花样年
FANTASIA

Fantasia Holdings Group Co., Limited
花樣年控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1777)

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

FINANCIAL HIGHLIGHTS

– Revenue of the Group was approximately RMB913 million, representing a decrease of approximately 51.5% as compared to the last corresponding period.

– Loss attributable to owners of the Company was approximately RMB4,250 million, representing an increase in loss of approximately 34.0% as compared to the last corresponding period.

– As at 30 June 2026, the GFA of land bank for the Group's projects under construction and projects held for development amounted to approximately 6,848,860 sq.m..

– During the period, the Group's selling and distribution expenses and administrative expenses amounted to approximately RMB185 million, representing a decrease of approximately 42.4% as compared to the last corresponding period.

– The Board does not recommend the payment of an interim dividend for the period ended 30 June 2026.

The board (the "**Board**") of directors (the "**Directors**") of Fantasia Holdings Group Co., Limited (hereinafter referred to as "**Fantasia**" or the "**Company**") announces the unaudited financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**") 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 June	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue			
Contracts with customers	*4*	**838,107**	1,772,979
Leases		**75,179**	110,453
Total revenue	*5*	**913,286**	1,883,432
Cost of sales and services		**(771,492)**	(1,554,381)
Gross profit		**141,794**	329,051
Other income		**2,279**	11,101
Other gains and losses		**(365,925)**	190,002
Impairment losses under expected credit loss model, net of reversal		**(237,520)**	(179,421)
Change in fair value of investment properties		**(201,488)**	(99,107)
Write-down on properties for sales		**(824,589)**	(643,431)
Selling and distribution expenses		**(14,306)**	(28,353)
Administrative expenses		**(171,104)**	(293,753)
Finance costs		**(2,352,088)**	(2,217,949)
Share of results of associates		**(166,036)**	(152,508)
Share of results of joint ventures		**(156,377)**	(165,062)
Loss before tax		**(4,345,360)**	(3,249,430)
Income taxation	*6*	**(63,277)**	(93,148)
Loss for the period	*7*	**(4,408,637)**	(3,342,578)

		Six months ended 30 June	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss:			
Fair value change on equity instruments designated at fair value through other comprehensive income ("**FVTOCI**")		**–**	518
Deferred taxation effect		**–**	(130)
Other comprehensive income for the period, net of income tax		**–**	388
Total comprehensive expense for the period		**(4,408,637)**	(3,342,190)
Loss for the period attributable to:			
Owners of the Company		**(4,249,584)**	(3,171,041)
Other non-controlling interests		**(159,053)**	(171,537)
		(4,408,637)	(3,342,578)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(4,249,584)**	(3,170,878)
Other non-controlling interests		**(159,053)**	(171,312)
		(4,408,637)	(3,342,190)
Loss per share – basic (RMB cents)	*9*	**(73.62)**	(54.93)
Loss per share – diluted (RMB cents)	*9*	**(73.62)**	(54.93)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTE	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**261,615**	349,777
Right-of-use assets		**37,834**	219,489
Investment properties		**5,409,982**	5,634,816
Interests in associates		**1,421,039**	1,443,872
Interests in joint ventures		**2,501,697**	2,600,363
Equity instruments designated at FVTOCI		**–**	14,256
Goodwill		**16,107**	895,152
Intangible assets		**1,433**	4,085
Other receivables		**–**	4,935
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures		**717,946**	1,158,671
Deferred tax assets		**395,541**	571,118
		10,763,194	12,896,534
CURRENT ASSETS			
Properties for sale		**35,870,362**	36,332,144
Contract assets		**–**	17,492
Contract costs		**29,243**	30,402
Trade and other receivables	*10*	**6,416,436**	10,090,103
Tax recoverable		**467,854**	599,183
Amounts due from related parties		**5,132,700**	5,231,858
Financial assets at fair value through profit or loss ("**FVTPL**")		**24,176**	–
Restricted/pledged bank deposits		**229,718**	324,114
Bank balances and cash		**59,930**	1,206,842
		48,230,419	53,832,138
		58,993,613	66,728,672

	NOTE	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	*11*	**11,001,934**	11,084,031
Contract liabilities		**862,746**	1,260,730
Amounts due to related parties		**284,290**	285,917
Tax liabilities		**5,768,320**	6,030,911
Borrowings due within one year		**18,314,831**	18,612,904
Lease liabilities due within one year		**4,321**	9,330
Senior notes and bonds due within one year		**44,069,961**	42,601,185
Asset-backed securities issued due within one year		**315,912**	306,808
		80,622,315	80,191,816
NET CURRENT LIABILITIES		**(32,391,896)**	(26,359,678)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(21,628,702)**	(13,463,144)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**–**	6,744
Borrowings due after one year		**95,500**	–
Lease liabilities due after one year		**28,574**	43,698
Senior notes and bonds due after one year		**6,034,427**	7,075,511
		6,158,501	7,125,953
NET LIABILITIES		**(27,787,203)**	(20,589,097)
EQUITY			
Share capital		**498,787**	498,787
Deficit		**(28,026,765)**	(23,777,181)
Capital and deficit attributable to owners of the Company		**(27,527,978)**	(23,278,394)
Non-controlling interests		**(259,225)**	2,689,297
TOTAL EQUITY		**(27,787,203)**	(20,589,097)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. GOING CONCERN BASIS

For the period ended 30 June 2026, the Group incurred net loss of RMB4,408,637,000. As at 30 June 2026, the Group's net current liabilities amounted to RMB32,391,896,000 and net liabilities amounted to RMB27,787,203,000.

As at 30 June 2026, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB42,916,551,000 according to their scheduled repayment dates. As a result, as at 30 June 2026, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 30 June 2026, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing and have considered the Group's cash flow projections prepared by the management for a period of not less than 12 months from the date of reporting period. The following plans and measures have been formulated with the objective to mitigate the liquidity pressure of the Group:

- The conditions of restructuring of the Group's proposed offshore debt restructuring plan have been satisfied, and the effective date of the restructuring was finalized on 30 July 2026. The Group is actively in discussions with the existing lenders on the renewal of certain of the Group's borrowings. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to the ongoing changes in market conditions. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales to address upcoming financial obligations and future operating cash flow requirements whilst engaging with existing lenders;

2. GOING CONCERN BASIS (Continued)

- 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 trade receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to the changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;

- The Group will continue to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows; and

- The Group has already taken measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

The Directors, taking into account the above plans and measures, are of the opinion that, they are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the period ended 30 June 2026 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain support from the Group's creditors, material uncertainties exist as to whether or not the Group will be able to achieve its plans and measures as described above.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements of the Group for the period ended 30 June 2026.

3. PRINCIPAL ACCOUNTING POLICIES

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

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 financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

Segment	For the period ended 30 June 2026 Property development *RMB'000* (Unaudited)	Property operation services *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods and services				
Property development				
Sales of completed properties	**151,343**	**–**	**–**	**151,343**
Property operation services				
Provision of property management services	**–**	**653,547**	**–**	**653,547**
Provision of value-added service	**–**	**13,951**	**–**	**13,951**
Provision of engineering services	**–**	**273**	**–**	**273**
Others				
Hotel operation, property project management, property agency services and other related services	**–**	**–**	**18,993**	**18,993**
	151,343	**667,771**	**18,993**	**838,107**
Timing of revenue recognition				
A point in time	**151,343**	**14,224**	**12,733**	**178,300**
Over time	**–**	**653,547**	**6,260**	**659,807**
	151,343	**667,771**	**18,993**	**838,107**

4. **REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)**

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment	**Property development** *RMB'000* **(Unaudited)**	**Property investment** *RMB'000* **(Unaudited)**	**Property operations services** *RMB'000* **(Unaudited)**	**Others** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Revenue disclosed in segment information	**151,343**	**75,179**	**669,535**	**18,993**	**915,050**
Elimination	–	–	(1,764)	–	(1,764)
Leases	–	(75,179)	–	–	(75,179)
Revenue from contracts with customers	**151,343**	**–**	**667,771**	**18,993**	**838,107**

	For the period ended 30 June 2025			
Segment	Property development *RMB'000* (Unaudited)	Property operation services *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods and services				
Property development				
Sales of completed properties	379,710	–	–	379,710
Property operation services				
Provision of property management services	–	1,339,579	–	1,339,579
Provision of value-added service	–	43,460	–	43,460
Provision of engineering services	–	1,947	–	1,947
Others				
Hotel operation, property project management, property agency services and other related services	–	–	8,283	8,283
	379,710	1,384,986	8,283	1,772,979
Timing of revenue recognition				
A point in time	379,710	2,958	244	382,912
Over time	–	1,382,028	8,039	1,390,067
	379,710	1,384,986	8,283	1,772,979

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment	Property development *RMB'000* (Unaudited)	Property investment *RMB'000* (Unaudited)	Property operations services *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue disclosed in segment information	379,710	110,453	1,387,084	8,283	1,885,530
Elimination	–	–	(2,098)	–	(2,098)
Leases	–	(110,453)	–	–	(110,453)
Revenue from contracts with customers	379,710	–	1,384,986	8,283	1,772,979

5. 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

Segment revenue and results (Unaudited)	**Property development** ***RMB'000***	**Property investment** ***RMB'000***	**Property operations services** ***RMB'000***	**Others** ***RMB'000***	**Total** ***RMB'000***
Segment revenues	**151,343**	**75,179**	**669,535**	**18,993**	**915,050**
Segment results	**(1,118,498)**	**(170,350)**	**97,968**	**(18,392)**	**(1,209,272)**

Six months ended 30 June 2025

Segment revenue and results (Unaudited)	Property development *RMB'000*	Property investment *RMB'000*	Property operations services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenues	379,710	110,453	1,387,084	8,283	1,885,530
Segment results	(881,505)	(96,560)	127,146	(6,516)	(857,435)

5. **SEGMENT INFORMATION (Continued)**

Segment results represents the profit earned or loss incurred by each segment without allocation of exchange gain or loss, interest income, share of results of associates and joint ventures, gain or loss on disposal of subsidiaries, associates and joint ventures, certain other income, gains and losses, finance costs, central administration costs and directors' salaries. This is the measure reported to the directors of the Company, chief operating decision makers for the purposes of resources allocation and assessment of segment performance.

Reconciliation:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue:		
Total revenue for operating and reportable segments	**915,050**	1,885,530
Elimination of inter-segment revenues	**(1,764)**	(2,098)
Group's total revenue	**913,286**	1,883,432
Total segment results	**(1,209,272)**	(857,435)
Unallocated amounts:		
Interest income	**2,085**	8,394
Net exchange gain	**1,344,422**	185,127
Finance costs	**(2,352,088)**	(2,217,949)
Share of results of associates and joint ventures	**(322,413)**	(317,570)
Net loss on disposal of subsidiaries	**(1,680,023)**	–
(Loss)/gain on debt restructuring	**(22,968)**	8,186
Change in fair value of financial assets at FVTPL	**(11,817)**	–
Other unallocated expenses	**(93,286)**	(58,183)
Loss before tax	**(4,345,360)**	(3,249,430)

5. SEGMENT INFORMATION (Continued)

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property development	**42,141,566**	44,498,536
Property investment	**5,409,982**	5,634,816
Property operation services	**1,320,261**	4,523,553
Others	**34,598**	91,791
Total segment assets	**48,906,407**	54,748,696
Total unallocated assets	**10,087,206**	11,979,976
Group's total assets	**58,993,613**	66,728,672

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers also review the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, financial assets at FVTPL, deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures, amounts due from related parties, restricted/pledged bank deposits, bank balances and cash and other corporate assets.

6. INCOME TAXATION

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax in the PRC		
Enterprise income tax	**33,050**	55,040
Land appreciation tax, net of over-provision in the prior periods	**(6,347)**	(4,502)
	26,703	50,538
Deferred tax		
Charge to profit and loss	**36,574**	42,610
	63,277	93,148

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after (crediting)/charging:		
Government grant and partial exemption of PRC value-added tax (included in other income)	**(194)**	(2,707)
Interest income (included in other income)	**(2,085)**	(8,394)
Net exchange gain	**(1,344,422)**	(185,127)
Loss on disposal of subsidiaries, net (included in other gains and losses)	**1,680,023**	–
Provisions for financial guarantee contracts, litigations and other contingent liabilities	**52,736**	–
(Gain)/loss on disposal of property, plant and equipment and early termination of lease contracts (included in other gains and losses)	**(66,837)**	1,499
Write-down of properties for sales	**824,589**	643,431
Change in fair value of financial assets at FVTPL	**11,817**	–
Loss/(gain) on debt restructuring	**22,968**	(8,186)

8. DIVIDEND

During the six months ended 30 June 2026, no dividend in respect of the year ended 31 December 2025 was declared.

The directors of the Company do not recommend the payment of an interim dividend for both the six months ended 30 June 2026 and 2025.

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 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period:		
Loss for the purposes of basic and diluted loss per share (loss for the period attributable to owners of the Company)	**(4,249,584)**	(3,171,041)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**5,772,598**	5,772,598

For the six months ended 30 June 2026 and 2025, the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

10. TRADE AND OTHER RECEIVABLES

Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements, normally within 90 days from the date of agreement.

Property operation service fee is received in accordance with the terms of the relevant service agreements, normally within 30 days to 1 year after the issuance of demand note. Each customer from property operation services has a designated credit limit.

Hotel operation and travel agency service income are mainly in form of settlement in cash and credit cards.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

The following is an aged analysis of trade receivables of the Group net of allowance for impairment losses presented based on the date of delivery of the properties to the customers for property sale or the invoice date or date of demand note for rendering of services at the end of the reporting period:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**50,159**	279,103
31 to 90 days	**47,768**	209,646
91 to 180 days	**44,908**	239,137
181 to 365 days	**92,794**	416,772
Over 1 year	**304,691**	351,272
	540,320	1,495,930

11. TRADE AND OTHER PAYABLES

Trade payables principally comprise amounts outstanding for purchase of materials and subcontracting fee for the construction of properties for sale. The average credit period for purchase of construction materials and settlement of subcontracting fee ranged from two months to one year.

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**102,336**	811,018
Over 1 year	**3,192,892**	2,938,470
	3,295,228	3,749,488

12. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026 and up to the date of the condensed consolidated financial statements, the Group has certain litigations with its business partners regarding the settlement of the outstanding/overdue operational payables and banks and other borrowings. The Group has been proactive in seeking ways to settle the outstanding litigation of the Group, however, the outcome of the claims and disputes is not certain at current stage.

The offshore restructuring took effect on 30 July 2026. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with regulations, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and MCBs. Pursuant to the terms and conditions of the MCBs, 50% of the principal amount as of the issuance date of the MCBs will be mandatorily converted into MCB conversion shares at the mandatory conversion price. Further details are set out in the Company's circular dated 29 April 2026 and the Company's announcement dated 30 July 2026 in relation to the occurrence of the effective date of the restructuring.

EXTRACT OF INDEPENDENT REVIEW REPORT

BASIS FOR DISCLAIMER OF CONCLUSION

Multiple Uncertainties Relating to Going Concern

As set out in Note 2 to the condensed consolidated financial statements, the Group incurred net loss of RMB4,408,637,000 for the period ended 30 June 2026. As at 30 June 2026, the Group's net current liabilities amounted to RMB32,391,896,000 and net liabilities amounted to RMB27,787,203,000.

As at 30 June 2026, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB42,916,551,000 according to their scheduled repayment dates. As a result, as at 30 June 2026, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 30 June 2026, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These conditions, together with other matters disclosed in note 2 to the condensed consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the condensed consolidated financial statements. The validity of the going concern assumptions on which the condensed consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the offshore debt restructuring; (ii) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; (iii) successfully obtaining of additional new sources of financing as and when needed; (iv) successfully disposing of the Group's equity interest in project development companies when suitable; and (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses.

Should the Group be unable to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, 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 condensed consolidated financial statements.

Disclaimer of Conclusion

Because of the multiple uncertainties related to going concern and its possible cumulative effect on these interim condensed consolidated financial statements described in the "Basis for Disclaimer of Conclusion" section of our report, we do not express a conclusion on the interim financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

Contracted Sales Status

From January to June 2026, the Group achieved contracted sales of approximately RMB625 million and contracted sales area of 107,614 sq.m..

In the first half of 2026, faced with the social responsibility of "guaranteed delivery and stable operations" after the liquidity event, the Group has implemented combined policies to optimize the debt structure and promote project progress in order to ensure the steady progress in project delivery and steady sales launch. Good progress was made in delivery, sales and funding during the reporting period.

Contracted sales amount and area by product category from January to June 2026

During the reporting period, the contracted sales amount of the Group was mainly derived from Shenzhen, Chengdu, Guilin, Qingdao, Foshan and Chongqing, and from projects including Shenzhen Good Time Jiayuan, Chengdu Jiangshancheng, Chongqing Hockney's Good Time and Foshan Guangyayuan. The Group extended its presence across the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area in order to continuously expand its vertical strategic move in each metropolitan area and focus on key cities.

From January to June 2026				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	591	94.6%	102,125	94.9%
Urban Complexes	34	5.4%	5,489	5.1%
Total	625	100%	107,614	100%

Contracted sales amount and area in each region from January to June 2026

From January to June 2026				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Guangdong-Hong Kong - Macao Greater Bay Area	87	13.9%	4,257	4.0%
Chengdu-Chongqing Metropolitan Area	132	21.1%	28,397	26.4%
Central China Metropolitan Area	3	0.5%	771	0.7%
Yangtze River Delta Metropolitan Area	66	10.6%	10,128	9.4%
Bohai Rim Metropolitan Area	337	53.9%	64,061	59.5%
Total	625	100%	107,614	100%

Guangdong-Hong Kong-Macao Greater Bay Area

As one of the most open and economically dynamic regions in China, Guangdong-Hong Kong-Macao Greater Bay Area has an important strategic position in China's overall development. In the first half of 2026, the Group made active efforts to push forward the delivery and sales of projects in the Greater Bay Area.

During the reporting period, the Group achieved total contracted sales of RMB87 million and total contracted sales area of 4,257 sq.m. in Shenzhen, Foshan and Huizhou and other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, contributing to approximately 13.9% and 4.0% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2026.

Chengdu-Chongqing Metropolitan Area

As an important economic hub in South-western China, the Chengdu-Chongqing Metropolitan Area shows robust market demand for real estate and is one of the earliest important strategic markets entered by the Group. The Group has become one of the most influential brand developers in the region.

During the reporting period, the Group achieved total contracted sales of RMB132 million and total contracted sales area of 28,397 sq.m. in Chengdu, Chongqing, Guilin and other cities in the Chengdu-Chongqing Metropolitan Area, contributing to approximately 21.1% and 26.4% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2026.

Central China Metropolitan Area

As the geographical center of the country, Central China Metropolitan Area is increasingly becoming an important force for the rise of Central China with its advantages of convenient transportation and developed economy.

During the reporting period, the Group achieved total contracted sales of RMB3 million and total contracted sales area of 771 sq.m. in cities such as Wuhan and Zhengzhou in the Central China Metropolitan Area, contributing to approximately 0.5% and 0.7% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2026.

Yangtze River Delta Metropolitan Area

The Yangtze River Delta Metropolitan Area is one of the most economically dynamic hubs in China. The Group has paid close attention to the core cities with high growing potential in the region for a long time.

During the reporting period, the Group achieved total contracted sales of RMB66 million and total contracted sales area of 10,128 sq.m. in Nanjing, Shanghai and other cities in the Yangtze River Delta Metropolitan Area, contributing to approximately 10.6% and 9.4% of the total contracted sales and total contracted sales area of properties of the Group respectively in the interim period of 2026.

Bohai Rim Metropolitan Area

Bohai Rim Metropolitan Area is the most important economic hub in Northern China, playing an agglomeration, radiation, service and mobilization role in the national and regional economy and possessing great development potential. In the first half of 2026, the Group rapidly promoted the construction and sales of projects in the region.

During the reporting period, the Group achieved total contracted sales of RMB337 million and total contracted sales area of 64,061 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 53.9% and 59.5% of the total contracted sales and total contracted sales area of properties of the Group respectively in the interim period of 2026.

Completed Projects

The Group completed a total of 1 phase of projects with a total GFA of approximately 27,054 sq.m. during the reporting period.

Projects under construction

As at 30 June 2026, the Group had a total of 11 projects or phases of projects under construction with a total GFA of 926,952 sq.m..

Projects held for development

As at 30 June 2026, the Group had a total of 14 projects or phases of projects held for development with a total GFA of 5,921,908 sq.m..

Land Bank

As at 30 June 2026, after deducting projects sold, the GFA of the land bank for the Group's projects under construction and projects held for development amounted to approximately 6,848,860 sq.m..

Land Bank Summary			
City Company	Projects under construction (sq.m.)	Projects held for development (sq.m.)	Aggregate GFA of land bank (sq.m.)
South China	251,214	706,025	957,239
North China	117,668	3,708,163	3,825,831
Southwest China	378,623	1,117,600	1,496,223
East China	0	76,769	76,769
Central China	179,447	313,351	492,798

Community services

Colour Life Services Group Co., Limited ("**Colour Life**") is a leading property management and community services operator in China, with a focus on setting up offline and online service platform via the internet technology and effectively connecting the residents of the communities with various commodities and service providers, so as to provide the best living experience for residents of the communities on the back of property management services.

As communities constitute the most fundamental social units within a city, the services provided by the property management are essential in creating a stable and convenient living environment for the residents of the communities and promoting the development of the society. The Group strives to meet the basic living needs of the property owners through providing Four Basic Guarantees services (which are cleaning, greening, security and maintenance services), which constitute the solid cornerstone of community services system.

While meeting the basic living needs of the residents of the communities, the Group also deeply promotes smart community construction by proactively utilizing emerging technologies such as the Internet of Things, big data and artificial intelligence, and introducing the application of intelligent equipment, so as to enhance the Group's service quality and efficiency in providing high quality property management services for property owners. The Group has established a powerful digitalized "cloud" system in the head office, which minimized the dependency on function and scope of "management" and strengthened the service capacity of the "terminal", so as to organize effective community services. For instance, the Group has upgraded the existing Big Dipper system to a "digital property management platform" by equipping an AI big model and adding an intelligent customer service feature that covers the five basic services including security, cleaning, greening, maintenance and engineering, the order-oriented operation system of the lift, energy and decoration segments, as well as the customer complaint platform comprising complaint, repair application, parking, payment, decoration and other services. The Group has utilized intelligent robots and AI customer service concierges to divide the entire property management service process into detailed segments, further enhancing the service efficiency of the Group.

In addition to its efforts in refining the basic businesses, the Group has classified its management projects into various service levels based on different charging standards, set standards for equipment modification and services and provided well-oriented service experiences, so as to satisfy customers' demand for performance-price ratio in different projects and secure the Group's rapid expansion across China. With the establishment of an automated, centralized and standardized management system, the Group has realised excellent cost control under the premise of securing customer satisfaction. While pursuing service efficiency, the Group is dedicated to build "hustle and bustle" communities. The Group has taken the initiative to organize a wide range of community activities and proactively established communication channels to strengthen the relationship between the property owners as well as the property owners and the property management staff and enrich the residents' off-work life and spiritual culture, with the goal of building a better and more caring community. By providing such services, we are able to create a harmonious environment for the property owners, and push forward the establishment of our unique community culture brand, so as to enhance the property owners' trust in the Group. The improvement of the service relationship also lays a solid foundation for the Group to further expand community consumption scenarios.

The Group is actively building up an online platform Caizhiyun for its community services equipped with functions such as paying property management fees, issuing notices and submitting complaints online through the platform, which not only provides convenience for residents of the communities but also strengthens the connections between community property owners and the Group via online platform. In addition, the Group designates a proportional number of customer managers based on the number of residents in the communities. The customer managers will carry out following up work and seek feedback relating to customer satisfaction in a timely manner. On one hand, it ensures the quality of basic services in the offline community, and on the other hand, it can efficiently understand the needs of community property owners so as to promote the development of corresponding value-added business. By organically combining the online and offline operations of the community, the Group further extends its competitive advantage.

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from (i) property development, (ii) lease of investment properties, (iii) provision of property operation services, and (iv) other related services. For the six months ended 30 June 2026, revenue of the Group amounted to approximately RMB913 million, representing a decrease of 51.5% from approximately RMB1,883 million for the corresponding period of 2025.

Property Development

The Company recognizes revenue from property development when the customer obtains control of the completed property, and the Group has present right to payment and the collection of consideration is probable. Revenue from property development represents proceeds from the sales of the Group's properties held for sale. Revenue derived from property development decreased by 60.14% to approximately RMB151 million for the six months ended 30 June 2026 from approximately RMB380 million for the corresponding period in 2025, which was due to the GFA of delivered properties decreased during the year.

The table below sets forth the total revenue derived from each of the projects and the aggregate GFA of properties sold during the periods ended 30 June 2026 and 2025.

	From January to June 2026			From January to June 2025		
	Total Revenue	GFA Sold	Average Selling Price	Total Revenue	GFA Sold	Average Selling Price
Project	RMB' 000	sq.m.	RMB/ sq.m.	RMB' 000	sq.m.	RMB/ sq.m.
Shenzhen Good Time Jiayuan	67,946	3,296	20,615	95,518	3,932	24,292
Chongqing Hockney's Good Time	51,015	4,764	10,708	64,403	4,369	14,741
Guilin Lakeside Eden	5,402	1,328	4,068	11,668	2,898	4,026
Tianjin Meinian International Plaza	5,130	1,138	4,508	–	–	–
Hangzhou Duiyuetian	3,945	116	34,009	–	–	–
Huizhou Kangcheng Four Seasons Garden	3,229	659	4,900	–	–	–
Tianjin Jiatianxia	–	–	–	84,873	9,893	8,579
Zhengzhou Good Time	–	–	–	19,546	1,602	12,201
Wuhan Biyuntian	–	–	–	18,732	1,851	10,120
Others	14,676			84,970		
	151,343			379,710		

Property Investment

Revenue generated from property investment decreased by 31.9% to approximately RMB75 million for the six months ended 30 June 2026 from approximately RMB110 million for the corresponding period in 2025. The decrease was primarily due to the reduction in the area of investment properties leased to external parties, resulting in a decline in the occupancy rate.

Property Operation Services

Revenue derived from property operation services decreased by 51.8% to approximately RMB668 million for the six months ended 30 June 2026 from approximately RMB1,385 million for the corresponding period in 2025, primarily due to the disposal of subsidiaries in 2026.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by 56.9% to approximately RMB142 million for the six months ended 30 June 2026 from approximately RMB329 million for the corresponding period in 2025, while the Group's gross profit margin was approximately 15.5% for the six months ended 30 June 2026 as compared to a gross profit margin of approximately 17.5% for the corresponding period in 2025. The decline in gross profit margin was mainly due to a further decline in gross profit from the property development segment.

Other Income, Gains and Losses

The Group recorded net other losses in the period of approximately RMB364 million (net gain for the same period in 2025: approximately RMB201 million). The change was mainly due to the disposal of subsidiaries and the net exchange gains or losses arising from the senior notes denominated in USD.

Administrative Expenses

The Group's administrative expenses decreased by 41.8% to approximately RMB171 million for the six months ended 30 June 2026 from approximately RMB294 million for the corresponding period in 2025. The change was primarily due to the disposal of subsidiaries, the adoption of cost control policy and the decrease in the staff cost of the Group.

Finance Costs

The Group's finance costs increased by 6.0% to approximately RMB2,352 million for the six months ended 30 June 2026 from approximately RMB2,218 million for the corresponding period in 2025. The increase in finance costs was primarily due to the decrease in the amount of capitalized interests.

Income Tax Expense

The Group's income tax expense decreased by 32.1% to approximately RMB63 million for the six months ended 30 June 2026 from approximately RMB93 million for the corresponding period in 2025.

Liquidity, Financial Resources and Capital Structure

Cash Position

As at 30 June 2026, the Group's total bank balances and cash were approximately RMB290 million (2025: approximately RMB1,531 million), representing a decrease of 81.1% as compared to that as at 31 December 2025. A portion of the Group's cash is restricted bank deposits that are mainly restricted for use of property development.

Borrowings and Charges on the Group's Assets

As at 30 June 2026, the Group had aggregate borrowings, senior notes and bonds and asset-backed securities issued of approximately RMB18,410 million (31 December 2025: approximately RMB18,613 million), approximately RMB50,104 million (31 December 2025: approximately RMB49,677 million) and approximately RMB316 million (31 December 2025: RMB307 million), respectively. Amongst the borrowings, approximately RMB18,315 million (31 December 2025: approximately RMB18,613 million) will be repayable within one year, and approximately RMB95 million will be repayable after one year. Amongst the senior notes and bonds, approximately RMB44,070 million (31 December 2025: approximately RMB42,601 million) will be repayable within one year and approximately RMB6,034 million (31 December 2025: approximately RMB7,076 million) will be repayable after one year.

As at 30 June 2026, a substantial part of the borrowings was secured by land use rights, properties and bank deposits of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group through pledging their shares.

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank balances and borrowings, the Group does not have any other material direct exposure to foreign exchange fluctuations.

Commitments

As at 30 June 2026, the Group had committed payment for the construction and property development amounting to approximately RMB289 million (31 December 2025: RMB295 million).

Contingent Liabilities

(a) As of 30 June 2026, the Group had provided guarantees amounting to approximately RMB1,045 million (31 December 2025: approximately RMB1,621 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate.

(b) The Group provided guarantees on an individual basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2026, the Group's guarantees related to loans borrowed by these joint ventures and associates amounted to approximately RMB6,084 million (31 December 2025: approximately RMB6,192 million).

Employees and Remuneration Policies

As at 30 June 2026, excluding the employees of communities managed on a commission basis, the Group had approximately 3,514 employees (31 December 2025: approximately 17,382 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and according to the prevailing market practice. Besides salary payments, other staff benefits include contribution to the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for Chinese employees).

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Senior Notes and Bonds

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

For the six months ended 30 June 2026 and as at 30 June 2026, the Company did not have any treasury shares (as defined in the Listing Rules).

LATEST PROGRESS OF THE DEBT RESTRUCTURING

(i) Offshore debts

The Company has been working closely with its legal and financial advisors to formulate a viable offshore debt restructuring plan aimed at addressing current liquidity pressure of the Company, enhancing the credit profile of the Group and protecting the interests of all stakeholders.

In 2026, the Group continued to actively address debt risks, and all related efforts are proceeding smoothly. As at 30 June 2026, the Company, in accordance with the terms of the respective plans, had obtained the necessary approvals from a majority of the scheme creditors to further extend the original long stop date of 30 June 2026. The new long stop date is the earlier of the 10th business day following the fulfillment of the restructuring conditions or 31 August 2026.

On 30 July 2026, the Company is pleased to announce that the overseas restructuring has officially taken effect. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with regulations, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and mandatory convertible bonds. Pursuant to the terms and conditions of the mandatory convertible bonds, 50% of the principal amount as of the issuance date of the mandatory convertible bonds will be mandatorily converted into mandatory convertible bond conversion shares at the mandatory conversion price.

(ii) Onshore debts

In terms of onshore public debts, Fantasia Group (China) Co., Ltd. published an announcement in late 2025 that it had successively convened the first bondholders' meeting for 2025 in respect of five onshore bonds, namely H18 Fantasia, 19 Fantasia, 19 Fantasia 02, 20 Fantasia 01 and 20 Fantasia 02, on 23 to 24 December. As of 17:00 on 26 December, all five bonds had been approved by vote, pursuant to which the payment dates for the principal and interest originally scheduled to be payable in December 2025, March 2026, June 2026 and September 2026 under the respective bonds were uniformly adjusted to 31 December 2026, providing ample time for the restructuring of subsequent onshore debts. Currently, the combined principal balance of the five onshore debts totals RMB6.42 billion. The Company is currently negotiating with relevant onshore debt institutions and creditors to seek a comprehensive resolution.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Company did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS

On 2 January 2026, the Company, TFI Securities and Futures Limited ("**TFISF**"), and Splendid Fortune Enterprise Limited ("**Splendid Fortune**") entered into a restructuring agreement (the "**Restructuring Agreement**"), pursuant to which the parties conditionally agreed to conduct a series of parallel transactions in connection with the dispute regarding a series of financial transactions involving shares of Colour Life that took place between June and September 2021 between the Company and TFISF (the "**Dispute**"): Splendid Fortune will acquire 21.97% of the shares of Colour Life Services Group Co., Limited ("**Colour Life**"), with 10% of the shares transferred in a parallel transaction to an entity designated by TFISF (as security), while the Company retains 9.98% of the shares in Colour Life (unsecured/claim-free). The Restructuring Agreement provides the Company with a unique opportunity to resolve the Dispute that has persisted for many years. The transaction offsets the value/consideration of the relevant shares against the Company's alleged debt to TFISF, and its subsidiary, Sky Ease Global Limited, has incurred a new non-recourse debt in connection thereof (secured by a pledge of onshore shares). On 12 March 2026, the transactions contemplated under the Restructuring Agreement were completed. Colour Life is no longer a subsidiary of the Company, and Ms. Zeng Jie, Baby, who indirectly holds 59.99% of the shares of Colour Life, remains its substantial shareholder. For further details, please refer to the Company's announcements dated 12 November 2025, 2 January 2026, 6 February 2026, 16 February 2026, 11 March 2026 and 13 March 2026, as well as the circular dated 24 February 2026.

Save as disclosed above, during the reporting period, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The offshore restructuring took effect on 30 July 2026. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with regulations, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and MCBs. Pursuant to the terms and conditions of the MCBs, 50% of the principal amount as of the issuance date of the MCBs will be mandatorily converted into MCB conversion shares at the mandatory conversion price.

On 12 August 2026, the relevant new share issuance and the issuance of shares in connection with the MCBs were completed, and all conditions for the share consolidation were met. The share consolidation will officially take effect on Friday, 14 August 2026, and trading in the consolidated shares will commence at 9:00 a.m. that morning. The trading board lot size on the Stock Exchange will take effect at 9:00 a.m. on Friday, 28 August 2026, changing from the original 1,500 existing shares to 5,000 consolidated shares. The conversion price of the MCBs will be adjusted simultaneously on 14 August 2026, the effective date of the share consolidation, from the original conversion price of HK$1.52 per existing share to HK$7.60 per consolidated share. For details, please refer to the Company's circular dated 29 April 2026, the Company's announcements dated 28 July 2026 and 12 August 2026, and the Company's announcement dated 30 July 2026 in relation to the occurrence of the effective date of the restructuring.

Save as disclosed above, there are no important events affecting the Group which have occurred since the end of the reporting period.

GOING CONCERN AND MITIGATION MEASURES

The Directors are provided with a review of the key financial information of the Group periodically.

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2025 and the condensed consolidated financial statements of the Group for the period ended 30 June 2026 which give a true and fair view of the financial position of the Group and of the operating results and cash flow for the year/period then ended. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and disclosure requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the management, and the management have prepared the consolidated financial statements of the Group on a going concern basis.

Details of the disclaimer of opinion by the auditor of the Company are set out on pages 45 to 46 of the 2025 Annual Report. A statement by the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is included in the Independent Auditor's Report set out on page 60 of the 2025 Annual Report. The matters described in the section headed "Basis for Disclaimer of Opinion – Multiple uncertainties relating to going concern" in the "Independent Auditor's Report" on pages 59 to 60 of the 2025 Annual Report and the "Report on Review of Condensed Consolidated Financial Statement" set out in this Interim Report, the Company's independent auditor did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2025 and the condensed consolidated financial statements of the Group for the period ended 30 June 2026. The Directors have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, among others, have proactively come up with measures to improve the Group's liquidity and financial position, details of which are set out in pages 47 to 50 of the 2025 Annual Report and the 2026 Interim Report to be published.

The Directors are of the opinion that, assuming the aforesaid plans and measures can be successfully implemented as scheduled, the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due within the following twelve months from the end of the reporting periods. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis. The Audit Committee has discussed with the Board and the management regarding the going concern issue, and on the basis of the successful implementation of the measures, agreed with the position taken by the management and the Board regarding the accounting treatment adopted by the Company. The Audit Committee also discussed and understood the concerns of the Auditor that uncertainties exist as to whether the Group's management will be able to achieve its plans and measures. There is no disagreement by the Board, the management nor the Audit Committee with the position taken by the Auditor regarding the going concern issue. Further details on the material uncertainties relating to the Group's going concern and the mitigation measures are set out in note 2 to the consolidated financial statements in the 2025 Annual Report and the 2026 Interim Report to be published.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to assuring the conduct of management of the Company as well as protecting and enhancing the interest of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

For the six months ended 30 June 2026, the Company has adopted and complied with all applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules, save for the deviation as disclosed below.

Code provision C.1.8 of the CG Code requires that an issuer should arrange appropriate insurance cover in respect of legal proceedings against its directors. During the six months ended 30 June 2026, due to the continuous downward trend in the real estate industry market, the Company was unable to identify a suitable insurance company for liability coverage. As a result, the Company was unable to arrange appropriate liability insurance for Directors and senior management in relation to legal proceedings against Directors and senior management arising from the activities of the Company. As of 30 July 2026, the Company has identified a suitable insurance company to provide liability insurance for the Directors and is once again in compliance with the aforementioned requirements.

With effect from 19 March 2026, Ms. Cheng Jianli has resigned as Authorized Representative, Chairman of the Board, Executive Director, Chairman of Nomination Committee, and member of Remuneration Committee. Following Ms. Cheng's resignation, (i) the Company failed to comply with Rule 3.05 of the Listing Rules, which requires an issuer to appoint two authorized representatives; (ii) the position of Chairman of Nomination Committee will be vacant, resulting in non-compliance with Rule 3.27A of the Listing Rules, which requires an issuer to establish a Nomination Committee chaired by the Chairman of the Board or an independent non-executive Director; and (iii) the number of members of Remuneration Committee will be fewer than the minimum number specified in the terms of reference of Remuneration Committee. On 10 April 2026, Mr. Lin Zhifeng was appointed as the authorized representative of the Company pursuant to Rule 3.05 of the Listing Rules. On 5 June 2026, Ms. Huang Yueping was appointed as Chairman of the Board and Chairman of Nominating Committee. The Nominating Committee comprises Ms. Huang Yueping (Chairman), Mr. Ma Yu-heng, and Mr. Leung Yiu Cho. The Board believes that the Company has re-complied with Rule 3.27A of the Listing Rules, which requires issuers to establish a Nomination Committee chaired by the Chairman of the Board or an independent non-executive Director. Following Ms. Huang's appointment as a member of Remuneration Committee effective from 5 June 2026, the Remuneration Committee comprises Mr. Guo Shaomu (Chairman), Mr. Ma Yu-heng and Ms. Huang Yueping. The Board believes that the Company has re-complied with the minimum number of members required under the terms of reference of Remuneration Committee. Since Ms. Huang's appointment on 5 June 2026, the Company has re-complied with the above requirements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry with all the Directors and all the Directors confirmed that they have complied with the Model Code throughout the reporting period.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Company for the Period had been reviewed by the Audit Committee. The external auditors of the Company have also reviewed the unaudited interim results for the Period.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.cnfantasia.com).

By order of the Board
Fantasia Holdings Group Co., Limited
Huang Yueping
Chairman

Hong Kong, 31 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Lin Zhifeng and Mr. Timothy David Gildner; the non-executive directors of the Company are Ms. Zeng Jie, Baby, Mr. Su Boyu, Ms. Huang Yueping and Mr. Brock Louis Silvers; and the independent non-executive directors of the Company are Mr. Leung Yiu Cho, Mr. Guo Shaomu and Mr. Ma Yu-heng.