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Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS OF THE 2025 INTERIM RESULTS

- Contracted sales reached RMB2.870 billion, aggregated sales area was 213,600 square meters and the average selling price was RMB13,438 per square meter;
- Revenue amounted to RMB2,712.3 million, representing a decrease of 54.8% for the corresponding period of 2024 (corresponding period of 2024: RMB6,006.4 million). The revenue of the commercial operations and hotel operations decreased by 41.1% to RMB167.0 million (corresponding period of 2024: RMB283.3 million);
- Gross loss and gross loss margin amounted to RMB222.1 million and 8.2%, respectively;
- The net loss was RMB2,320.6 million (corresponding period of 2024: a net loss of RMB1,710.3 million); and
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (2024 Interim: Nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Redsun Properties Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	5	2,712,287	6,006,436
Cost of sales		<u>(2,934,402)</u>	<u>(5,474,410)</u>
Gross (loss)/profit		(222,115)	532,026
Other income and gains	5	232,607	8,324
Selling and distribution expenses		(76,281)	(157,605)
Administrative expenses		(61,253)	(140,810)
Other expenses		(53,980)	(258,508)
Fair value losses on investment properties, net		(19,660)	(412,136)
Finance costs	7	(540,165)	(826,715)
Share of profits and losses of:			
Joint ventures		(624,754)	(119,925)
Associates		<u>(610,003)</u>	<u>(209,519)</u>
LOSS BEFORE TAXATION	6	(1,975,604)	(1,584,868)
Taxation	8	<u>(344,977)</u>	<u>(125,446)</u>
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(2,320,581)</u>	<u>(1,710,314)</u>
Loss and total comprehensive loss attributable to:			
Owners of the parent		(1,883,732)	(1,784,029)
Non-controlling interests		<u>(436,849)</u>	<u>73,715</u>
		<u>(2,320,581)</u>	<u>(1,710,314)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted (<i>RMB cents</i>)		<u>(56)</u>	<u>(53)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
	Note	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		155,027	141,681
Investment properties		10,497,665	10,748,460
Right-of-use assets		20,859	22,226
Other intangible assets		2,176	2,485
Investments in joint ventures		1,965,649	2,666,125
Investments in associates		5,025,990	5,673,189
Deferred tax assets		96,849	140,677
Total non-current assets		17,764,215	19,394,843
CURRENT ASSETS			
Inventories		1,129	7,393
Properties under development		6,387,735	10,244,722
Completed properties held for sale		8,844,852	7,569,461
Trade and bills receivables	11	2,891	9,180
Prepayments, other receivables and other assets		10,461,705	10,872,510
Due from related parties		9,273,626	9,802,381
Financial assets at fair value through profit or loss		81,678	78,331
Tax recoverable		661,963	784,207
Cash and bank balances		824,297	1,242,346
Total current assets		36,539,876	40,610,531

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

30 June 2025

	<i>Note</i>	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	6,845,023	6,952,638
Other payables and accruals		4,322,177	5,109,144
Contract liabilities		3,455,470	5,645,521
Interest-bearing bank and other borrowings		6,049,473	6,852,939
Senior notes		10,566,954	10,609,906
Lease liabilities		13,474	42,681
Due to related parties		8,134,813	7,852,560
Tax payable		3,923,595	3,800,737
Total current liabilities		43,310,979	46,866,126
NET CURRENT LIABILITIES		(6,771,103)	(6,255,595)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,993,112	13,139,248
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		4,073,222	3,683,716
Lease liabilities		296,044	442,820
Deferred tax liabilities		1,829,861	1,838,998
Total non-current liabilities		6,199,127	5,965,534
Net assets		4,793,985	7,173,714
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital		28,411	28,411
Share premium		1,888,469	1,888,469
Other deficit		(4,233,390)	(2,349,658)
		(2,316,510)	(432,778)
Non-controlling interests		7,110,495	7,606,492
Total equity		4,793,985	7,173,714

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

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

The Company is an investment holding company. During the six months ended 30 June 2025, the Group is principally engaged in property development and management services, commercial property investment and operations, and hotel operations.

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

2. BASIS OF PREPARATION

The condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Going concern basis

The Group recorded a net loss of approximately RMB2,320,581,000 for the period ended 30 June 2025. As at 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB6,771,103,000, of which approximately RMB2,517,362,000 of interest-bearing bank and other borrowings and approximately RMB13,475,011,000 of senior notes and interest payable were in default, included the amount of event triggered by default of certain interest-bearing bank and other borrowings and senior notes. Such that, the lenders and certain senior note holders have the right to demand immediate repayment of the entire outstanding balance as at 30 June 2025. As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB322,335,000 only.

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

- (a) The Group has been actively negotiating with several banks and financial institutions on the extension for repayments of certain borrowings;
- (b) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- (c) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (d) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties;
- (e) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- (f) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2025. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's interest-bearing bank and other borrowings;
- (b) successfully securing project development loans for qualified project development;
- (c) successfully obtaining additional new sources of financing as and when needed;
- (d) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- (e) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expense; and
- (f) successfully disposing of the Group's equity interests in project development companies when suitable.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IAS 21 *Lack of Exchangeability*

The nature and impact of the revised IFRS Accounting Standards are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosure of information that enable users of financial statements to understand the impact of a currency not being exchangeable.

As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any material impact on the condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

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

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

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

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

Six months ended 30 June 2024	Property development and management services <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue (note 5)				
Sales to external customers	<u>5,723,157</u>	<u>270,104</u>	<u>13,175</u>	<u>6,006,436</u>
Revenue				<u><u>6,006,436</u></u>
Segment results	(439,503)	(290,603)	1,408	(728,698)
<i><u>Reconciliation:</u></i>				
Bank interest income				4,200
Fair value losses on financial assets at fair value through profit or loss, net				(28,002)
Finance costs (other than interest on lease liabilities)				(801,246)
Corporate and other unallocated expenses				<u>(31,122)</u>
Loss before taxation				<u><u>(1,584,868)</u></u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2025 and 31 December 2024.

	Property development and management services <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment assets				
30 June 2025	45,873,971	8,217,834	95,294	54,187,099
<i>Reconciliation:</i>				
Corporate and other unallocated assets				116,992
Total assets				54,304,091
Segment liabilities				
30 June 2025	47,736,659	1,701,293	5,583	49,443,535
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				66,571
Total liabilities				49,510,106
	Property development and management services <i>RMB'000</i> (Audited)	Commercial property investment and operations <i>RMB'000</i> (Audited)	Hotel operations <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
Segment assets				
31 December 2024	46,368,219	13,308,555	–	59,676,774
<i>Reconciliation:</i>				
Corporate and other unallocated assets				328,600
Total assets				60,005,374
Segment liabilities				
31 December 2024	51,162,038	1,604,175	–	52,766,213
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				65,447
Total liabilities				52,831,660

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	2,548,408	5,746,877
<i>Revenue from other sources</i>		
Gross rental income	<u>163,879</u>	<u>259,559</u>
Total	<u>2,712,287</u>	<u>6,006,436</u>

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

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

For the six months ended 30 June 2024

Segments	Property development and management services <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services				
Sale of properties	5,715,001	–	–	5,715,001
Hotel operations	–	–	13,175	13,175
Project management services	8,156	–	–	8,156
Others	–	10,545	–	10,545
Total	<u>5,723,157</u>	<u>10,545</u>	<u>13,175</u>	<u>5,746,877</u>
Timing of revenue recognition				
Sale of properties transferred at a point in time	5,715,001	–	–	5,715,001
Services transferred over time	<u>8,156</u>	<u>10,545</u>	<u>13,175</u>	<u>31,876</u>
Total	<u>5,723,157</u>	<u>10,545</u>	<u>13,175</u>	<u>5,746,877</u>

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

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	994	4,200
Forfeiture of deposit	760	921
Government grants (<i>note (i)</i>)	335	1,007
Fair value gains on financial assets at fair value through profit or loss, net	2,946	–
Reversal of impairment losses on financial assets, net	143,375	–
Gain on settlement of borrowing (<i>note (ii)</i>)	83,435	–
Others	<u>762</u>	<u>2,196</u>
	<u>232,607</u>	<u>8,324</u>

Notes:

- (i) It mainly represented unconditional cash received from the local government to encourage the business operations in the Mainland China.
- (ii) During the six months ended 30 June 2025, pursuant to a court ruling, pledged investment properties with a carrying amount of approximately RMB66,645,000 were used to settle a defaulted borrowing of approximately RMB150,080,000. As a result, a gain on settlement of borrowing of approximately RMB83,435,000 was recognised and included in other income and gains.

6. LOSS BEFORE TAXATION

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	2,521,297	5,043,536
Cost of services provided	58,422	130,535
Impairment losses recognised on properties under development and completed properties held for sale, net	354,683	300,339
(Reversal of)/impairment losses recognised on financial assets, net	(143,375)	201,597
Depreciation of property, plant and equipment	6,788	19,263
Depreciation of right-of-use assets	1,367	1,874
Amortisation of other intangible assets	309	540
Fair value losses on investment properties, net	19,660	412,136
Fair value (gains)/losses on financial assets at fair value through profit or loss, net	(2,946)	28,002
Loss on disposal of property, plant and equipment	1	659
Gain on settlement of borrowing	(83,435)	–
Share of profits and losses of:		
Joint ventures	624,754	119,925
Associates	610,003	209,519
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	68,872	98,720
Pension scheme contributions and social welfare	8,272	14,692
Less: Amount capitalised	(14,216)	(26,371)
	<u>62,928</u>	<u>87,041</u>

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings and senior notes	757,291	923,372
Interest on lease liabilities	15,586	25,469
Interest expense arising from revenue contracts	20,625	147,946
	<hr/>	<hr/>
Total interest expense	793,502	1,096,787
Less: Net foreign exchange (gains)/losses on financing activities	(48,384)	77,559
Interest capitalised	(204,953)	(347,631)
	<hr/>	<hr/>
	540,165	826,715
	<hr/>	<hr/>

8. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income currently arising in Hong Kong for the six months ended 30 June 2025 and 2024.

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

Land appreciation tax (“**LAT**”) is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Corporate income tax	32,274	62,537
LAT	68,598	45,956
	100,872	108,493
Under-provision in prior years:		
LAT	201,026	–
Deferred tax	43,079	16,953
Total tax charge for the period	344,977	125,446

9. DIVIDENDS

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,338,898,000 (six months ended 30 June 2024: 3,338,614,000) in issue during the period.

Diluted loss per share for the six months ended 30 June 2024 was the same as the basic loss per share amounts as the share options had an anti-dilutive effect on the basic loss per share during the periods. The Group's Share Option Schemes expired and were terminated during the second half of the year ended 31 December 2024.

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>(1,883,732)</u>	<u>(1,784,029)</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,338,898,000	3,338,614,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	<u>–</u>	<u>–</u>
	<u>3,338,898,000</u>	<u>3,338,614,000</u>

During the second half of the year ended 31 December 2024, the Pre-IPO Share Option Scheme expired, and both the Share Award Scheme and Post-IPO Share Option Scheme were terminated on 11 September 2024 in accordance with their respective terms. No options remained outstanding thereafter. The weighted average number of ordinary shares as at 30 June 2024 has been adjusted to exclude shares held by the trustee under the Share Award Scheme.

11. TRADE AND BILLS RECEIVABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	–	8,885
1 to 3 months	–	–
3 to 6 months	–	75
6 to 12 months	2,891	220
Over 12 months	–	–
	<u>2,891</u>	<u>9,180</u>

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

12. TRADE AND BILLS PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	1,255,974	1,573,609
Over 1 year	<u>5,589,049</u>	<u>5,379,029</u>
	<u>6,845,023</u>	<u>6,952,638</u>

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

OVERVIEW AND OUTLOOK

Review for the First Half of 2025

According to the National Bureau of Statistics, in the first half of 2025, China's GDP was RMB66.0536 trillion, representing a year-on-year increase of 5.3% at constant prices. The national economy withstood pressure and forged ahead against challenges, maintaining a generally stable economic performance with a steady upward trend. In terms of real estate, the central government and regulatory authorities continued to implement policies related to "consolidating the stable trend of the real estate market", primarily focusing on destocking, demand expansion, new models and risk relief. At the local level, policies were mainly adjusted to stimulate demand and optimize supply. Under the continuous regulation of policies, the real estate industry continues to develop towards transitioning from a downturn to stabilization.

In the first half of 2025, the sales area of newly built commercial housing by real estate development enterprises was 458.51 million sq.m., representing a year-on-year decrease of 3.5%, of which the sales area of residential housing decreased by 3.7%. The sales amount of newly built commercial properties was RMB4.4241 trillion, representing a decrease of 5.5%, of which the sales amount of residential properties decreased by 5.2%. Although the sales data is still in a declining range, the decrease has significantly narrowed compared to the same period last year, which indicates an improvement in market transaction volume and that policy and measures have stimulated housing purchase demand to a certain extent. At the end of June, the unsold area of commercial housing was 769.48 million sq.m., representing a decrease of 4.79 million sq.m. compared with the end of May, of which the unsold area of residential properties decreased by 4.43 million sq.m., indicating certain achievements in destocking. The real estate market is moving towards a new stage of market stabilization driven by policies, but it is showing a differentiated trend. First-tier and strong second-tier cities were the first to show signs of stability, with a significant increase in transactions of new and second-hand housing in cities such as Beijing and Shanghai, driven by demand-side policy stimulus. However, third-and fourth-tier cities have not yet bottomed out, with economic and demographic factors leading to continuously weak housing purchase demand and a long destocking cycle. The "transitioning from a downturn to stabilization" trend has not yet been consolidated, with first-tier cities stabilizing first, while third-and fourth-tier cities have not yet bottomed out.

Facing the complex and challenging market environment, the Company demonstrates its loyalty through practical work and continues its mission with responsibility, adhering to the principle of “operation-oriented (以經營為中心)” and “customers-oriented (以客戶為中心)”, building momentum to break through and burst forth with collective strength. Guided by the spirit of revolutionary predecessors who upheld their faith and fought tenaciously in desperate situations, the Company will remain true to our original aspiration and keep our mission firmly in mind during industry downturns, implementing its strategy with perseverance and successfully navigating through cycles.

In the first half of 2025, the Group delivered 12 batches of a total of 2,453 new housing with more than 0.38 million sq.m. in aggregate, keeping its word to provide good homes.

During the Reporting Period, the Company consistently adhered to the operational strategy of safeguarding assets, reducing liabilities and controlling risks by focusing on dynamic cash flow management and asset management for projects and paying attention to the orderly resolution of risks and assets and liabilities matching so as to achieve classified project management to enable self-balancing of the Group’s cash flow. The Company strengthened refined asset operation, activated existing assets and dispose of inefficient assets and made special efforts to tackle disputes and debt issues to ensure asset-liability matching. By implementing targeted measures by category, the Company concentrated resources on key priorities, enhancing overall operational efficiency and building a solid foundation for steady development.

Outlook for the Second Half of 2025

Looking ahead to the second half of 2025, the real estate policy environment is expected to remain accommodative, and various policies already introduced are likely to be further implemented. The Executive Meeting of the State Council dated June 13 determined the goal of “greater efforts to promote the real estate market transitioning from a downturn to stabilization”, which was a timely response to the recent marginal weakening of the market, providing clear policy guidance and releasing positive signals. It is expected that policies in the second half of the year with focus on stabilizing expectations, stimulating demand, optimizing supply and mitigating risks will be fully implemented, thus transitioning the market from a downturn to stabilization.

In the second half of 2025, policies to fully stabilize the property market will be further strengthened and effectively implemented. On the demand side, it is expected that the intensity of housing voucher resettlement for urban village renovation will be increased, restrictive policies in key cities such as Beijing, Shanghai and Shenzhen will be optimized, and the threshold for home purchases will be further lowered to unleash potential demand. On the supply side, policies for special-purpose bonds to acquire existing idle lands and unsold commercial housing will be refined, thereby improving the supply-demand relationship in the market. Concurrently, the introduction of urban renewal policies is also expected to be accelerated, especially financial support policies, injecting new vitality into the market. The Company will actively respond to relevant policies, pay attention to market trends, and fully promote the revitalization of project assets and project debt relief. Adhering to “Three Safeguards and Two Resolutions (三保、兩化)”, namely, safeguarding housing delivery, asset and cash flow while relieving debts and risks, we assume our responsibility to foster market vitality, continuously demonstrating social value in safeguarding people’s livelihood, stabilizing the economy and implementing policies, thereby achieving unity between commercial logic and social responsibility.

Looking forward, the Company will leverage policy tailwinds to focus on destocking and accelerating cash collection, thereby activating capital efficiency. With risk resolution as the bottom line, the Company will deepen asset optimization and debt restructuring to solidify a stable foundation. Ensuring delivery will be the primary responsibility, strictly adhering to timelines and controlling quality, keeping its word to provide good homes through actual project completion. Collaboration and synergy will be the driving force, fostering team cohesion and government-enterprise cooperation. Igniting the passion for struggle with the revolutionary torch, the Company will steadfastly focus on its goals and work together diligently to write a new chapter for Redsun on the journey of the new era.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

1. Sales of Properties

For the six months ended 30 June 2025, the Group achieved contracted sales of approximately RMB2.870 billion, representing a decrease of 40.4% as compared to RMB4.812 billion in the same period last year.

Details of the contracted sales of the Group for the six months ended 30 June 2025 are set out as below:

Region	Contracted Sales in Total Gross Floor Area sq.m.	Contracted Sales Amount RMB'000	Average Contracted Selling Price RMB/sq.m.
Nanjing	39,946	919,286	23,013
Xuzhou	33,601	230,542	6,861
Weifang	25,402	186,113	7,327
Ningbo	16,548	291,603	17,622
Suzhou	16,057	227,175	14,148
Chengdu	11,799	161,428	13,682
Qingdao	10,180	66,404	6,523
Hefei	9,885	50,074	5,066
Foshan	8,760	102,905	11,747
Wuhan	6,940	100,769	14,520
Yancheng	6,307	55,124	8,740
Changsha	5,595	35,246	6,300
Changzhou	5,083	57,461	11,305
Nantong	4,587	95,380	20,794
Huai'an	4,119	50,151	12,176
Anqing	3,597	19,947	5,545
Jiangmen	1,060	8,484	8,004
Chongqing	1,016	37,759	37,164
Nanchang	948	8,772	9,253
Wuxi	863	25,532	29,585
Xi'an	529	9,873	18,664
Wenzhou	526	12,268	23,323
Suqian	154	14,222	92,351
Yangzhou	98	3,987	40,684
Others	N/A	99,940	N/A
Total	213,600	2,870,445	13,438

2. Land Bank

As at 30 June 2025, the Group's total gross floor area of land bank was approximately 7,475,064 sq.m., including completed properties totaled 2,542,866 sq.m., rentable area held for investment totaled 1,025,377 sq.m. and properties under development totaled 3,906,821 sq.m.

Details of the land bank of the Group (including the land bank which is undergoing the acquisition process) as at 30 June 2025 are set out as below:

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Anqing	Anqing Hong Yang Upper City (安慶弘陽上城)	147,547	2,243	80,000	24,079	106,322	100%
Bengbu	Huadi Hongyang Residence (華地弘陽府)	32,646	5,328	–	–	5,328	50%
Bozhou	Verse of River and Mountain (formerly: Bozhou Land Lot No. 2017-217 (江山賦(原名稱：亳州2017-217 號地塊)))	201,216	7,694	–	–	7,694	40%
Changshu	Hefeng Architecture in Xinhua Road (新華路和風名築)	45,742	423	–	–	423	40%
Changshu	Changshu Guli Tieqin Road Project (常熟古里鐵琴路項目)	40,805	34,975	–	–	34,975	34%
Changzhou	Commercial and Trading Peak (商貿雲峰)	50,921	15,020	–	–	15,020	57%
Changzhou	Phoenix East Phoenix One (formerly: Phoenix East Project) (鳳凰東錦鳳合 鳴(原名稱：鳳凰東項目))	115,615	8,521	30,086	94,266	132,873	49%
Changzhou	Golden Seal and Heaven Shire (金璽天郡)	88,719	1,608	–	–	1,608	50%
Changzhou	Sang Ma Land Lot A (桑麻A地塊)	44,524	–	11,690	–	11,690	70%
Changzhou	Yanlan Fenghua (燕瀾風華)	126,695	1,051	–	–	1,051	85%
Changzhou	Changzhou Hong Yang Plaza (常州弘陽廣場)	43,590	–	89,865	–	89,865	100%
Changzhou	Changzhou Hong Yang 1936 (formerly: Sang Ma Land Lot CD) (常州弘陽 1936(原名稱：桑麻CD地塊))	156,115	49,261	105,818	26,509	181,588	70%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Changzhou	Sanmao Longyun Tiancheng (formerly: Sanmao Land Lot) (三毛龍運天城 (原名稱：三毛地塊))	108,486	8,172	–	–	8,172	31%
Changzhou	Xi Xia Shu Yun Xi (西夏墅雲禧)	36,712	17,798	–	–	17,798	37%
Changzhou	Changzhou Yaoguan Yuhushanguan Garden (常州遙觀昱湖上觀花苑)	58,093	8,365	–	–	8,365	60%
Chengdu	Dujiangyan DJY2017-09 (都江堰DJY2017-09)	26,393	2,457	–	–	2,457	100%
Chengdu	Dujiangyan DJY2017-10 (都江堰DJY2017-10)	39,064	4,347	–	–	4,347	100%
Chengdu	Central Road Fanjin 108 (formerly: Central Road Project) (中環路梵錦 108(原名稱：中環路項目))	72,114	11,988	41,730	20,787	74,505	50%
Chengdu	Shuangliu Heyuan Project (雙流合園 項目)	19,794	433	–	–	433	50%
Chengdu	Qionglai Hong Yang Weilai Shiguang (邛崃弘陽未來時光)	39,809	7,088	–	–	7,088	100%
Chengdu	Chengdu Xinglonghu Lakeside Yun Jing Garden (formerly: Tianfu Xinqu 42 mou) (成都興隆湖畔雲璟花園 (原名稱：天府新區42畝))	28,432	11,863	–	–	11,863	51%
Chuzhou	Metropolitan Art Atmosphere (都會藝境)	60,189	5,809	–	–	5,809	33%
Chuzhou	Hong Yang Garden (弘陽苑)	8,782	1,076	–	–	1,076	100%
Chuzhou	Glory Residence (正榮府)	80,867	11,383	–	–	11,383	30%
Chuzhou	Garden In Times (Chuzhou Times Billow) (時光里花園(滁州時光瀾庭))	89,886	10,425	–	–	10,425	100%
Chuzhou	Jingzi Road Times Magnificence (敬梓路時光風華)	55,719	12,197	–	–	12,197	50%
Danyang	Phoenix Terrace (鳳熹台)	88,498	5,292	–	–	5,292	20%
Foshan	Hongyang Shan Xin Garden (弘陽山馨花園)	63,132	2,906	–	–	2,906	100%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Foshan	Benevolence Lake No. 1 (博愛湖一號)	44,156	3,864	8,011	–	11,875	100%
Foshan	Foshan Lakeside Mansion (formerly: Lv Dao Hu) (佛山綠島湖公館(原名稱：綠島湖))	51,240	5,234	–	16,231	21,465	33%
Foshan	Nanyou Park No. 1 (南油公園一號)	67,582	22,066	–	–	22,066	33%
Foshan	Foshan Jihua North Joy River No. 1 (佛山季華北悅江一號)	33,220	11,444	–	–	11,444	49%
Foshan	Foshan Zhangcha Sunrise Joy Residence (佛山張槎昕悅府)	17,059	6,951	–	–	6,951	51%
Fuyang	Yingzhou Hong Yang Residence (潁州弘陽府)	38,297	7,911	–	–	7,911	50%
Guangzhou	Guangzhou Wanjing No. 1 (廣州灣璟壹號)	32,387	39,052	–	–	39,052	25%
Haimen	Jianghai Road The One World (formerly: Jianghai Road Zuo An Gong Yuan) (江海路水岸觀瀾苑(原名稱：江海路左岸公元))	75,028	313	–	–	313	67%
Hangzhou	Hangxing Road Project (杭行路項目)	18,703	1,931	–	–	1,931	30%
Hangzhou	Fuchun Bay Jichen Residence (富春灣濟宸府)	39,313	12,837	–	–	12,837	35%
Hangzhou	Hangzhou Binyao Mansion (formerly: Binjiang Pule Project) (杭州濱耀學府(原名稱：濱江浦樂項目))	44,633	3,978	–	–	3,978	30%
Hefei	Changfeng In Times (長豐時光里)	42,621	4,712	–	–	4,712	100%
Hefei	Yaohai Joy Residence (瑤海昕悅府)	37,254	2,133	–	–	2,133	80%
Hefei	Dongfangyin (東方印)	28,081	4,553	–	–	4,553	51%
Hefei	Fengle Oriental Jade (formerly: Yaohai Prosper and Joy) (豐樂翡麗東方(原名稱：瑤海豐樂))	59,233	11,763	–	–	11,763	34%
Hefei	Longzi Lake Times (龍子湖湖語時光)	68,461	7,429	–	–	7,429	30%
Hefei	Lujiang Lakeside Shade Mountain (廬江湖畔樾山)	161,263	227,272	–	–	227,272	50%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Hengyang	Yangliu Road Sunrise Joy Residence (楊柳路昕悅府)	36,912	6,925	–	–	6,925	100%
Huzhou	Ren Huang 43 Yan Lan Residence (仁皇43燕瀾府)	48,652	4,079	–	–	4,079	100%
Huzhou	Ren Huang 58 Yan Lan Residence (formerly: Huzhou Ren Huang No. 58#) (仁皇58燕瀾府(原名稱：湖州仁皇58#))	102,218	6,672	–	–	6,672	100%
Huzhou	Huzhou Southwest Development Zone Qinlan Residence (formerly: Huzhou South Taihu New District Project) (湖州西南開發區沁瀾府(原名稱：湖州南太湖新區項目))	30,200	36,737	–	–	36,737	38%
Huai'an	Heyi Road Yunhe Fenghua (合意路運河風華)	68,362	4,623	–	–	4,623	47%
Huai'an	Huai'an Fengdeng Road Jinyuefu (formerly: Huai'an Fengdeng Road) (淮安豐登路金樾府(原名稱：淮安豐登路))	41,476	4,353	–	–	4,353	34%
Huai'an	Huai'an Eco-City Grand One (淮安生態新城泓著大觀)	82,734	8,772	–	114,841	123,613	100%
Jinan	Jiqi Road Leisure's Mansion (formerly: Jiqi Road Project) (濟齊路君逸府(原名稱：濟齊路項目))	34,290	4,639	–	–	4,639	45%
Jiangmen	Liyue Guoyue Residence (formerly: Liyue Project) (禮樂國樾府(原名稱：禮樂項目))	30,231	19,831	–	–	19,831	33%
Jiangyin	Yunting Tangyue Jinyuan (formerly: Yunting Primary School Project) (雲亭棠樾錦園(原名稱：雲亭小學項目))	92,953	7,508	–	–	7,508	50%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Jurong	Jurong C Ziyue Residence (formerly: Land Lot No. 2018-J1-06) (句容C紫悦府(原名稱：2018-J1-06號地塊))	72,609	40,290	–	–	40,290	33%
Jurong	Jurong B Project (formerly: Jurong Land Lot No. B) (句容B項目(原名稱：句容 B地塊))	38,731	–	–	74,274	74,274	19%
Kaifeng	Zhong Yi Hu Yan Lan Residence (formerly: Kaifeng Yan Lan Residence) (中意湖燕瀾府(原名稱：開封燕瀾府))	63,533	10,053	–	–	10,053	49%
Ma'anshan	Hexian Peacock City (和縣孔雀城)	97,340	2,146	–	–	2,146	20%
Meishan	Renshou In Times (仁壽時光里)	68,107	526	–	45,421	45,947	100%
Nanchang	Nanchang Hong Yang Residence (南昌弘陽府)	43,410	9,690	–	–	9,690	49%
Nanchang	Yao Lake Times Sky Shade (瑤湖時光天樑)	102,269	148,960	–	–	148,960	66%
Nanchang	Zhong Da Hong Yang (formerly: Qing Yun Pu) (中大弘陽(原名稱：青雲譜))	29,452	11,095	–	–	11,095	49%
Nanchang	Wanli In Times (灣里時光里)	13,717	3,262	–	–	3,262	100%
Nanchang	Nanchang Qingshan Lake Avenue Times Garden (南昌青山湖大道時光玖悅)	20,182	21,478	–	11,320	32,798	49%
Nanjing	Solaris Loving City Section 8 (旭日愛上城八區)	40,552	4,992	–	–	4,992	100%
Nanjing	Shiguang Chunxiao (時光春曉)	32,246	449	–	–	449	49%
Nanjing	Binhuli (濱湖里)	52,763	5,426	–	–	5,426	51%
Nanjing	Qilin Garden in the East (麒麟領東苑)	67,810	14,219	–	–	14,219	33%
Nanjing	Yanlan Qijin (燕瀾七縉)	57,503	3,220	–	–	3,220	49%
Nanjing	Shiguang Yinxiang (時光印象)	61,145	119	–	–	119	49%
Nanjing	Gaoxin G27 Yinyue Residence (高新G27印悦府)	68,644	12,212	–	–	12,212	20%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Nanjing	Mountain and Lake View in Times (時光山湖)	14,338	2,120	–	–	2,120	25%
Nanjing	Shidai Tianyue (formerly: Nanjing Land Lot No. 2017G36) (時代天樾(原名稱：南京•2017G36地塊))	54,173	–	–	78,508	78,508	20%
Nanjing	Xiaolongwan Garden of Joy and Happiness (formerly: Land Lot No. 2017G57) (小龍灣悅禧苑(原名稱：2017G57地塊))	58,024	13,700	–	–	13,700	100%
Nanjing	Gaoxin Xingyuecheng Phase 2 (高新星悅城二期)	7,025	–	–	14,770	14,770	50%
Nanjing	Gaochun Pinglan Residence (formerly: Gaochun Land Lot No. 02-03) (高淳平瀾府(原名稱：高淳02-03地塊))	102,787	11,450	–	–	11,450	12%
Nanjing	Solaris Jingcheng Store (旭日景城商舖)	1,371	–	4,450	–	4,450	100%
Nanjing	Solaris Loving City Section 6 Store (旭日愛上城六區商舖)	989	–	7,301	–	7,301	100%
Nanjing	Nanjing Hong Yang Plaza (南京弘陽廣場)	230,871	–	504,373	–	504,373	100%
Nanjing	3rd-4th Floor of Redsun Tower (弘陽大廈3-4層)	277	–	4,964	–	4,964	100%
Nanjing	Lishui Times Joy Residence (formerly: Shiqiu Project) (溧水時光悅府(原名稱：石湫項目))	131,964	30,486	–	–	30,486	51%
Nanjing	Lukou Lakeside Mansion (formerly: Lukou Project) (祿口雲溪璟園(原名稱：祿口項目))	73,686	68,622	–	–	68,622	49%
Nanjing	Puzhu North Road Shangshang Joy Garden (浦珠北路尚上悅苑)	7,232	5,898	–	–	5,898	70%
Nanjing	Lishui Sunrise Joy Shangchen (溧水昕悅尚宸)	41,931	1,269	–	8,870	10,139	50%
Nanjing	Qiaolin Shiguang Boyueyuan (橋林時光泊月園)	28,188	5,323	–	–	5,323	50%

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			Total Gross Floor Area for Sale (sq.m.)				
Nanjing	Nanjing Times Avenue Lan Wan Jiu Zhu (formerly: Times Avenue Project) (南京時代大道攬灣玖築(原名稱：時代大道項目))	60,138	8,809	–	81,602	90,411	15%
Nanjing	Nanjing Zhuangyuanfang Xiyue Garden (formerly: Lishui Zhuangyuanfang Project) (南京狀元坊熹樾花園(原名稱：溧水狀元坊項目))	67,192	27,216	–	41,684	68,900	33%
Nanjing	Nanjing Yaohuamen Qiyao Meizhu (南京堯化門樓堯美著)	14,670	4,003	–	–	4,003	83%
Nanjing	Nanjing Kangjian Road Glance River Joy Residence (南京康健路望江悅府)	65,227	24,492	–	–	24,492	49%
Nanjing	Nanjing Jiangbei Core District Yuejiang Shidai (南京江北核心區越江時代)	66,057	33,838	–	–	33,838	25%
Nanjing	Nanjing Dachang Top Cloud Mansion (南京大廠雲玥美著)	18,130	6,250	–	26,822	33,072	51%
Nanjing	Nanjing Tangshan Yunchen Yuanlu (南京湯山雲辰原麓)	68,029	–	–	109,697	109,697	33%
Nanjing	Nanjing Qinhuai Chengdong Atmosphere of Mind (南京秦淮城東玖樾印象)	31,813	37,419	–	–	37,419	33%
Nantong	Yunyue Oriental (雲樾東方)	86,652	4,266	495	–	4,761	17%
Nantong	Upper Joy City (上悅城)	82,741	9,125	–	–	9,125	25%
Nantong	New Metropolitan (新都會)	109,890	2,363	–	–	2,363	13%
Nantong	Center Creation Metropolitan (中創大都會)	47,963	–	1,035	–	1,035	24%
Nantong	Sutong Yongjin Lanwan (蘇通雍錦瀾灣)	47,405	7,107	–	–	7,107	36%
Nantong	Zisheng Road Junlan Tianyue (資生路君蘭天悅)	40,689	540	–	–	540	100%
Nantong	Nantong Gaotie Xincheng Honored Palace (formerly: Pingchao Gaotie Xincheng) (南通高鐵新城時光峰匯(原名稱：平潮高鐵新城))	84,022	42,024	–	101,513	143,537	60%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Nantong	Nantong Fuxing Road Guanjianghai (formerly: Nantong Fuxing Road Project) (南通富興路觀江海(原名稱：南通富興路項目))	69,966	7,146	–	–	7,146	20%
Nantong	Antai Road Jingchen Residence (安泰路璟宸府)	53,761	–	–	116,056	116,056	30%
Ningbo	Chen Po Du Yong Chao Yin Residence (formerly: Chen Po Du) (陳婆婆湧潮印府(原名稱：陳婆婆))	40,148	4,163	–	–	4,163	31%
Ningbo	Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府)	84,775	51,536	42,129	–	93,665	50%
Pengzhou	Chinoiserie Mansion (formerly: Pengzhou 50+55 mou Project) (彭州玖峰(原名稱：彭州50+55畝項目))	70,603	26,930	–	759	27,689	70%
Qingdao	Jinshatan Beyond the Sea (金沙灘天賦雲海)	14,077	13,875	–	37,415	51,290	30%
Qingdao	Jimo Yunhai Road Beauty Collection In Times (即墨雲海路集美時光)	116,220	–	–	129,851	129,851	35%
Rugao	Wanshou Road Zi Yun Ji (formerly: Wanshou Road Project) (萬壽路紫雲集(原名稱：萬壽路項目))	89,669	11,035	–	–	11,035	29%
Suzhou	Upper Sunny Masterpiece Garden (上熙名苑)	44,701	1,939	–	–	1,939	50%
Suzhou	Shangshui Garden of Elegance (上水雅苑)	69,325	95	–	–	95	100%
Suzhou	Xiangcheng Shangchen View Mansion (formerly: Fuyuan Road Project) (相城天境上辰(原名稱：富元路項目))	154,101	4,205	–	204,392	208,597	80%
Suzhou	Suzhou Lumu Heaven Billow (蘇州陸慕天境瀾庭)	37,963	6,818	–	–	6,818	51%
Suqian	Wutaishan Heyue Garden (五台山和樾花園)	139,947	23,304	–	256,959	280,263	20%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Taizhou	Taixing Jinjiang Residence (泰興襟江府)	56,230	6,289	–	–	6,289	100%
Tongxiang	Wuzhen Joy Court (formerly: Wuzhen Longxiang Avenue Project) (烏鎮昕悅棠(原名稱：烏鎮龍翔大道項目))	42,811	2,013	–	–	2,013	100%
Weifang	Weifang Kuiwen North District Project (濰坊奎文北項目)	202,107	–	93,430	451,071	544,501	100%
Wenzhou	Huichang River Prosperous Seasons (formerly: Huichang River B03 Project) (會昌河潮啟四季(原名稱：會昌河B03項目))	25,721	12,538	–	–	12,538	50%
Wenzhou	Huichang River West Lakeside Seasons (formerly: Huichang River B07 Project) (會昌河西湖四季(原名稱：會昌河B07項目))	19,967	12,771	–	–	12,771	50%
Wenzhou	Guanghuaqiao Jiangbin ONE (廣化橋江濱ONE)	21,191	446	–	–	446	47%
Wenzhou	Yueqing Central District Junlan Hezhu (樂清中心區君蘭和著)	41,342	841	–	–	841	34%
Wuxi	Hong Yang Sanwan Qing (弘陽三萬頃)	800,000	6,433	–	–	6,433	100%
Wuxi	Huishan Sunrise Joy Court (惠山昕悅棠)	85,122	3,122	–	–	3,122	100%
Wuxi	Liyuan The Art of Shine (formerly: Liyuan Project) (利源長江映(原名稱：利源項目))	39,021	3,833	–	–	3,833	30%
Wuxi	Yangjian Platinum Residence (formerly: Yangjian Project) (羊尖鉞悅名邸(原名稱：羊尖項目))	63,050	1,775	–	–	1,775	98%
Wuxi	Wuxi Qingyuan Avenue Time's Lakeside (formerly: Wuxi Qingyuan Avenue) (無錫慶源大道時光汎樾(原名稱：無錫慶源大道))	57,962	8,690	–	–	8,690	48%
Wuxi	Jade Seal (formerly: Wuxi Yangshan) (無錫陽山悅陽九璽(原名稱：無錫陽山))	28,166	9,886	–	–	9,886	30%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Wuhu	Mengxi Road Shiguang Lane (夢溪路時光里)	74,135	837	–	–	837	40%
Wuhan	NK1 Hong Yang Tian Yue (formerly: Yin Yue Residence) (NK1弘陽天悅 (原名稱：印月府))	106,207	113,399	–	–	113,399	95%
Wuhan	Wuhan Xiao Jun Shan Aesthetics of Life (formerly: Xiao Jun Shan) (武漢小軍山天璽尚院(原名稱：小軍山))	128,129	88,247	–	282,091	370,338	50%
Wuhan	Wuhan Huangjia Hu Project (武漢黃家湖項目)	25,290	–	–	60,303	60,303	95%
Xi'an	Yan Liang Sunrise Joy Residence (閻良昕悅府)	24,649	5,131	–	–	5,131	51%
Xi'an	Xi'an Jinghe New Town The Polaris Mansion (西安涇河新城北宸天樾)	95,017	–	–	168,709	168,709	32%
Xiangyang	Prime Watery Court (襄御瀾庭)	45,761	9,008	–	–	9,008	95%
Xiangyang	Xiangzhou Park 1873 (襄州公園1873)	93,846	9,472	–	135,060	144,532	50%
Xiangyang	Taiziwan Lu Yun Ting (台子灣路雲庭)	29,569	7,122	–	–	7,122	100%
Xuzhou	Fengming Residence (鳳鳴府)	104,284	10,561	–	–	10,561	76%
Xuzhou	Beautiful Scenery Residence (麗景府)	26,646	2,214	–	–	2,214	33%
Xuzhou	Metropolitan City in Xinyuan Avenue (新元大道大都會)	90,236	8,888	–	–	8,888	100%
Xuzhou	Phoenix Hill Puyue Residence (鳳凰山璞樾門第)	59,770	4,596	–	–	4,596	96%
Xuzhou	Dawu Park Avenue (大吳公園大道)	213,207	50,037	–	288,094	338,131	51%
Xuzhou	Dawu Shugang Road Project (大吳疏港大道項目)	65,828	–	–	182,340	182,340	51%
Xuzhou	Xuzhou Songshan Road One Sino Long (formerly: Songshan Road Project) (徐州嵩山路山河龍胤(原名稱：嵩山路項目))	142,721	258,200	–	–	258,200	16%
Xuzhou	Xuzhou Damiao Heping Gongguan (formerly: Zhongtian Shiming Road Project) (徐州大廟和平公館 (原名稱：中天仕名路項目))	55,614	37,496	–	21,021	58,517	51%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Xuzhou	Taoloushan Land Lot Project B (陶樓山B地塊項目)	25,157	8,731	–	33,043	41,774	50%
Xuzhou	Taoloushan Land Lot Project C (陶樓山C地塊項目)	24,514	–	–	67,973	67,973	50%
Yancheng	Begonia View Residence in Yanzen Road (鹽枕路觀棠府)	69,049	7,452	–	–	7,452	33%
Yancheng	Dongjin Road Sunrise Joy Residence (東進路昕悅府)	103,847	18,718	–	–	18,718	34%
Yancheng	Haikuo Road Fenglin Residence (海闊路鳳麟府)	100,491	35,201	–	–	35,201	35%
Yancheng	Yancheng Yandangshan Road Fengyue Residence (formerly: Yancheng Yandangshan Road Project) (鹽城雁蕩山路鳳樾府(原名稱：鹽城雁蕩山路項目))	104,088	27,205	–	8,500	35,705	15%
Yangzhou	Yangzhou City Two Central Mansion (揚州二城和光昕悅)	23,234	7,196	–	16,243	23,439	67%
Yizheng	Yizheng 38 Yuedi Bay (儀征38悅堤灣)	69,788	12,061	–	–	12,061	50%
Yizheng	Yizheng 39 Yuejiang Bay (formerly: Yizheng 39) (儀征39悅江灣(原名稱：儀征39))	66,358	17,722	–	–	17,722	50%
Yizheng	Yizheng Yuelong Bay (儀征悅龍灣)	27,589	8,191	–	–	8,191	100%
Zhangjiagang	Tang Qiao Xing Tang Residence (塘橋星唐府)	36,829	3,369	–	–	3,369	50%
Zhangjiagang	Daxin Sunrise Joy Masterpiece Residence (大新昕悅名邸)	47,706	307	–	–	307	100%
Zhangjiagang	Jinfeng Beautiful in Ten (錦豐十里錦繡)	98,783	1,145	–	–	1,145	16%
Zhangjiagang	Tang Qiao Cloud Mansion (formerly: Tang Qiao Fumin Road Project) (塘橋雲築(原名稱：塘橋富民路項目))	40,317	11,437	–	–	11,437	48%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Zhangjiagang	Zhangjiagang Chengdong Tangyue Royalty (formerly: Zhangjiagang Jiangcheng Road) (張家港城東棠樾世家(原名稱：張家港蔣乘路))	44,590	33,268	–	–	33,268	45%
Changsha	Deyi In Times (德一時光里)	12,956	9,687	–	–	9,687	70%
Changsha	Black Stone Sunrise Joy Residence (formerly: Black Stone Project) (黑石听悦府(原名稱：黑石項目))	32,684	7,774	–	–	7,774	100%
Changsha	Changsha Wanhou Residence (formerly: Wanhou Road) (長沙萬侯府(原名稱：萬侯路))	21,967	5,215	–	–	5,215	100%
Changsha	Changsha Wayao Road Sunrise Joy Court (formerly: Wayao Road) (長沙瓦窯路听悦棠(原名稱：瓦窯路))	34,269	2,046	–	1,105	3,151	51%
Changsha	Changsha Xinglian Road Natural Bustling (formerly: Xinglian Road) (長沙興聯路雲瀟賦(原名稱：興聯路))	16,111	16,763	–	27,094	43,857	50%
Zhenjiang	Zhenjiang Zhoujiazhuang Jingkou Times (鎮江周家莊京口時光)	16,168	1,481	–	–	1,481	51%
Zhenjiang	Xiaoniu Hill No. 1 Four Seasons Magnificence (小牛山一號四季風華)	20,536	2,228	–	–	2,228	33%
Zhenjiang	Xiaoniu Hill No. 2 Four Seasons Magnificence (小牛山二號四季風華)	28,920	5,222	–	–	5,222	33%
Zhengzhou	Zhongmou Hong Yang Residence (中牟弘陽府)	119,924	–	–	261,447	261,447	95%
Chongqing	Taojia Times Billow (formerly: Cypress View • Seattle) (陶家時光瀾庭(原名稱：柏景•西雅圖))	89,273	27,252	–	47,367	74,619	100%
Chongqing	Bishan Sunrise Joy Residence (formerly: Bishan 295) (璧山听悦府(原名稱：璧山295))	106,259	26,477	–	2,705	29,182	50%
Chongqing	Guan Yin Tang Sunrise Joy Residence (觀音塘听悦府)	14,785	5,877	–	85	5,962	49%

Region	Name of Project	Area of Land (sq.m.)	Completed	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Floor Area for Sale (sq.m.)				
Chongqing	Beibei Utopia (formerly: Beibei Project) (北碚樾景台(原名稱：北碚項目))	109,540	11,634	–	8,094	19,728	49%
Chongqing	Chongqing Central Park Sunrise Joy Court (formerly: Central Park) (重慶中央公園昕悅棠(原名稱：中央公園))	39,636	6,858	–	–	6,858	100%
Chongqing	Chongqing Babin Road Glistening River (formerly: Babin Road Project) (重慶巴濱路一曲晴江(原名稱：巴濱路項目))	66,926	21,859	–	1,403	23,262	51%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 71 mou Project (重慶界石曉風江南71畝項目)	47,039	15,837	–	–	15,837	24%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 141 mou Project (重慶界石曉風江南141畝項目)	94,061	–	–	206,447	206,447	24%
		<u>11,572,400</u>	<u>2,542,866</u>	<u>1,025,377</u>	<u>3,906,821</u>	<u>7,475,064</u>	

3. Commercial Operations

For the six months ended 30 June 2025, the Group's sales revenue from commercial operations amounted to approximately RMB167.0 million, representing a decrease of 38.2% as compared to the corresponding period last year.

It was due to the shutdown of some stores.

4. Hotel Operations

For the six months ended 30 June 2025, the Group has no revenue from hotel operations business.

It was due to suspension of hotel operations during the Period.

FINANCIAL REVIEW

1. Revenue

For the six months ended 30 June 2025, the Group's revenue amounted to approximately RMB2,712.3 million, representing a decrease of 54.8% from approximately RMB6,006.4 million for the same period last year. The revenue mainly included income generated from property sales and commercial operations, of which income generated from: (i) property sales decreased by 55.5% to approximately RMB2,545.3 million as compared to the same period last year, accounting for 93.8% of the total recognized revenue; and (ii) commercial operations decreased by 38.2% to approximately RMB167.0 million as compared to the same period last year.

Details of recognized revenue are set out as follows:

	For the six months ended 30 June				
	2025		2024		Year-on-year change (%)
	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	
Property sales	2,545,316	93.8	5,723,157	95.3	-55.5
Commercial operations	166,971	6.2	270,104	4.5	-38.2
Hotel operations	—	—	13,175	0.2	-100.0
Total	<u>2,712,287</u>	<u>100.0</u>	<u>6,006,436</u>	<u>100.0</u>	<u>-54.8</u>

2. Cost of sales

For the six months ended 30 June 2025, the cost of sales of the Group was approximately RMB2,934.4 million, representing a decrease of 46.4% as compared to that of approximately RMB5,474.4 million for the same period last year. The decrease was primarily due to the decrease in the number of projects delivered during the period as compared with the corresponding period last year. Several projects delivered during the period included Suzhou Lumu Heaven Billow Project (蘇州陸慕天境瀾庭項目), Weifang Kuiwen North District Project (濰坊奎文北項目), Changzhou Hong Yang 1936 Project (常州弘陽1936項目), Taoloushan Land Lot Project B (陶樓山B地塊項目) and Cixi Chengdong Shangdongchen Residence Project (慈溪城東上東辰府項目).

3. Gross Loss and Gross Loss Margin

For the six months ended 30 June 2025, the Group's gross loss was approximately RMB222.1 million, representing a decrease of 141.7% from gross profit of approximately RMB532.0 million for the corresponding period last year. For the six months ended 30 June 2025, the gross loss margin was 8.2%, compared with a gross profit margin of 8.9% for the corresponding period last year, turning from profit to loss.

The increase in gross loss and the turning from profit to loss are mainly due to market factors causing a decline in selling prices.

4. Changes in Fair Value of Investment Properties

For the six months ended 30 June 2025, the Group recognized fair value losses on investment properties of approximately RMB19.7 million. The fair value losses on investment properties recorded were primarily due to a decrease of the overall capital value.

5. Selling and Distribution Expenses

For the six months ended 30 June 2025, the Group's selling and distribution expenses amounted to approximately RMB76.3 million, representing a decrease of 51.6% from approximately RMB157.6 million for the corresponding period last year. Such decrease was due to the decrease in the launch of new property projects of the Group in the first half of 2025.

6. Administrative Expenses

For the six months ended 30 June 2025, the Group's administrative expenses amounted to approximately RMB61.3 million, representing a decrease of 56.5% from approximately RMB140.8 million for the corresponding period last year. Such decrease was mainly due to the Group's further development in major metropolitan areas and core cities, and the strengthened control in administrative expenses and costs.

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

For the six months ended 30 June 2025, the Group's share of losses of joint ventures and associates amounted to approximately RMB1,234.8 million (corresponding period of 2024: share of losses of RMB329.4 million) mainly due to the increase in losses incurred by the joint ventures and associates held by the Group. The main cooperation projects with profit carried forward during the period included: several cooperation projects such as Foshan Nanyou Park No.1 (佛山南油公園一號), Xiangcheng Shangchen View Mansion (相城天境上辰), Nanjing Jiangbei Core District Yuejiang Shidai (南京江北核心區越江時代), Nanjing Qinhuai Chengdong Atmosphere of Mind (南京秦淮城東玖樾印象) and Nanjing Zhuangyuanfang Xiyue Garden (南京狀元坊熹樾花園).

8. Finance Costs

For the six months ended 30 June 2025, the Group's finance costs expended amounted to approximately RMB540.2 million, representing a decrease of 34.7% from approximately RMB826.7 million for the corresponding period last year. Such change in finance costs was mainly due to a decrease of the exchange loss on US\$-denominated borrowings of the Group and a decrease of total borrowings during the Reporting Period.

9. Taxation

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

During the Reporting Period, the Group's income tax amounted to approximately RMB75.4 million, representing a decrease of 5.2% from approximately RMB79.5 million for the corresponding period last year.

During the Reporting Period, the provision made for land appreciation tax by the Group was approximately RMB269.6 million, as compared with approximately RMB46.0 million for the corresponding period last year.

10. Loss for the Reporting Period

As a result of the aforementioned factors, the Group's loss before taxation was RMB1,975.6 million (corresponding period of 2024: RMB1,584.9 million).

LIQUIDITY, FINANCE AND CAPITAL

1. *Cash Position*

As at 30 June 2025, the Group's cash and bank balances were approximately RMB0.82 billion (as at 31 December 2024: approximately RMB1.24 billion), of which, restricted cash amounted to RMB0.48 billion (as at 31 December 2024: RMB0.58 billion), and pledged deposits amounted to approximately RMB0.02 billion (as at 31 December 2024: RMB0.02 billion).

2. *Borrowings and Pledged Assets*

As at 30 June 2025, the Group's total borrowings (including interest-bearing bank and other borrowings and senior notes) amounted to approximately RMB20.69 billion (as at 31 December 2024: approximately RMB21.15 billion), of which, interest-bearing bank and other borrowings were approximately RMB10.12 billion (as at 31 December 2024: approximately RMB10.54 billion) and senior notes were approximately RMB10.57 billion (as at 31 December 2024: approximately RMB10.61 billion).

The Group's total borrowings were repayable as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Interest-bearing bank and other borrowings:		
Repayable within one year or on demand	6,049,473	6,852,939
Repayable in the second year	1,964,122	2,129,216
Repayable in the third to fifth years, inclusive	1,504,100	1,154,500
Repayable beyond five years	605,000	400,000
Sub-total	10,122,695	10,536,655
Senior notes:		
Repayable on demand	10,566,954	10,609,906
Total borrowings	20,689,649	21,146,561

As at 30 June 2025, except for the borrowings in the amount of RMB12,060.3 million (as at 31 December 2024: RMB12,024.6 million) denominated in US\$, the remaining borrowings of the Group were denominated in RMB.

As at 30 June 2025, except for certain bank and other borrowings of RMB3,221.6 million (as at 31 December 2024: RMB3,327.0 million) with fixed interest rates, all of the Group's bank and other borrowings bear interest at floating interest rates.

As at 30 June 2025, assets with an aggregate value of approximately RMB14,618.5 million (as at 31 December 2024: approximately RMB15,839.5 million) have been pledged to banks and other financial institutions to secure the credit facilities granted to the Group and its joint ventures and associates.

3. *Gearing Ratio*

As at 30 June 2025, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately 414.4%, as compared with approximately 277.5% as at 31 December 2024. As at 30 June 2025, the Group's debt to asset ratio (total debts divided by total assets) was approximately 91.2%, as compared with approximately 88.0% as at 31 December 2024. As at 30 June 2025, the Group's current ratio (current assets divided by current liabilities) was approximately 0.84 times, as compared with approximately 0.87 times as at 31 December 2024.

As of 30 June 2025, cash to short-term debt ratio (cash and bank balances divided by short-term borrowings) was approximately 0.05 times, as compared with approximately 0.07 times as at 31 December 2024.

4. *Capital and Property Development Expenditure Commitments*

As at 30 June 2025, the Group had capital and property development expenditure commitments contracted but not provided for of approximately RMB2.71 billion (as at 31 December 2024: approximately RMB3.11 billion).

CORPORATE GOVERNANCE/OTHER INFORMATION

1. *Material Acquisitions and Disposals*

On 17 February, 2025, the Company and Redsun Services Group Limited (弘陽服務集團有限公司) (the “**Purchaser**”) entered into a parking spaces transfer framework agreement, pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the property right or the right of use (as the case may be) of target parking spaces at a total consideration of approximately RMB230.92 million.

On the same day, each of Chengdu Hong Yang Jin Xing Real Estate Development Co., Ltd.* (成都弘陽錦興房地產開發有限公司) (“**Chengdu Hong Yang Jin Xing**”), Xuzhou Hongqi Real Estate Development Co., Ltd.* (徐州弘琪房地產開發有限公司) (“**Xuzhou Hong Qi**”) and Nanjing Hong Tai Pu Yang Property Co., Ltd.* (南京鴻泰浦陽置業有限公司) (“**Nanjing Hong Tai Pu Yang**”) (all being indirect wholly-owned subsidiaries of the Company) and Nanjing Hong Life Real Estate Consulting Co., Ltd.* (南京弘生活置業顧問有限公司) (“**Nanjing Hong Life**”) (an indirect wholly-owned subsidiary of the Purchaser) entered into equity transfer agreements, pursuant to which each of Chengdu Hong Yang Jin Xing, Xuzhou Hong Qi and Nanjing Hong Tai Pu Yang conditionally agreed to sell, and Nanjing Hong Life conditionally agreed to purchase (a) 70% of the equity interests in Chengdu Hong Sheng He Ding Real Estate Development Co., Ltd.* (成都弘勝和鼎房地產開發有限公司) (“**Target Company A**”) held by Chengdu Hong Yang Jin Xing; (b) 20% of the equity interests in Suqian Tong Jin Hong Real Estate Co., Ltd.* (宿遷市通金弘置業有限公司) (“**Target Company B**”) held by Xuzhou Hong Qi; and (c) 19% of the equity interests in Jurong Jin Jia Run Real Estate Development Co., Ltd.* (句容金嘉潤房地產開發有限公司) (“**Target Company C**”) held by Nanjing Hong Tai Pu Yang, together with all other assets, liabilities and owners’ equity attached to the equity interests abovementioned at a consideration of approximately RMB142.4 million, RMB73.95 million and RMB41.34 million, respectively. Upon completion, (i) the Company ceased to have any interest in Target Company A and the financial results of Target Company A ceased to be consolidated into the financial statements of the Group; and (ii) the Company ceased to have any interest in either Target Company B or Target Company C and their performance no longer be reflected in the share of results of joint ventures and associates of the Group.

Subsequently, the Company successfully obtained approval from its shareholders by way of an ordinary resolution at an extraordinary general meeting dated 21 May 2025 on the aforementioned sale of property right or the right of use (as the case may be) of certain parking spaces, along with equity interests in the relevant target companies, to the Purchaser or its wholly-owned subsidiaries.

For details, please refer to the announcement and circular of “VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF (1) THE TARGET PARKING SPACES; AND (2) EQUITY INTERESTS IN TARGET COMPANIES” of the Company dated 17 February 2025 and 30 April 2025, respectively, and the poll results of the Company dated 21 May 2025 approving the same.

Save as the aforesaid, there was no material acquisition and disposal of subsidiaries, associated companies or joint ventures by the Group during the Reporting Period.

2. *Employment and Remuneration Policies*

As of 30 June 2025, the Group had 588 employees in total, of which 514 employees were engaged in the real estate development business and 74 employees were engaged in the commercial property operations.

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

3. *Events after the Reporting Period*

There is no significant subsequent event undertaken by the Company after 30 June 2025.

4. *Interim Dividend*

The Board has resolved that the Company will not declare any interim dividend for the Reporting Period (2024 Interim: Nil).

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

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

6. *Currency Risk*

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

7. *Material Legal And Litigation Matters*

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

On 26 March 2025, the High Court has approved the adjournment application jointly proposed by The Bank of New York Mellon, London Branch, the petitioner, and the Company. The hearing of the Petition is now adjourned to 22 September 2025.

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

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

8. *Corporate Governance*

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

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

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

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

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

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

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

10. *Review of Interim Results by the Audit Committee*

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

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

Our audit committee has reviewed the Company’s unaudited condensed consolidated interim results for the six months ended 30 June 2025 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of financial reporting.

11. Publication of Interim Results and 2025 Interim Report on the Websites of the Hong Kong Stock Exchange and the Company

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.rsunproperty.hk). The interim report of the Company for the six months ended 30 June 2025 will be provided to the Company's shareholders and posted on the above websites in due course.

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

Hong Kong, 28 August 2025

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

** for identification purposes only*