	20,962,467	22,317,955

The following is an aging analysis of gross trade receivables, determined based on the date of the properties were delivered and sales were recognised and service were provided:

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 60 days	**9,147**	17,821
61 to 180 days	**86,209**	136,472
181 to 365 days	**83,001**	23,425
1 to 2 years	**21,660**	27,530
2 to 3 years	**189,119**	295,859
Over 3 years	**675,894**	550,423
	1,065,030	1,051,530

11. TRADE AND OTHER PAYABLES

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade and bills payables	**16,403,852**	16,126,542
Other payables	**38,604,961**	36,900,703
Consideration payables for acquisition of subsidiaries	**1,420,493**	1,420,493
Other taxes payables	**3,908,228**	4,331,093
	60,337,534	58,778,831

The following is an aging analysis of trade and bills payables determined based on the invoice date:

	30.6.2026	31.12.2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 60 days	**192,409**	22,271
61 to 180 days	**130,085**	50,296
181 to 365 days	**72,567**	123,339
1 to 2 years	**112,904**	128,201
2 to 3 years	**120,880**	6,193,014
Over 3 years	**15,775,007**	9,609,421
	16,403,852	16,126,542

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period, the Group remained firmly committed to "guaranteeing property delivery" as the central focus of its operational recovery strategy, placing it alongside "onshore debts restructuring" as its primary work streams. In the first half of the year, the Group advanced its onshore debts restructuring in an orderly manner, pushing forward through the dual approach of operational deleveraging and financial restructuring to further optimise its debt structure, thereby creating conditions for the resumption of orderly operations. Meanwhile, the Group continues to strengthen its cost control measures and enhance sales-driven revenue generation capabilities, fostering a bottoming-out and gradual recovery in its operational fundamentals.

During the Reporting Period, the Group achieved property contracted sales of approximately RMB864 million with contracted gross floor area ("GFA") sold of approximately 84,700 sq.m. Details of property contracted sales by region are as follow:

Region	**Property contracted sales amount** *(RMB million)*	**Contracted GFA sold** *('000 sq.m.)*
South China	254	18.42
Core Region of Central & Western China	202	18.32
East China	87	6.10
Bohai Rim	321	41.86
Total	864	84.70

The Group continues to focus on the core cities in the Greater Bay Area. As at 30 June 2026, the landbank in the Greater Bay Area had a total GFA of approximately 4.84 million sq.m., with the attributable GFA of approximately 3.55 million sq.m.

FUTURE OUTLOOK

In the second half of 2026, the Group will continue to vigorously advance its onshore and offshore debts restructuring efforts to facilitate the Company's full transition from the risk resolution phase to a normal course of operations. Against the backdrop of favorable industry policies and the ongoing restoration of market confidence, the Group will seize the window of opportunity presented by the industry's recovery and focus on three core strategies: (i) improving sales and inventory clearance while accelerating resource integration; (ii) tackling debt restructuring and optimizing capital structure; and (iii) strengthening operational foundations while exploring smart new profit models and solidifying the brand building business, as well as urban renewal business.

Through the coordinated implementation of the above three strategies, the Group will steadily return to a normal course of operations, with the fundamental objective of creating greater value for shareholders, investors and the society on a continuous basis, thereby driving the Company to achieve high-quality, sustainable and steady development.

FINANCIAL REVIEW

Operating Results

The revenue is primarily generated from property development. During the Reporting Period, the Group's total revenue was approximately RMB3,704 million, representing a decrease of approximately RMB762 million or 17.1% over approximately RMB4,466 million in the same period of 2025. Property development revenue, other revenue such as hotel operation and property investment revenue accounted for 97.1%, 1.7% and 1.2%, respectively.

During the Reporting Period, the Group's revenue generated from sales of properties amounted to approximately RMB3,599 million, representing a decrease of approximately RMB230 million or 6.0% over approximately RMB3,829 million in the same period of 2025. The GFA of delivered properties decreased by 15.7% to 0.43 million sq.m. from 0.51 million sq.m. in the same period of 2025.

Gross Profit and Margin

During the Reporting Period, the gross loss of the Group was approximately RMB1,444 million, representing a decrease of 49.2% from the gross loss of approximately RMB2,841 million in the same period of 2025. The Group's gross loss margin was 39.0%. Excluding the impairment loss on properties for sale, included in cost of sales, the Group's gross profit for the first six months of 2026 amounted to approximately RMB64 million, representing a decrease of 78.1% over that of approximately RMB292 million for the same period in 2025.

Other Income, Gains and Losses

During the Reporting Period, the Group's other income, gains and losses mainly included exchange gain of approximately RMB497 million, expected credit loss of approximately RMB934 million, and loss on debt restructuring in specie of approximately RMB147 million and other losses of approximately RMB48 million.

Selling and Administrative Expenses

During the Reporting Period, total selling and distribution expenses of the Group were approximately RMB46 million, representing a decrease of 71.3% from approximately RMB160 million in the same period of 2025. The decrease was mainly due to a decrease in property contract sales during the Reporting Period, which in turn led to a corresponding reduction in overall sales, marketing, and promotional activities. Total administrative expenses decreased by 48.7% from approximately RMB349 million in the same period of 2025 to approximately RMB179 million, which was mainly attributable to the Group's continuing effort in the streamlining of organizational structure and effective control over cost and expenses.

Loss Attributable to Owners of the Company

During the Reporting Period, loss attributable to owners of the Company was approximately RMB6,271 million, representing a decrease of 28.9% from approximately RMB8,814 million in the same period of 2025.

Financial Position

As at 30 June 2026, the Group's total assets amounted to approximately RMB118,125 million (31 December 2025: approximately RMB128,223 million) and total liabilities were approximately RMB170,269 million (31 December 2025: approximately RMB173,868 million).

Current ratio (calculated based on the total current assets divided by the total current liabilities) was 0.6 as at 30 June 2026 (31 December 2025: 0.7).

Cash Position

As at 30 June 2026, the Group had cash and bank deposits of approximately RMB208 million (31 December 2025: approximately RMB184 million). As at 30 June 2026, the Group had restricted bank deposits of approximately RMB1,142 million (31 December 2025: approximately RMB1,410 million) which served as security deposits and mortgage guarantees or subject to judicial freezing and restrictions imposed by creditors.

As at 30 June 2026, cash and bank deposits and restricted bank deposits of the Group mentioned above totalled approximately RMB1,350 million, of which 93.0% was denominated in Renminbi and 7.0% was denominated in other currencies (mainly HK dollar and Canadian dollar).

Borrowings, Senior Notes and Corporate Bonds

As at 30 June 2026, the Group had bank and other borrowings of approximately RMB46,094 million (31 December 2025: approximately RMB47,353 million), senior notes and corporate bonds of approximately RMB24,551 million (31 December 2025: approximately RMB24,174 million).

Repayment Period	**30 June 2026** ***(RMB million)***	31 December 2025 *(RMB million)*
Repayment on demand and within one year	**69,748**	56,065
More than one year, but not exceeding two years	**680**	715
More than two years, but not exceeding five years	**217**	7,122
More than five years	**–**	7,625
	70,645	71,527

Part of the borrowings of the Group are floating-rate borrowings, of which interest rates are subject to negotiation on an annual basis, thus exposing the Group to cash flow interest rate risk. The Group has implemented certain interest rate management policies which included, among others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

The capital gearing ratio is calculated by dividing the net debt by total capital. Net debt equals to total debt (representing bank and other borrowings, senior notes and bonds) net of total cash (including cash and cash equivalent and restricted bank deposits). Total capital is calculated by adding total equity and net debt. As at 30 June 2026, the Group's capital gearing ratio was approximately 404.0% (31 December 2025: approximately 287.9%).

Contingent Liabilities

As at 30 June 2026, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by banks to purchasers and banking facilities granted to certain contractors or business partners, joint ventures and associates of the Group amounting to approximately RMB57,946 million (31 December 2025: approximately RMB59,328 million).

The Group provided guarantees in respect of the banks' mortgage loans granted to certain property purchasers of the Group and agreed to repurchase the properties upon the purchasers' default on the repayment of the outstanding mortgage loans and the loan interests accrual thereon. The fair value of the financial guarantee contracts is not significant at initial recognition, and no provision has been made as the default rate is low.

Commitments

As at 30 June 2026, the Group's construction cost, contracted but not provided for amounted to approximately RMB9,677 million (31 December 2025: approximately RMB11,017 million). In addition, the Group's share of commitments relating to its joint ventures arising from construction cost commitments contracted but not provided for is approximately RMB2,744 million (31 December 2025: approximately RMB3,027 million). The Group expects to fund these commitments principally from sales proceeds of properties and bank borrowings.

Foreign Currency Risks

Most of the Group's revenues and operating costs are denominated in Renminbi. Except for the bank deposits denominated in foreign currencies, senior notes and convertible bonds denominated in US dollar and bank loans denominated in HK dollar, the Group's operating cash flow or liquidity is not directly subject to any other significant exchange rate fluctuations. The management closely monitors foreign currency exposure and consider hedging significant foreign currency exposure when needed.

Pledge of Assets

As at 30 June 2026, the Group has pledged its properties for sale, property, plant and equipment, investment properties, right-of-use assets, financial assets at FVTPL and restricted bank deposits amounting to approximately RMB47,530 million (31 December 2025: approximately RMB51,118 million) to various banks to secure project loans and general banking facilities granted to the Group.

EVENTS AFTER REPORTING PERIOD

Change of Company Secretary and Authorised Representative

Ms. Wong Mei Shan has resigned as both the Company Secretary and an Authorised Representative of the Company with effect from 30 July 2026, and Ms. Chong Mei Lin has been appointed as both the Company Secretary and an Authorised Representative of the Company with effect from the same date. Please refer to the announcement of the Company dated 30 July 2026 for details.

Save as disclosed in this interim results announcement, there have been no other significant events that have a material impact on the Group subsequent to the Reporting Period.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (for the six months ended 30 June 2025: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE CODE

The Board recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles of the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules. During the Reporting Period, the Company has complied with the code provisions of the CG Code except for the following deviations:

In accordance with the Code Provision C.1.5 of CG Code, independent non-executive directors and other non-executive directors shall generally attend the general meetings. One non-executive Director was unable to attend annual general meeting of the Company held on 26 June 2026 (the "2026 AGM") due to other important engagement.

In accordance with Code Provision F.1.3 of CG code, the chairman of the board of directors is expected to attend the annual general meeting and respond to relevant questions raised by shareholders. However, Mr. Mohamed Obaid Ghulam Badakkan Alobeidli, chairman of the Board, was unable to attend the 2026 AGM due to unavoidable scheduling conflicts arising from other pressing business commitments. The Board of directors acknowledges the importance of his presence at the annual general meeting and regrets his absence. To ensure shareholders' questions were adequately addressed, other members of the Board of directors and senior management were present to respond on his behalf.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 of the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all the directors of the Company, all the directors have confirmed that they have complied with the required standard of dealings set out in the Model Code throughout the six months ended 30 June 2026.

EMPLOYMENT AND REMUNERATION POLICY

As of 30 June 2026, the Group had about 522 employees (31 December 2025: 571). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. Pursuant to relevant laws and regulations, the Group provides contributions to social insurance of China and contribution to the Mandatory Provident Fund Scheme of Hong Kong for eligible employees. The Group also provides employees in China with medical insurance, individual work injury insurance, maternity insurance and unemployment insurance.

AUDIT COMMITTEE

The audit committee of the Company, comprising Mr. Cheung Kwok Keung as chairman, Mr. Lee Thomas Kang Bor and Mr. Wong Wai Keung Frederick as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed accounting and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.aoyuan.com.cn). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By order of the Board
China Aoyuan Group Limited
Cheng Siu Fai
Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Executive Directors of the Company are Mr. Cheng Siu Fai, Mr. Jiang Zhan Hong and Ms. Shi Lili; the Non-executive Directors of the Company are Mr. Mohamed Obaid Ghulam Badakkan Alobeidli and Mr. Guo Zi Wen; and the Independent Non-executive Directors of the Company are Mr. Cheung Kwok Keung, Mr. Lee Thomas Kang Bor and Mr. Wong Wai Keung Frederick.