建業地產股份有限公司 *

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

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

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 amounted to approximately RMB3,930 million, a decrease of 40.2% compared with the corresponding period in 2025.
- Gross profit for the period amounted to approximately RMB316 million, a decrease of 41.7% compared with the corresponding period in 2025.
- Gross profit margin for the period was 8.0%, a decrease of 0.2 percentage points compared with the corresponding period in 2025.
- Loss attributable to equity shareholders of the Company for the period amounted to approximately RMB1,724 million (30 June 2025: approximately RMB1,277 million).
- Loss for the period amounted to approximately RMB1,834 million (30 June 2025: approximately RMB1,318 million).
- Basic loss per share for the period was RMB58.43 cents (30 June 2025: RMB43.29 cents).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Central China Real Estate Limited (the "**Company**") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the relevant comparative figures in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026
(Expressed in Renminbi)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		Unaudited	Unaudited
Revenue	*3*	**3,929,823**	6,574,793
Cost of sales		**(3,613,822)**	(6,032,984)
Gross profit		**316,001**	541,809
Other revenue	*4*	**4,184**	9,663
Other net losses	*4*	**(789,217)**	(168,358)
Write-down of inventories		**(338,003)**	(362,559)
Selling and marketing expenses		**(151,221)**	(193,514)
General and administrative expenses		**(249,944)**	(275,496)
Impairment losses on trade and other receivables and contract assets		**(59,193)**	(213,269)
		(1,267,393)	(661,724)
Finance costs	*5*	**(435,523)**	(398,608)
Share of profits less losses of associates		**3,834**	(7,706)
Share of profits less losses of joint ventures		**(15,812)**	(23,483)
Loss before change in fair value of investment properties and income tax		**(1,714,894)**	(1,091,521)
Net valuation loss on investment properties		**(930)**	(5,650)
Loss before taxation	*5*	**(1,715,824)**	(1,097,171)
Income tax	*6*	**(118,090)**	(220,395)
Loss for the period		**(1,833,914)**	(1,317,566)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 (Continued)

(Expressed in Renminbi)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		Unaudited	Unaudited
Attributable to:			
Equity shareholders of the Company		**(1,723,822)**	(1,277,203)
Non-controlling interests		**(110,092)**	(40,363)
Loss for the period		**(1,833,914)**	(1,317,566)
Loss per share	*7*		
– Basic *(RMB cents)*		**(58.43)**	(43.29)
– Diluted *(RMB cents)*		**(58.43)**	(43.29)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 (Continued)

(Expressed in Renminbi)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Loss for the period	**(1,833,914)**	(1,317,566)
Other comprehensive income for the period (after tax)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	**949**	1,233
Exchange differences on translation of financial statements to the presentation currency	**501,046**	17,007
Other comprehensive income for the period	**501,995**	18,240
Total comprehensive expense for the period	**(1,331,919)**	(1,299,326)
Attributable to:		
Equity shareholders of the Company	**(1,221,827)**	(1,258,963)
Non-controlling interests	**(110,092)**	(40,363)
Total comprehensive expense for the period	**(1,331,919)**	(1,299,326)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026
(Expressed in Renminbi)

	Note	At 30 June 2026 *RMB'000* Unaudited	At 31 December 2025 *RMB'000* Audited
Non-current assets			
Property, plant and equipment		**7,032,808**	7,415,998
Investment properties		**3,981,670**	3,998,800
Goodwill and other intangible assets		**243,278**	247,995
Biological assets		**40,985**	40,932
Interests in associates		**586,812**	995,366
Interests in joint ventures		**3,382,264**	3,399,880
Other financial assets		**67,761**	66,495
Deferred tax assets		**232,034**	232,034
		15,567,612	16,397,500
Current assets			
Trading securities		**2,623**	2,866
Biological assets		**3,849**	3,926
Inventories and other contract costs		**56,797,556**	59,113,564
Contract assets		**24,682**	26,318
Trade and other receivables	*8*	**5,551,268**	5,622,785
Deposits and prepayments		**10,031,369**	10,321,377
Tax recoverable		**2,545,761**	2,560,160
Restricted bank deposits		**369,181**	432,419
Cash and cash equivalents		**165,387**	420,342
		75,491,676	78,503,757
Current liabilities			
Bank loans		**(7,161,327)**	(7,085,214)
Other loans		**(1,536,846)**	(1,538,346)
Trade and other payables	*9*	**(54,291,444)**	(53,995,537)
Contract liabilities		**(20,977,278)**	(23,039,615)
Senior notes		**(13,349,364)**	(13,776,448)
Lease liabilities		**(8,496)**	(11,322)
Taxation payable		**(2,226,992)**	(2,154,453)
		(99,551,747)	(101,600,935)
Net current liabilities		**(24,060,071)**	(23,097,178)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 (Continued)

(Expressed in Renminbi)

	Note	At 30 June 2026 *RMB'000* Unaudited	At 31 December 2025 *RMB'000* Audited
Total assets less current liabilities		**(8,492,459)**	(6,699,678)
Non-current liabilities			
Bank loans		**(405,037)**	(847,488)
Lease liabilities		**(124,304)**	(127,051)
Deferred tax liabilities		**(859,992)**	(890,153)
		(1,389,333)	(1,864,692)
NET LIABILITIES		**(9,881,792)**	(8,564,370)
CAPITAL AND RESERVES			
Share capital		**266,528**	266,528
Share premium and reserves		**(10,490,883)**	(9,269,056)
Total deficit attributable to equity shareholders of the Company		**(10,224,355)**	(9,002,528)
Non-controlling interests		**342,563**	438,158
TOTAL DEFICIT		**(9,881,792)**	(8,564,370)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

Central China Real Estate Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 15 November 2007. Its principal place of business is at Units 1602-1605, 16/F, Tower 2, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. This interim results announcement as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interests in associates and joint ventures. The principal activity of the Company is investment holding and the Group are principally engaged in property development, property leasing and hotel operations in Henan Province in the People's Republic of China (the "**PRC**").

1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") 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 "**Listing Rules**").

Multiple Uncertainties Relating to Going Concern

The Group incurred a net loss of RMB1,834 million for the period ended 30 June 2026. As at 30 June 2026, the Group's net current liabilities and net liabilities amounted to RMB24,060 million and RMB9,882 million respectively, total bank and other loans and senior notes amounted to RMB22,453 million, out of which bank and other loans of RMB8,698 million and offshore senior notes of RMB13,349 million will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB165 million.

During the six months ended 30 June 2026, the real estate sector in the PRC continued to face prolonged challenges. Despite the ongoing relaxed policy environment, the property market did not show a clear recovery due to factors such as weak expectations for household income and the anticipation of price declines. The market continued to exhibit a trend of "price-for-volume," and overall, it remained in a process of continued bottoming out. As a result, pre-sale of Chinese property developers has continued to decrease during 2026. The Group also experienced a significant decline of its contracted sales in this period. Although the Chinese government has announced an array of policies to shore up the sector recently, the local market condition in the real estate sector of Henan Province still needs time to recover. Therefore, the Company anticipates that in the absence of a strong and quick recovery in the local market of Henan Province, the Group's real estate operation in Henan Province remains under pressure in the near term.

On 23 June 2023, the Company announced that it will suspend payments to all offshore creditors (the "**Default**") to ensure fair treatment among all offshore creditors. Such non-payment may lead to the Group's creditors demanding acceleration of repayment of their debts and/or take actions pursuant to the respective terms of the relevant financing arrangements. As at 30 June 2026, the Group's total offshore senior notes amounted to RMB13,349 million, such that they are due for immediate redemption once the relevant senior noteholder makes the request under the cross-default provision. If any of the senior note holders request immediate redemption of any of the senior notes and the Group cannot fulfill the request, the senior noteholders are entitled to take possession of the assets securing the senior notes.

All these events or conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. The directors are undertaking an offshore debt restructuring plan (the "**Debt Restructuring Plan**"), which includes the following plans and measures, to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due:

(i) On 20 July 2023, the Group announced to seek a holistic solution to the offshore debts situation (the "**Holistic Solution**") in order to ensure the sustainability of the operations. The Group has appointed BNP Paribas Securities (Asia) Limited and Haitong International Securities Company Limited as its financial advisors and Linklaters as its legal advisor. The Group is actively seeking communication with offshore creditors in order to provide a Holistic Solution to resolve its current liquidity issue;

(ii) The Group continues to negotiate with existing lenders, including banks and other financial institutions, material shareholders of the Company and state-owned real-estate funds, on the renewal or extension of the Group's certain borrowings and seek for additional financing to settle its existing financial obligations and future operating expenditure;

(iii) The Group continues to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds and other receivables;

(iv) The Group closely monitors the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule, such that the Group is able to release restricted pre-sale proceeds as planned, while maintaining more stringent cost control measures;

(v) The Group will not commit on significant capital expenditures and land acquisitions before securing the necessary funding;

(vi) The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending;

(vii) The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Group has made relevant provisions for litigations and claims and will seek to reach an amicable solution on the charges and payment terms to the claims and litigations which have not yet reached a definite outcome; and

(viii) The Group has been actively exploring potential asset disposal opportunities to create liquidity.

The directors of the Company have reviewed the Group's cash flow projections prepared by management which cover a period of not less than twelve months from 30 June 2026 and consider multiple material uncertainties exist as to whether the Group will be able to achieve the plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern will depend on the following:

(i) successfully progress and complete the debt management measures in relation to the Group's offshore senior notes, which will be subject to various external conditions that are beyond the Group's control, including but not limited to noteholders' acceptance of the amendments to be proposed, possible material adverse change in the market during the process and fulfilment of legal or regulatory requirements;

(ii) successfully improve its liquidity position, generate sufficient cash flows to meet its obligations, recover from the volatility in the local real estate industry, expedite the sales of properties, and collect outstanding sales proceeds and other receivables, while maintaining more stringent cost control measures of containment of discretionary capital expenditures to address the Group's debt obligations within a reasonable timeframe;

(iii) successfully negotiate with the existing lenders on the renewal or extension of the Group's certain borrowings and maintenance of the relationship with the Group's current finance providers so that they continue to provide finance to the Group, which is subject to current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and the relevant lenders;

(iv) successfully obtain additional new sources of financing;

(v) successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position; and

(vi) reaching an amicable solution on the charges and payment terms in respect of the claims and litigations which have not yet reached a definite outcome.

The directors of the Company consider that, assuming the success of all the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 30 June 2026. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

If the Group fails to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

2 PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value:

- investment properties, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest;
- investments in debt and equity securities; and
- biological assets.

The accounting policies used in the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except as described below.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the classification and measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-department Electricity
Amendments to HKFRS Accounting Standards:	Annual Improvement to HKFRS Accounting Standards – Volume 11

The application of these amendments to HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development, property leasing and hotel operations. Revenue of the Group for the period is analysed as follows:

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS15		
Disaggregated by major products or service lines		
– Sales of properties	**3,438,627**	5,941,183
– Revenue from hotel operations	**146,777**	162,014
– Others	**310,328**	445,505
	3,895,732	6,548,702
Revenue from other sources		
Rental income from investment properties	**22,842**	20,566
Rental income from properties for sale	**11,249**	5,525
	34,091	26,091
	3,929,823	6,574,793

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Point in time		
– Sales of properties	**3,232,285**	5,673,265
– Revenue from hotel operations	**146,777**	162,014
– Others	**310,328**	445,505
	3,689,390	6,280,784
Over time		
– Sales of properties	**206,342**	267,918
	3,895,732	6,548,702

The Group's customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group's revenue.

(b) Segment reporting

(i) Products and services from which reportable segments derive their revenue

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, Operating segments.

(ii) Geographical information

No geographical information is shown as the revenue and profit from operations of the Group is substantially derived from activities in the PRC.

4 OTHER REVENUE AND OTHER NET LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Other revenue		
Government grants	**3,155**	7,917
Interest income	**393**	704
Others	**636**	1,042
	4,184	9,663
Other net losses		
Net realised and unrealised gain on trading securities	**(114)**	–
Penalty accruals	**(99,097)**	(136,128)
Net (loss)/gain on disposals of subsidiaries	**(18,283)**	7,190
Exchange gain/(loss)	**(76)**	–
Changes in fair value of biological assets less cost to sell	**–**	(11,125)
Net loss on disposals of property, plant and equipment	**(13,890)**	(4)
Impairment loss on interest in an associate	**(461,601)**	–
Impairment loss on property, plant and equipment	**(174,763)**	–
Others	**(21,393)**	(28,291)
	(789,217)	(168,358)

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans and other borrowings	**913,475**	936,345
Interest on lease liabilities	**3,316**	4,198
Interest accrued on advance payments from customers	**394,999**	320,172
Total interest expenses	**1,311,790**	1,260,715
Less: Borrowing costs capitalised into properties under development	**(876,267)**	(862,107)
	435,523	398,608
(b) Other items		
Amortisation of intangible assets	**4,717**	4,717
Depreciation		
– owned property, plant and equipment	**186,178**	187,101
– right-of-use assets	**5,322**	3,070
Cost of properties sold	**3,290,627**	5,557,994

6 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**65,759**	103,658
PRC Land Appreciation Tax	**82,809**	170,935
	148,568	274,593
Deferred tax		
PRC Corporate Income Tax	**(36,615)**	(71,103)
PRC Land Appreciation Tax	**6,137**	16,905
	(30,478)	(54,198)
	118,090	220,395

(a) Pursuant to the rule and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(b) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.

(c) PRC Corporate Income Tax ("CIT")

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the PRC subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

The PRC subsidiaries were subject to the actual taxation method, were charged CIT at a rate of 25% (2025: 25%) on the estimated assessable profits for the period.

(d) **Land Appreciation Tax ("LAT")**

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT(《中華人民共和國土地增值稅暫行條例》)effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT(《中華人民共和國土地增值稅暫行條例實施細則》)effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅)if their appreciation values do not exceed 20% of the sum of the total deductible items.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB1,723,822,000 (2025: RMB1,277,203,000) and the weighted average of 2,950,146,090 ordinary shares (2025: 2,950,146,090 ordinary shares) in issue during the interim period.

(b) Diluted loss per share

As the Group incurred losses for the period ended 30 June 2026 and 2025, the deemed issue of ordinary shares on exercise of share options and share awards were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share are the same as basic loss per share.

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade debtors and bills receivable, net of loss allowance	**131,761**	131,127
Other debtors	**2,643,123**	2,775,157
Amounts due from joint ventures	**19,342**	28,820
Amounts due from associates	**627,362**	627,057
Amounts due from entities controlled by the ultimate controlling shareholder	**251,520**	251,442
Amounts due from non-controlling interests	**1,878,160**	1,809,182
	5,551,268	5,622,785

(a) Aging analysis

The aging analysis of trade and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**62,184**	53,216
3 to 6 months	**9,026**	4,322
6 to 12 months	**4,889**	15,528
Over 1 year	**55,662**	58,061
	131,761	131,127

Trade debtors and bills receivable are due upon issuing the invoices.

9 TRADE AND OTHER PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade creditors and bills payable	**27,935,442**	27,786,182
Other creditors and accrued charges	**11,884,293**	12,404,819
Interest payables	**5,533,935**	4,764,445
Amounts due to joint ventures	**638,927**	646,647
Amounts due to associates	**62,750**	62,750
Amounts due to entities controlled by the ultimate controlling shareholder	**2,608,016**	2,689,723
Amounts due to non-controlling interests	**3,084,966**	3,087,969
Amounts due to a shareholder with significant influence over the Group	**827,051**	806,550
Financial liabilities measured at amortised cost	**52,575,380**	52,249,085
Other tax payables	**1,716,064**	1,746,452
	54,291,444	53,995,537

(a) Aging analysis

As of the end of the reporting period, the aging analysis of trade creditors and bills payable based on the invoice date is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**7,041,764**	5,791,567
3-6 months	**655,456**	613,224
6-12 months	**1,628,337**	1,912,893
Over 12 months	**18,609,885**	19,468,498
	27,935,442	27,786,182

10 DIVIDENDS

There were no dividends payable to equity shareholders attributable to both interim periods.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall performance

For the six months ended 30 June 2026, the Group achieved total property contracted sales of RMB3,755 million, representing a period-on-period decrease of 15.5%, with a total contracted sales GFA of 567,933 sq.m., representing a period-on-period decrease of 19.8%, and with the average selling price per sq.m. of RMB6,612, representing a period-on-period increase of 5.3%.

The cash and cash equivalents and restricted bank deposits of the Group in total amounted to approximately RMB535 million as at 30 June 2026 (31 December 2025: RMB853 million).

As at 30 June 2026, the total net borrowings were approximately RMB21,918 million (31 December 2025: approximately RMB22,395 million). The Group remains committed to a prudent financial management principle to maintain a reasonable cash reserve and borrowing level.

During the six months ended 30 June 2026, the Group delivered 25 property projects (six months ended 30 June 2025: 26 property projects). Besides, the Group had 68 projects under development for the six months ended 30 June 2026 (six months ended 30 June 2025: 95 projects).

The Group recorded a loss attributable to the equity shareholders of approximately RMB1,724 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB1,277 million). This was primarily attributable to the combined impact of the macroeconomic situation and the continuous downturn in the property market, which resulted in 1) provisions for impairment of inventories, receivables and interests in joint ventures and associates estimated based on the principle of prudence, among which, for the disposal of the cultural tourism project is expected to be completed by the Group in the second half of the year that are expected to result in a disposal loss, the Company made corresponding impairment provisions in the first half of the year in respect of such expected disposal loss; and 2) the decline in the revenue recognised and the gross profit margins of property, failing to cover the Company's costs and expenses.

As at 30 June 2026, the property sales of the Group not recognised was approximately RMB19,982 million (six months ended 30 June 2025: approximately RMB24,427 million) with a corresponding gross profit of approximately RMB1,609 million (six months ended 30 June 2025: approximately RMB1,726 million). The amount is expected to be recognised as revenue and gross profit in the next two to three years.

In addition, the property sales of the joint ventures and associates not recognised were approximately RMB2,157 million (six months ended 30 June 2025: approximately RMB1,760 million) with a corresponding gross loss of approximately RMB11 million (six months ended 30 June 2025: gross profit of approximately RMB172 million).

Revenue: The Group's revenue decreased by 40.2% from approximately RMB6,575 million for the six months ended 30 June 2025 to approximately RMB3,930 million for the six months ended 30 June 2026, primarily due to the combined impact of the macroeconomic situation and the downturn in the property market, which led to an overall decrease in revenue recognised during the period.

- **Income from sales of properties:** Income from property sales decreased by 42.1% from approximately RMB5,941 million for the six months ended 30 June 2025 to approximately RMB3,439 million for the six months ended 30 June 2026. The GFA recognised decreased by 47.7% from 988,251 sq.m. for the six months ended 30 June 2025 to 516,767 sq.m. for the corresponding period in 2026.

- **Revenue from hotel operation:** Revenue from hotel operation decreased by 9.4% from approximately RMB162 million for the six months ended 30 June 2025 to approximately RMB147 million for the six months ended 30 June 2026, primarily affected by the macroeconomic downturn.

Cost of sales: The Group's cost of sales decreased by 40.1% from approximately RMB6,033 million for the six months ended 30 June 2025 to approximately RMB3,614 million for the six months ended 30 June 2026. The decrease in cost of sales was due to the decrease in GFA recognised as mentioned above.

Gross profit: The Group's gross profit decreased by 41.7% from approximately RMB542 million for the six months ended 30 June 2025 to approximately RMB316 million for the six months ended 30 June 2026, while our gross profit margin decreased by 0.2 percentage points from 8.2% for the six months ended 30 June 2025 to 8.0% for the corresponding period in 2026. Affected by the combined impact of the macroeconomic situation and the continuous downturn in the property market, the gross profit margin of overall property sales decreased by 2.1 percentage points from 6.4% for the six months ended 30 June 2025 to 4.3% for the six months ended 30 June 2026.

Other revenue: Other revenue decreased by 56.7% from approximately RMB9 million for the six months ended 30 June 2025 to approximately RMB4 million for the six months ended 30 June 2026. This was primarily due to a decrease in government grants by approximately RMB5 million.

Other net losses: Other net losses increased by 368.8% from approximately RMB168 million for the six months ended 30 June 2025 to approximately RMB789 million for the six months ended 30 June 2026, mainly due to impairment losses on interest in an associate and on property, plant and equipment.

Selling and marketing expenses: Selling and marketing expenses decreased by 21.9% from approximately RMB194 million for the six months ended 30 June 2025 to approximately RMB151 million for the six months ended 30 June 2026, mainly due to the decrease in staff costs and outsourcing labour service fees. The rate of selling and marketing expenses on revenue approximated at 3.8% for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 2.9%).

General and administrative expenses: General and administrative expenses decreased by 9.3% from approximately RMB275 million for the six months ended 30 June 2025 to approximately RMB250 million for the six months ended 30 June 2026. This was primarily due to the decrease in staff costs of RMB12 million and the decrease in administrative expenses and management taxes and fees totalling RMB13 million. The rate of general and administration expenses on revenue approximated at 6.4% for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 4.2%).

Impairment losses on trade and other receivables and contract assets: Impairment losses on trade and other receivables, and contract assets amounted to approximately RMB59 million for the six months ended 30 June 2026, representing a decrease by approximately RMB154 million from approximately RMB213 million during the corresponding period in 2025, mainly because special provisions were made in addition to the regular ageing-based provisions in the corresponding period of 2025.

Finance costs: Finance costs increased by 9.3% from approximately RMB399 million for the six months ended 30 June 2025 to approximately RMB436 million for the six months ended 30 June 2026, mainly due to the decrease in the capitalisation rate of interest on borrowings.

Share of profits less losses of associates: Share of profits of associates amounted to approximately RMB4 million for the six months ended 30 June 2026, representing an increase by approximately RMB12 million from share of losses of associates approximately RMB8 million during the corresponding period in 2025.

Share of profits less losses of joint ventures: Share of losses of joint ventures amounted to approximately RMB16 million for the six months ended 30 June 2026, representing a decrease by approximately RMB7 million from approximately RMB23 million during the corresponding period in 2025.

Net valuation loss on investment properties: Net valuation loss amounted to approximately RMB0.93 million for the six months ended 30 June 2026, representing a decrease by approximately RMB4.72 million from approximately RMB5.65 million during the corresponding period in 2025.

Income tax: Income tax mainly comprises corporate income tax and land appreciation tax. The Group's income tax decreased by 46.4% from approximately RMB220 million for the six months ended 30 June 2025 to approximately RMB118 million for the six months ended 30 June 2026, mainly due to the decrease in property sales revenue recognised during the period, resulting in a corresponding decrease in income tax and land appreciation tax.

Loss for the period: As a result of the foregoing, loss for the period amounted to approximately RMB1,834 million for the six months ended 30 June 2026, representing an increase by approximately RMB516 million from approximately RMB1,318 million during the corresponding period in 2025.

Financial resources and utilisation: As at 30 June 2026, the Group's cash and cash equivalents and restricted bank deposits amounted to approximately RMB535 million (31 December 2025: approximately RMB853 million).

Subsequent to the reporting period, the Company resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

Structure of Borrowings and Deposits

The Group remains committed to a prudent financial management principle, focusing on capital allocation and financial management to maintain a reasonable level of cash and borrowings. As at 30 June 2026, the maturity profile of the Group's bank and other borrowings was as follows:

Maturity Profile	**As at 30 June 2026** ***RMB'000***	As at 31 December 2025 *RMB'000*
Bank borrowings		
Within one year or on demand	**7,161,327**	7,085,214
More than one year, but not exceeding two years	**264,137**	496,579
More than two years, but not exceeding five years	**140,900**	350,909
	7,566,364	7,932,702
Other borrowings		
Within one year	**1,536,846**	1,538,346
	1,536,846	1,538,346
Senior notes		
Within one year	**13,349,364**	13,776,448
	13,349,364	13,776,448
Total borrowings	**22,452,574**	23,247,496

Maturity Profile	**As at 30 June 2026** *RMB'000*	As at 31 December 2025 *RMB'000*
Less:		
Cash and cash equivalents	**(165,387)**	(420,342)
Restricted bank deposits	**(369,181)**	(432,419)
Net borrowings	**21,918,006**	22,394,735
Total deficit	**(9,881,792)**	(8,564,370)
Net gearing ratio (%)	**(221.8%)**	(261.5%)

Pledge of assets: As at 30 June 2026, we had pledged completed properties, properties under development, properties for future development, plant and equipment, and loan deposit with an aggregate carrying amount of approximately RMB15,331 million (31 December 2025: approximately RMB15,229 million) to secure general bank credit facilities and other loans granted to us. We pledged properties for sale with an aggregate carrying amount of approximately RMB598 million (31 December 2025: approximately RMB598 million) to secure loans granted to joint ventures.

Capital commitment: As at 30 June 2026, we had contractual commitments undertaken by the Group's subsidiaries in respect of property development either in progress or pending execution, the amount of which was approximately RMB6,037 million (31 December 2025: approximately RMB7,149 million). We also had other authorised but not yet contracted expenses and capital investments in property development of approximately RMB29,256 million (31 December 2025: approximately RMB30,448 million).

Contingent liabilities: As at 30 June 2026, we had provided guarantees of approximately RMB22,368 million (31 December 2025: approximately RMB25,283 million) to banks in respect of the mortgage loans provided by the banks to customers who purchased the developed properties of the Company and our joint ventures. We also provided guarantees of approximately RMB1,461 million (31 December 2025: approximately RMB1,472 million) in respect of bank loans and other loans of joint ventures and associates.

The Company has made no significant investment, significant acquisitions or disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2026. Save as disclosed in this announcement and other announcements of the Company, the Group did not have any immediate plans for material investments and capital assets as at 30 June 2026.

Up to the date of this interim results announcement, the Company has not received any notice requiring early repayment of outstanding senior notes under the cross-default provision.

Foreign exchange risk: Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 30 June 2026, our major non-RMB assets and liabilities are (i) bank deposits denominated in HKD; and (ii) the senior notes denominated in USD. We are subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in currencies other than RMB.

Interest rate risk: Some of our borrowings have variable interest rates. The risk of rising interest rates would increase the interest costs for both new and existing loans. We currently do not use derivative instruments to hedge against their interest rate risk.

I REVIEW OF OPERATIONS

1. Market Review

(1) The Macro Environment – Economic Landscape

1. Nationwide

In the first half of 2026, as the critical opening period of the "15th Five-Year Plan", China's economy operated with resilience while stability was maintained, and delivered improved quality and efficiency. National gross domestic product reached RMB69,570.4 billion, representing a year-on-year growth of 4.7% at constant prices, which was within the annual expected range of 4.5%–5.0%. The economy exhibited four key characteristics: "stability, resilience, innovation, and optimisation".

In terms of economic structure, the three industries developed in a coordinated manner. The services sector overtook traditional manufacturing to become the primary driver of economic growth, while the contribution of household consumption to economic growth continued to rise, further consolidating the fundamental supporting role of domestic demand. Fixed asset investment showed structural divergence: high-tech investment maintained growth, while traditional real estate and infrastructure investment remained under pressure. Value added of industrial enterprises above designated size grew by 5.4% year-on-year, with value added of high-tech manufacturing increasing by 13.3% and equipment manufacturing maintaining double-digit growth – far exceeding the overall industrial level. The proportion of value added of high-tech manufacturing above designated size continued to rise, and momentum from industrial upgrading was released continuously.

Supported by both innovation-driven growth and the cultivation of new quality productive forces, R&D expenditure intensity continued its upward trend in the first half of the year. Frontier industries such as artificial intelligence, industrial mother machines, low-altitude economy and quantum technology accelerated their industrialisation. Output of digital product manufacturing, industrial robots and new energy vehicles maintained rapid growth, and the dual-wheel drive of the green economy and digital economy was further consolidated. Foreign trade performed better than expected, with total goods imports and exports growing by 16.9% year-on-year. Exports of high-tech and high value-added products became the core driver of growth, continuing to reinforce China's central position in the global supply chain and industrial chain.

At the same time, challenges persist, including external geopolitical conflicts, divergence in overseas demand, slow recovery in domestic household consumption and insufficient effective domestic demand. The foundation for the sustained recovery of the economy still requires continuous policy support.

2. *Henan*

In the first half of 2026, Henan Province thoroughly implemented the national deployment for the opening period of the "15th Five-Year Plan", closely following the province's "1+2+4+N" development framework. Economic operations showed steady improvement, with new and optimised structural momentum and enhanced resilience. Overall growth continued to outpace the national average, fully demonstrating the province's role as a stabilising anchor for growth among China's major central-region economies.

Provincial GDP reached RMB3,352.158 billion for the first half of the year, with a year-on-year growth of 5.0% at constant prices – consistently above the national growth rate – firmly shouldering the mantle of steady growth in central China. Coordinated development across the three industries continued to optimise the structure: primary industry value added was RMB227.918 billion, up 4.0% year-on-year; secondary industry RMB1,300.622 billion, up 5.4% year-on-year; tertiary industry RMB1,823.618 billion, up 4.9% year-on-year. The tertiary industry contributed more than half of the province's economic growth, with the structure continuing to optimise and the leading role of the services sector becoming increasingly prominent.

The industrial-strength province strategy continued to deliver tangible results, becoming the core engine of steady economic growth in the province. Value added of industrial enterprises above designated size grew by 8.1% year-on-year in the first half of the year, with over 70% of the 41 major industries achieving growth, indicating a stable growth base. Among them, equipment manufacturing value added grew by 15.7%, contributing over 50% to the growth of industrial enterprises above designated size; value added of high-tech manufacturing grew by 26.1% year-on-year, maintaining consecutive periods of rapid growth. Output of lithium-ion batteries, new energy vehicles and smartphones increased notably, with flagship projects such as Zhengzhou BYD and Super Fusion continuing to release capacity, accelerating the accumulation of new quality productive forces.

Consumption and foreign trade drove dual momentum with notable results. The province continued to implement the trade-in subsidy policy for consumer goods, with retail sales of new energy vehicles, smart home appliances and green home furnishings maintaining strong growth. Total imports and exports reached RMB520.36 billion in the first half of the year, up 26% year-on-year, with rapid expansion of trade with non-European and non-US emerging markets. Support for the 7 cross-border e-commerce comprehensive pilot zones continued to improve, and freight volumes on the China-Europe Railway Express and the Zhengzhou–Luxembourg "Air Silk Road" rose steadily. The advantages of the province as an inland opening hub continued to be amplified, providing sustained external momentum for the province's economic growth.

(2) The Real Estate Market

1. Nationwide

In the first half of 2026, China's real estate industry remained in a cycle of deep adjustment and structural bottoming. Underpinned by a series of continuously reinforced policies on stabilising the market, safeguarding delivery and revitalising stock, the industry as a whole exhibited phased characteristics of "layered bottoming in sales, sustained pressure on investment, intensifying urban differentiation, and stock-dominated market". The industry has bid farewell to the era of universal price gains and entered a new stage of structural repair and high-quality transformation.

Data showed that new commercial housing sales area was 401.00 million square metres in the first half of the year, down 11.6% year-on-year; sales value of new commercial housing was RMB3,790.0 billion, down 13.6% year-on-year. Overall, the market remained in a downward range, with declines narrowing significantly only in first-tier and strong second-tier cities, while downward pressure in third- and fourth-tier cities remained relatively high. Both residential sales area and transaction value declined in tandem, with improvement-type large-unit properties showing resilience only in core cities.

Structural repair on the sales side has not transmitted to the investment side, and development investment remained under continued pressure. In the first half of the year, real estate development investment fell by 18.0% year-on-year. Construction area, new starts area and completed area all decreased year-on-year. Property developers generally adopted operational strategies of "controlling increments, reducing land reserves and safeguarding delivery", with the supply side taking the revitalisation of stock assets as its core direction. As at the end of June, China's unsold area of commercial housing fluctuated modestly, with de-stocking cycles in third- and fourth-tier cities continuing to lengthen, while inventories in core cities remained within a reasonable range. Funding pressure has yet to ease: developer funds received contracted across all channels simultaneously, with sales collections, development loans and personal mortgage loans all declining year-on-year, and industry liquidity pressure remaining.

To stabilise market expectations, activate reasonable housing demand, resolve developer risks and revitalise stock assets, policies during the first half continued to focus on four directions. The April Politburo meeting reaffirmed the need to stabilise the real estate market and advance urban renewal. Localities continued to lower mortgage rates, optimise purchase and lending restrictions, and enhance provident fund support. The national urban renewal plan was implemented, with special-purpose bonds and ultra-long-term treasury bonds being deployed for the acquisition of stock commercial housing, urban village redevelopment and the construction of affordable housing. Under the reinforcement of policies, market differentiation intensified further: secondary home transactions in 30 cities rose year-on-year, with the proportion of secondary sales rising to around 68%, and the proportion of secondary sales in the core urban areas of first- and second-tier cities approaching 70%. Land auction activity was highly concentrated in prime plots in higher-tier cities' main urban areas, while national residential and commercial land transaction volumes contracted year-on-year. Central and state-owned enterprises and steady leading private developers were the primary land buyers, and developers continued to contract their footprint and focus on quality-upgraded products to enhance competitiveness.

2. *Henan*

In the first half of 2026, supported by the province's stable economic base and continued local backstop policies, Henan's real estate market exhibited the operational characteristics of "weak recovery, strong differentiation, stabilisation in core cities, and upgraded quality of stock". Declines in all key indicators were significantly better than the national average, and the resilience of the market continued to stand out.

Real estate development investment fell by 12.3% year-on-year in the first half of the year, with a narrower decline than the national average. New commercial housing sales area and sales value fell by 8.0% and 11.9% year-on-year, respectively. The two core cities of Zhengzhou and Luoyang were the first to stabilise, with transaction declines continuing to narrow. Completed housing and rigid/improvement-type unit types became the main drivers of transactions, while county-level and third- and fourth-tier cities remained under sustained pressure.

Coordinated policies on both the supply and demand sides continued to consolidate the market bottom. On the demand side, the province continued to expand the coverage of "trade-in" and "sell-old-buy-new" subsidies, comprehensively relaxed provident fund loan rules and lowered down payment ratios, continuing to release rigid and replacement/improvement housing demand. On the supply side, special-purpose bond funds were channelled to advance the acquisition of idle stock land and unsold commercial housing, accelerating urban village redevelopment and continuously expanding the supply of affordable housing, thereby speeding up the digestion of stock inventory. Financial support was further reinforced, with the real estate financing "white list" project pool expanded and complementary special-purpose credit deployed. Nevertheless, developer funds received across the industry still fell by 16.0% year-on-year, with liquidity pressure particularly acute among small and medium-sized local developers.

The industry structure continued to optimise: sales area of completed housing maintained positive growth, and the proportion of completed housing in new home sales rose steadily. Improvement-type demand continued to be released, with rigid/improvement unit types of 90–144 square metres delivering the strongest transaction performance. At the same time, structural weaknesses in the industry remain prominent: inventories in third- and fourth-tier cities and county-level cities are heavily accumulated, population outflows are slowing de-stocking, some small and medium-sized developers are facing tight funding chains, and project delivery paces have slowed. A full recovery of the industry will still require sustained long-term policy support.

MARKET OUTLOOK

(1) The Macro-Economic Landscape

1. Nationwide

In the second half of 2026, the domestic economy is expected to continue its overall trend of steady recovery and improved quality and efficiency. It is expected that the economy will maintain steady recovery in the second half of 2026, with full-year GDP anticipated to achieve the growth target of 4.5%–5.0%. The focus of policy will shift from short-term incremental stimulus toward improved quality and efficiency, with concentrated deployment of ultra-long-term special treasury bonds, special-purpose bonds and dedicated urban renewal quotas. Structural reform and industrial upgrading will become the core levers for stable growth.

At the industrial level, new quality productive forces will continue to serve as the core growth engine, with high-tech manufacturing and the digital economy deeply integrated. Frontier tracks such as artificial intelligence, low-altitude economy, advanced energy storage and industrial mother machines will accelerate their large-scale roll-out. Traditional manufacturing will comprehensively advance high-end, intelligent and green technological upgrading. The consumption market will draw on trade-in policies for major consumer goods and the cultivation of new consumption scenarios to activate domestic demand, while services consumption, green consumption and cultural tourism consumption will unlock long-term potential. Foreign trade will continue to deepen its diversified global market layout, with the proportion of exports of mechanical and electrical, new energy and high-tech products steadily rising, further consolidating China's position as a stable source of global growth.

Overall, the economy in the second half of the year will offset external uncertainties with structural growth increments, and the high-quality development trend will be further consolidated.

2. Henan

In the second half of the year, Henan Province will continue to leverage its three-fold advantages of a strong manufacturing base, hub location and open platform for external engagement, sustaining the favourable trend of "growth above the national average and continuously optimising structure", and continuing to consolidate the province's fundamentals as an economic powerhouse driving steady growth.

Industrial upgrading will proceed along two parallel tracks: promoting the digital and green transformation of traditional advantage industries such as equipment manufacturing and food processing; and continuing to expand emerging industry clusters in new energy vehicles, lithium batteries and integrated circuits, with major industrial projects at Zhengzhou Airport Economy Zone and the Luoyang Industrial Park reinforcing the industrial base. On the consumption side, the province will continue trade-in subsidies for housing and vehicles, and cultivate new consumption scenarios such as livestream e-commerce, county-level instant retail and rural cultural tourism, continuing to release urban-rural consumption upgrading potential.

Opening up will continue to expand in both scale and quality, deepening the operational effectiveness of the China-Europe (Central Asia) Railway Express and the Zhengzhou–Luxembourg "Air Silk Road", while the seven cross-border e-commerce comprehensive pilot zones improve their warehousing and customs clearance facilities, continuing to drive rapid growth in imports and exports. As ultra-long-term special treasury bonds, urban village redevelopment and urban renewal projects are launched at scale, the supporting role of fixed asset investment in the economy will continue to strengthen. The province will coordinate efforts to stabilise enterprises, employment, livelihoods and market expectations, and continuously improve the social security system, offsetting the drag from downward real estate investment and laying a solid foundation for sustained economic improvement.

2. Real Estate Market

1. Nationwide

In the second half of 2026, China's real estate industry will continue the pattern of structural repair and differentiated recovery. Policies will focus on the coordinated dual objectives of stabilising market expectations, revitalising stock assets and unblocking reasonable housing demand.

On the demand side, there is further room to optimise restrictive regulatory policies in Beijing, Shanghai, Guangzhou, Shenzhen and strong second-tier cities. Improvement-type housing demand will be released by lowering transaction taxes, reducing replacement costs and raising provident fund loan limits. On the supply side, efforts to acquire idle land and stock commercial housing will be intensified, with the "housing subsidy per capita" security mechanism being rolled out, expanding the supply of high-quality completed housing and affordable housing, and accelerating the establishment of a new model for real estate development.

At the market operational level, along with improved macroeconomic income expectations and the continued implementation of policies, home-purchase and replacement demand will recover gradually, but the industry as a whole remains in a critical de-stocking cycle. Against the backdrop of two consecutive years of contracting land transactions and new starts, most cities will see limited new supply of new homes, with market transactions dominated by secondary homes. First-tier and strong second-tier main urban areas will exhibit structural momentum in high-quality improvement new homes, with "strong city + quality completed housing" showing pronounced risk-resistance. The three-fold differentiation among cities, developers and products will continue to intensify, and the substitution effect of secondary homes for new homes will persist over the long term in core cities. Full stabilisation and recovery of the industry is expected to be deferred to the middle-to-late period of the "15th Five-Year Plan". Going forward, the industry will move toward a new stage of high-quality development characterised by moderate scale, stock operations and quality-driven growth.

2. Henan

Supported by the province's steady economic growth and continuously reinforced real estate backstop policies, Henan's real estate market in the second half of 2026 will continue along the gradual recovery path of "policy backstop → Zhengzhou and Luoyang core areas stabilising first → structural recovery across the province". Policies on both the supply and demand sides will continue to be reinforced, consolidating the foundation for market stability. On the demand side, the province will further expand the coverage of housing trade-in and sell-old-buy-new subsidies, optimise cross-regional provident fund mutual recognition and credit interest rate support policies, and leverage the new energy industry chain to drive household employment and income growth, continuing to activate rigid and replacement/improvement demand. On the supply side, the province will expand the coverage of the completed-housing sales pilot to more cities, accelerate the pace of special-purpose bond-backed acquisition of stock commercial housing, speed up the implementation of urban village redevelopment and urban renewal in Zhengzhou and Luoyang, expand the supply of high-quality housing, and promote the industry's transformation from incremental development to stock quality-enhancement operations.

On balance, the year-on-year decline in commercial housing sales across the province is expected to continue to narrow in the second half of 2026, and market activity in the core urban areas of Zhengzhou and Luoyang will steadily improve. However, high inventory problems in the province's third- and fourth-tier cities and county-level cities will be difficult to resolve in the short term, and the pace of funding recovery will differ significantly among developers. The pace of the overall recovery of industry investment will depend on the efficiency of policy implementation and the pace at which household home-buying confidence is restored. In the medium-to-long term, Henan will focus on affordable housing construction, revitalisation of stock land and manufacturing industry transformation, continuously exploring pathways for the healthy interaction between real estate and the real economy, and steadily consolidating the long-term foundation for industry stabilisation.

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. For the six months ended 30 June 2026, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the "**Corporate Governance Code**") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that all Directors had complied with the required standard as set out in the Model Code for the six months ended 30 June 2026.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

During the six months ended 30 June 2026, the Company has not granted any share options pursuant to the share option scheme (the "**Scheme**") approved by the shareholders during the extraordinary general meeting held on 19 April 2018. As of 30 June 2026, no share option has been granted to any service provider or consultant under the Scheme.

There is no vesting period under the Scheme. As of 1 January 2026, 112,926,256 share options were available for grant under the Scheme, which if granted and exercised, correspond to shares representing approximately 3.72% of the issued share capital of the Company. As of 30 June 2026, 112,926,256 share options were available for grant under the Scheme, which if granted and exercised, correspond to shares representing approximately 3.72% of the issued share capital of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there were no significant events subsequent to 30 June 2026 which would materially affect the Group's operating and financial performance as of the date of this interim results announcement.

On 23 July 2026, the Company, Henan Central and Yiluyouxi entered into the Share Transfer Agreements with the Purchasers and the Target Companies, pursuant to which the Purchasers will acquire the Target Assets (comprising the assets related to Unique Henan • Land of Dramas and Jianye Movie Town) at a total consideration of RMB3,000 million. Details are set out in the Company's announcements dated 23 July 2026 and 14 August 2026.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Company has discussed with the management the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim consolidated financial statements for the six months ended 30 June 2026. The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 presented herein have not been reviewed or audited by the auditor of the Company.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend (the "**Interim Dividend**") for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

This interim results announcement is published on the websites of the Company (http://www.jianye.com.cn) and the Stock Exchange (http://www.hkexnews.hk). The Company's interim report for the six months ended 30 June 2026 will be despatched to the shareholders and published on the aforesaid websites in due course.

By Order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum and Ms. Yang Feifei are executive Directors, Mr. Xu Huizhan and Mr. Zhang Hui are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.

* *For identification purposes only*