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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 2025**

### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group was approximately RMB1,883 million, representing an increase of approximately 14.8% as compared to the last corresponding period.
- Loss attributable to owners of the Company was approximately RMB3,171 million, representing an increase in loss of approximately 0.3% as compared to the last corresponding period.
- As at 30 June 2025, the GFA of land bank for the Group's projects under construction and projects held for development amounted to approximately 7,263,455 sq.m.
- During the period, the Group's selling and distribution expenses and administrative expenses amounted to approximately RMB322 million, representing a decrease of approximately 17.8% as compared to the last corresponding period.
- The Board does not recommend the payment of an interim dividend for the period ended 30 June 2025.

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 2025 (the “**Period**”) as follows:

## **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>NOTES</i>	<b><i>RMB’000</i></b>	<b><i>RMB’000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue			
Contracts with customers	4	<b>1,772,979</b>	1,526,557
Leases		<b>110,453</b>	114,723
Total revenue	5	<b>1,883,432</b>	1,641,280
Cost of sales and services		<b>(1,554,381)</b>	(1,279,197)
Gross profit		<b>329,051</b>	362,083
Other income		<b>11,101</b>	14,818
Other gains and losses		<b>190,002</b>	(344,185)
Impairment losses under expected credit loss model, net of reversal		<b>(179,421)</b>	(183,171)
Change in fair value of investment properties		<b>(99,107)</b>	(51,385)
Write-down on properties for sales		<b>(643,431)</b>	(499,873)
Selling and distribution expenses		<b>(28,353)</b>	(44,062)
Administrative expenses		<b>(293,753)</b>	(347,727)
Finance costs		<b>(2,217,949)</b>	(1,975,237)
Share of results of associates		<b>(152,508)</b>	(36,221)
Share of results of joint ventures		<b>(165,062)</b>	52,580
Loss before tax		<b>(3,249,430)</b>	(3,052,380)
Income taxation	6	<b>(93,148)</b>	(99,549)
Loss for the period	7	<b>(3,342,578)</b>	(3,151,929)

		Six months ended 30 June	
		2025	2024
NOTES		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Other comprehensive income/(loss)</b>			
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	602
Deferred taxation effect		(130)	(151)
Other comprehensive income for the period, net of income tax		388	451
Total comprehensive loss for the period		<u>(3,342,190)</u>	<u>(3,151,478)</u>
Loss for the period attributable to:			
Owners of the Company		(3,171,041)	(3,161,480)
Other non-controlling interests		(171,537)	9,551
		<u>(3,342,578)</u>	<u>(3,151,929)</u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		(3,170,878)	(3,161,252)
Other non-controlling interests		(171,312)	9,774
		<u>(3,342,190)</u>	<u>(3,151,478)</u>
Loss per share – basic (RMB cents)	9	<u>(54.93)</u>	<u>(54.77)</u>
Loss per share – diluted (RMB cents)	9	<u>(54.93)</u>	<u>(54.77)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025**

	<b>30 June</b>	31 December
	<b>2025</b>	2024
<i>NOTES</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>391,187</b>	403,913
Right-of-use assets	<b>292,854</b>	315,530
Investment properties	<b>6,349,078</b>	6,475,598
Interests in associates	<b>1,422,029</b>	1,434,385
Interests in joint ventures	<b>2,674,381</b>	2,699,721
Equity instruments designated at FVTOCI	<b>14,084</b>	13,566
Goodwill	<b>896,451</b>	896,451
Intangible assets	<b>6,738</b>	9,390
Other receivables	<b>5,200</b>	5,482
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	<b>1,842,406</b>	2,144,258
Deferred tax assets	<b>705,273</b>	768,952
	<b>14,599,681</b>	15,167,246
<b>CURRENT ASSETS</b>		
Properties for sale	<b>38,781,654</b>	37,854,149
Contract assets	<b>17,710</b>	25,453
Contract costs	<b>40,001</b>	44,400
Trade and other receivables	<b>10,440,717</b>	11,541,593
Tax recoverable	<b>626,149</b>	607,789
Amounts due from related parties	<b>6,177,997</b>	6,241,224
Restricted/pledged bank deposits	<b>428,506</b>	567,934
Bank balances and cash	<b>820,314</b>	1,156,153
	<b>57,333,048</b>	58,038,695
	<b>71,932,729</b>	73,205,941

		30 June 2025	31 December 2024
	NOTES	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	9,524,761	9,113,265
Contract liabilities		2,846,685	2,771,701
Amounts due to related parties		200,183	200,183
Tax liabilities		6,469,687	6,588,898
Borrowings due within one year		16,429,538	16,040,841
Lease liabilities due within one year		29,502	29,371
Senior notes and bonds due within one year		41,060,440	39,119,696
Asset-backed securities issued due within one year		297,705	288,601
		<u>76,858,501</u>	<u>74,152,556</u>
<b>NET CURRENT LIABILITIES</b>		<u>(19,525,453)</u>	<u>(16,113,861)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(4,925,772)</u>	<u>(946,615)</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		156,811	177,750
Borrowings due after one year		1,595,270	1,907,078
Lease liabilities due after one year		65,325	78,368
Senior notes and bonds due after one year		7,589,009	7,923,296
		<u>9,406,415</u>	<u>10,086,492</u>
<b>NET LIABILITIES</b>		<u><u>(14,332,187)</u></u>	<u><u>(11,033,107)</u></u>
<b>CAPITAL AND DEFICIT</b>			
Share capital		498,787	498,787
Deficit		<u>(17,418,871)</u>	<u>(14,248,040)</u>
Deficit attributable to owners of the Company		(16,920,084)	(13,749,253)
Non-controlling interests		<u>2,587,897</u>	<u>2,716,146</u>
<b>CAPITAL AND DEFICIENCY</b>		<u><u>(14,332,187)</u></u>	<u><u>(11,033,107)</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

## 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 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 2025, the Group incurred net loss of RMB3,342,578,000. As at 30 June 2025, the Group’s net current liabilities amounted to RMB19,525,453,000 and net liabilities amounted to RMB14,332,187,000.

As at 30 June 2025, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB43,995,318,000 according to their scheduled repayment dates. As a result, as at 30 June 2025, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 30 June 2025, 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 Company has appointed Alvarez & Marsal Corporate Finance Limited as its financial adviser for its offshore debt restructuring. 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;

- 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 2025 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 2025.

### 3. ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

#### **Application of amendments to HKFRS Accounting Standard**

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by HKICPA, for the first time which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to a HKFRS Accounting Standard 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 2025				
	Property development	Property operation services	Hotel operations	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods and services</b>					
<i>Property development</i>					
Sales of completed properties	379,710	–	–	–	379,710
<i>Property operation services</i>					
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
<i>Hotel operations</i>					
Provision of hotel accommodation services	–	–	8,039	–	8,039
<i>Others</i>					
Property project management and other related services	–	–	–	244	244
	<u>379,710</u>	<u>1,384,986</u>	<u>8,039</u>	<u>244</u>	<u>1,772,979</u>
<b>Timing of revenue recognition</b>					
A point in time	379,710	2,958	–	244	382,912
Over time	–	1,382,028	8,039	–	1,390,067
	<u>379,710</u>	<u>1,384,986</u>	<u>8,039</u>	<u>244</u>	<u>1,772,979</u>

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

Segment	Property development	Property investment	Property operations services	Hotel operations	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue disclosed in segment information	379,710	110,453	1,387,084	8,039	244	1,885,530
Elimination	–	–	(2,098)	–	–	(2,098)
Leases	–	(110,453)	–	–	–	(110,453)
Revenue from contracts with customers	<u>379,710</u>	<u>–</u>	<u>1,384,986</u>	<u>8,039</u>	<u>244</u>	<u>1,772,979</u>

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

##### Disaggregation of revenue from contracts with customers (Continued)

Segment	For the period ended 30 June 2024				
	Property development	Property operation services	Hotel operations	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods and services</b>					
<i>Property development</i>					
Sales of completed properties	166,188	–	–	–	166,188
<i>Property operation services</i>					
Provision of property management services	–	1,287,440	–	–	1,287,440
Provision of value-added service	–	40,933	–	–	40,933
Provision of engineering services	–	3,713	–	–	3,713
<i>Hotel operations</i>					
Provision of hotel accommodation services	–	–	25,605	–	25,605
<i>Others</i>					
Property project management and other related services	–	–	–	2,678	2,678
	<u>166,188</u>	<u>1,332,086</u>	<u>25,605</u>	<u>2,678</u>	<u>1,526,557</u>
<b>Timing of revenue recognition</b>					
A point in time	166,188	5,784	–	2,678	174,650
Over time	–	1,326,302	25,605	–	1,351,907
	<u>166,188</u>	<u>1,332,086</u>	<u>25,605</u>	<u>2,678</u>	<u>1,526,557</u>

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

Segment	Property development	Property investment	Property operations services	Hotel operations	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue disclosed in segment information	166,188	114,723	1,333,711	25,605	2,678	1,642,905
Elimination	–	–	(1,625)	–	–	(1,625)
Leases	–	(114,723)	–	–	–	(114,723)
Revenue from contracts with customers	<u>166,188</u>	<u>–</u>	<u>1,332,086</u>	<u>25,605</u>	<u>2,678</u>	<u>1,526,557</u>

## 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 2025

Segment revenue and results (Unaudited)	Property	Property	Property	Hotel	Others	Total
	development	investment	operations	operations		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenues	379,710	110,453	1,387,084	8,039	244	1,885,530
Segment results	<u>(881,505)</u>	<u>(96,560)</u>	<u>127,146</u>	<u>(6,526)</u>	<u>10</u>	<u>(857,435)</u>

### Six months ended 30 June 2024

Segment revenue and results (Unaudited)	Property	Property	Property	Hotel	Others	Total
	development	investment	operations	operations		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenues	166,188	114,723	1,333,711	25,605	2,678	1,642,905
Segment results	<u>(808,078)</u>	<u>(30,909)</u>	<u>142,076</u>	<u>(80,653)</u>	<u>(4,089)</u>	<u>(781,653)</u>

*Note:* For the six months ended 30 June 2025, others are engaged in provision of property project management services.

Segment results represents the profit earned or loss incurred by each segment without allocation of exchange loss, interest income, share of results of associates and joint ventures, gain or loss on disposal of subsidiaries, associates and joint ventures, gain on debt restructuring, 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.

## 5. SEGMENT INFORMATION (Continued)

Reconciliation:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue:		
Total revenue for operating and reportable segments	1,885,530	1,642,905
Elimination of inter-segment revenues	<u>(2,098)</u>	<u>(1,625)</u>
Group's total revenue	<u><b>1,883,432</b></u>	<u><b>1,641,280</b></u>
Total segment results	(857,435)	(781,653)
Unallocated amounts:		
Interest income	8,394	4,672
Net exchange gain/(loss)	185,127	(247,893)
Finance costs	(2,217,949)	(1,975,237)
Share of results of associates and joint ventures	(317,570)	16,359
Net gain/(loss) on disposal of subsidiaries, associates and joint ventures	486	(38,042)
Gain on debt restructuring	8,186	–
Other unallocated gains and losses	(1,090)	1,560
Other unallocated expenses	<u>(57,579)</u>	<u>(32,146)</u>
Loss before tax	<u><b>(3,249,430)</b></u>	<u><b>(3,052,380)</b></u>

## 5. SEGMENT INFORMATION (Continued)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property development	47,458,827	47,863,818
Property investment	6,349,078	6,475,598
Property operation services	4,633,502	4,514,380
Hotel operations	19,297	28,098
Others	73,535	66,806
Total segment assets	58,534,239	58,948,700
Total unallocated assets	13,398,490	14,257,241
Group's total assets	71,932,729	73,205,941

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, equity instruments designated at FVTOCI, 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 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax in the PRC		
Enterprise income tax	55,040	73,397
Provision of		
Land appreciation tax, net of (over)/under-provision in the prior periods	(4,502)	35,898
	50,538	109,295
Deferred tax		
Charge/(credit) to profit and loss	42,610	(9,746)
	93,148	99,549

## 7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(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)	(2,707)	(4,122)
Interest income (included in other income)	(8,394)	(4,672)
Net exchange (gain)/loss	(185,127)	247,893
Loss on disposal of subsidiaries, net	–	3,055
(Gain)/loss on disposal of associates and joint ventures (included in other gains and losses)	(486)	34,987
Loss on disposal of property, plant and equipment and early termination of lease contracts (included in other gains and losses)	1,499	47,585
Write-down of properties for sales	643,431	499,873
Gain on debt restructuring	(8,186)	–

## 8. DIVIDENDS

During the six months ended 30 June 2025, no dividend in respect of the year ended 31 December 2024 was declared.

The Directors do not recommend the payment of an interim dividend for both the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

## 9. LOSS PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Loss for the period:</b>		
Loss for the purposes of basic and diluted loss per share		
(loss for the period attributable to owners of the Company)	<u><b>(3,171,041)</b></u>	<u>(3,161,480)</u>
<b>Number of shares ('000):</b>		
Weighted average number of ordinary shares for the purpose of		
basic and diluted loss per share	<u><b>5,772,598</b></u>	<u>5,772,598</u>

For the six months ended 30 June 2025 and 2024, 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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables		
– contracts with customers	1,751,141	1,701,752
– leasing	80,831	69,527
Other receivables	2,200,858	2,570,373
Loan receivables	126,445	103,785
Prepayments and other deposits	1,967,908	2,050,105
Prepayments to suppliers	339,151	341,815
Prepayments for construction work	1,137,375	1,308,262
Consideration receivables on disposal of equity interests in subsidiaries and an associate	2,091,752	2,661,583
Other tax prepayments	750,456	739,873
	10,445,917	11,547,075
Less: Amounts shown under non-current assets	(5,200)	(5,482)
Amounts shown under current assets	10,440,717	11,541,593

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.



## 10. TRADE AND OTHER RECEIVABLES (Continued)

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:

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
0 to 30 days	<b>251,592</b>	1,208,272
31 to 90 days	<b>224,271</b>	136,741
91 to 180 days	<b>227,992</b>	127,630
181 to 365 days	<b>889,972</b>	112,064
Over 1 year	<b>238,145</b>	186,572
	<b>1,831,972</b>	<b>1,771,279</b>

## 11. TRADE AND OTHER PAYABLES

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables	<b>3,224,654</b>	3,284,905
Deposit received	<b>198,288</b>	273,840
Other tax payables	<b>954,408</b>	878,575
Accrued staff costs	<b>165,117</b>	198,367
Other payables and accruals	<b>4,982,294</b>	4,477,578
	<b>9,524,761</b>	<b>9,113,265</b>

## 11. TRADE AND OTHER PAYABLES (Continued)

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:

	<b>30 June</b>	31 December
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 1 year	<b>483,698</b>	3,089,459
Over 1 year	<b>2,740,956</b>	195,446
	<b>3,224,654</b>	3,284,905

## **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 RMB3,342,578,000 for the period ended 30 June 2025. As at 30 June 2025, the Group's net current liabilities amounted to RMB19,525,453,000 and net liabilities amounted to RMB14,332,187,000.

As at 30 June 2025, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB43,995,318,000 according to their scheduled repayment dates. As a result, as at 30 June 2025, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 30 June 2025, 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 disposing of the Group's equity interest in project development companies when suitable; and (iv) 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*

From January to June 2025, the Group achieved contracted sales of approximately RMB459 million and contracted sales area of 66,920 sq.m.

In the first half of 2025, 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 attributable to different product categories from January to June 2025**

During the reporting period, the contracted sales amount of the Group was mainly derived from sales in 8 cities, including Beijing, Shenzhen, Chengdu, Guilin and Kunming, and from approximately 20 projects, including Kunming Haoweilai, Chengdu Grande Valley, Qingdao Biyuntian, Shenzhen Good Time Jiayuan, Chongqing Hockney’s Good Time, Foshan Guangyayuan and others. 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 2025				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	458	99.91%	66,584	99.50%
Urban Complexes	1	0.09%	336	0.50%
Total	459	100%	66,920	100%

## Contracted sales amount and area in each region from January to June 2025

From January to June 2025				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Guangdong-Hong Kong - Macao Greater Bay Area	126	27.45%	5,747	8.59%
Chengdu-Chongqing Metropolitan Area	131	28.54%	40,992	61.25%
Central China Metropolitan Area	25	5.45%	3,669	5.48%
Yangtze River Delta Metropolitan Area	15	3.27%	4,087	6.11%
Bohai Rim Metropolitan Area	162	35.29%	12,425	18.57%
Total	459	100%	66,920	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 2025, 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's Shenzhen Good Time project in Shenzhen and Foshan Guangyayuan in Foshan were under normal construction progress and the projects were delivered on schedule. Meanwhile, the Group also ensured stable sales of these projects in the local area, further consolidating its market position in the Greater Bay Area.

During the reporting period, the Group achieved total contracted sales of RMB126 million and total contracted sales area of 5,747 sq.m. in Shenzhen, Foshan and Huizhou and other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, contributing to approximately 27.45% and 8.59% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2025.

## **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 recorded total contracted sales of RMB131 million and total contracted sales area of 40,992 sq.m. in Chengdu, Kunming, Guilin and other cities in the Chengdu-Chongqing Metropolitan Area, contributing to approximately 28.54% and 61.25% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2025.

## **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 recorded total contracted sales of RMB25 million and total contracted sales area of 3,669 sq.m. in cities such as Wuhan and Zhengzhou in the Central China Metropolitan Area, contributing to approximately 5.45% and 5.48% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2025.

## **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. After experiencing market volatility, the Group responded positively to the challenges and maintained stable sales.

During the reporting period, the Group recorded total contracted sales of RMB15 million and total contracted sales area of 4,087 sq.m. in Nanjing, Shanghai and other cities in the Yangtze River Delta Metropolitan Area, contributing to approximately 3.27% and 6.11% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2025.

## **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 2025, the Group rapidly promoted the construction and sales of projects in the region, of which Beijing Mentougou and Qingdao Biyuntian maintained relatively stable sales results.

During the reporting period, the Group recorded total contracted sales of RMB162 million and total contracted sales area of 12,425 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 35.29% and 18.57% of the total contracted sales and total contracted sales area of properties of the Group respectively in the interim period of 2025.

### **Completed Projects**

The Group completed a total of 1 phase of projects with a total GFA of approximately 15,943 sq.m. during the reporting period.

### **Projects under construction**

As at 30 June 2025, the Group had a total of 13 projects or phases of projects under construction with a total GFA of 1,341,547 sq.m..

### **Projects held for development**

As at 30 June 2025, 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 2025, 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 7,263,455 sq.m..

Land Bank Summary			
City Company	Projects under construction	Projects held for development	Aggregate GFA of land bank
	(sq.m.)	(sq.m.)	(sq.m.)
South China	251,214	706,025	957,239
North China	128,612	3,708,163	3,836,775
Southwest China	782,274	1,117,600	1,899,874
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 different 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 promotes smart community construction by proactively utilising 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 the residents. The Group has established a powerful digitalized "cloud" system in the head office, which minimised the dependency on function and scope of "management" and strengthened the service capacity of the "terminal", so as to organise 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 services, 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 orders, 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, centralised and standardized management system, the Group has realised excellent capacity of cost control under the premise of securing customer satisfaction.

While focusing on improving service efficiency, the Group is dedicated to build a "hustle and bustle" communities. The Group has taken the initiative to organise 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 ultimate 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 interactions 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, (iv) provision of hotel accommodation services, and (v) other related services. For the six months ended 30 June 2025, revenue of the Group amounted to approximately RMB1,883 million, representing an increase of 14.8% from approximately RMB1,641 million for the corresponding period of 2024.

### **Property Development**

The Company recognises 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 increased by 128.5% to approximately RMB380 million for the six months ended 30 June 2025 from approximately RMB166 million for the corresponding period in 2024, which was due to the GFA of delivered properties increased 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 2025 and 2024.

	From January to June 2025			From January to June 2024		
	Total Revenue	GFA Sold	Average Selling Price	Total Revenue	GFA Sold	Average Selling Price
	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.
Shenzhen Good Time	95,518	3,932	24,292	39,522	1,194	33,106
Tianjin Jiatianxia	84,873	9,893	8,579	–	–	–
Hockney's Good Times	64,403	4,369	14,740	28,634	1,950	14,683
Qingdao Biyuntian	27,107	3,757	7,215	25,224	3,594	7,018
Wuhan Biyuntian	18,732	1,851	10,120	–	–	–
Chengdu Grande Valley	12,750	2,865	4,450	18,694	4,646	4,023
Guilin Lakeside Eden	11,668	2,898	4,026	18,200	4,306	4,227
Zhengzhou Good Time	19,546	1,602	12,201	–	–	–
Kunming Good Future	6,422	1,536	4,181	–	–	–
Others	38,691			35,914		
	379,710			166,188		

## Property Investment

Revenue generated from property investment decreased by 3.7% to approximately RMB110 million for the six months ended 30 June 2025 from approximately RMB115 million for the corresponding period in 2024. The decrease was primarily due to the reduction in the area of investment properties leased to external parties and a decline in the occupancy rate.

## Property Operation Services

Revenue derived from property operation services increased by 4% to approximately RMB1,385 million for the six months ended 30 June 2025 from approximately RMB1,332 million for the corresponding period in 2024, primarily due to the increase in the number of services provided by the Group in 2025.

## **Hotel Operations**

Revenue derived from hotel accommodation services decreased by 68.6% to approximately RMB8 million for the six months ended 30 June 2025 from approximately RMB26 million for the corresponding period in 2024, mainly due to the disposal of certain hotel assets and transfer to investment properties during the second half of 2024.

## **Gross Profit and Gross Profit Margin**

Gross profit of the Group decreased by 9.1% to approximately RMB329 million for the six months ended 30 June 2025 from approximately RMB362 million for the corresponding period in 2024, while the Group's gross profit margin was approximately 17.5% for the six months ended 30 June 2025 as compared to a gross profit margin of approximately 22.1% for the corresponding period in 2024. The decline in gross profit margin was mainly due to a further decline in gross profit from property development.

## **Other Income, Gains and Losses**

The Group recorded net other gains in the period of approximately RMB201 million (net loss for the same period in 2024: approximately RMB329 million). The change was mainly due to the net exchange gains or losses arising from the senior notes denominated in USD.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses decreased by 35.7% to approximately RM28 million for the six months ended 30 June 2025 from approximately RMB44 million for the corresponding period in 2024, mainly due to the decrease in advertising expenses for the sales of properties.

## **Administrative Expenses**

The Group's administrative expenses decreased by 15.5% to approximately RMB294 million for the six months ended 30 June 2025 from approximately RMB348 million for the corresponding period in 2024. The change was primarily due to 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 12.3% to approximately RMB2,218 million for the six months ended 30 June 2025 from approximately RMB1,975 million for the corresponding period in 2024. The increase in finance costs was primarily due to the decrease in the amount of capitalised interests.

## **Income Tax Expense**

The Group's income tax expense for the six months ended 30 June 2025 was approximately RMB93 million, remaining stable compared to approximately RMB100 million for the corresponding period in 2024.

## **Liquidity, Financial Resources and Capital Structure**

### ***Cash Position***

As at 30 June 2025, the Group's total bank balances and cash were approximately RMB1,249 million (31 December 2024: approximately RMB1,724 million), representing a decrease of 27.6% as compared to that as at 31 December 2024. 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 2025, the Group had aggregate borrowings, senior notes and bonds and asset-backed securities issued of approximately RMB18,025 million (31 December 2024: approximately RMB17,948 million), approximately RMB48,649 million (31 December 2024: approximately RMB47,043 million) and approximately RMB298 million (31 December 2024: RMB289 million), respectively. Amongst the borrowings, approximately RMB16,430 million (31 December 2024: approximately RMB16,041 million) will be repayable within one year and approximately RMB1,595 million (31 December 2024: approximately RMB1,907 million) will be repayable after one year. Amongst the senior notes and bonds, approximately RMB41,060 million (31 December 2024: approximately RMB39,120 million) will be repayable within one year and approximately RMB7,589 million (31 December 2024: approximately RMB7,923 million) will be repayable after one year.

As at 30 June 2025, 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, borrowings and lease liabilities, the Group does not have any other material direct exposure to foreign exchange fluctuations.

### ***Commitments***

As at 30 June 2025, the Group had committed payment for the construction and property development amounting to approximately RMB673 million (31 December 2024: RMB880 million), respectively.

### ***Contingent Liabilities***

- (a) As of 30 June 2025, the Group had provided guarantees amounting to approximately RMB2,575 million (31 December 2024: approximately RMB5,972 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 several 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 2025, the Group's aggregate shares of such guarantees provided in respect of loans borrowed by these joint ventures and associates amounted to approximately RMB5,925 million. In the opinion of the Directors, the possibility of the default of the purchasers is remote and the fair value of guarantee contracts is insignificant at the inception and at the end of each reporting date.

## ***Employees and Remuneration Policies***

As at 30 June 2025, excluding the employees of communities managed on a commission basis, the Group had approximately 17,632 employees (31 December 2024: approximately 18,596 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 2025 (six months ended 30 June 2024: nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

### **Senior Notes and Bonds**

For the six months ended 30 June 2025, 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 2025 and as at 30 June 2025, 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.

On 4 August 2025, the Company has entered into a restructuring support agreement (the “**RSA**”) with a special group of creditors holding more than 34.9% of the aggregate outstanding principal amount of the Existing Notes. Further information on the RSA and the terms of the Restructuring are set out in the announcements of the Company dated 31 March 2025, 30 April 2025, 1 June 2025, 16 June 2025, 22 June 2025, 25 June 2025, 27 June 2025, 3 July 2025, 11 July 2025, 18 July 2025, 25 July 2025 and 4 August 2025.

## **(ii) Onshore debts**

For domestic public bonds, the relevant resolutions regarding the adjustment of the principal and interest repayment arrangements for five domestic public bonds were approved, and the repayment date for the principal and interest due in 2024 has been adjusted to 31 December 2025.

## **SIGNIFICANT INVESTMENTS**

As at 30 June 2025, the Company did not have any significant investments.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the Period, Colour Life implemented a rights issue (the “**Colour Life Rights Issue**”) on the basis of one (1) rights shares for every four (4) existing shares of Colour Life (the “**Colour Life Shares**”) held by the qualifying shareholders at the subscription price of HK\$0.165 per rights share. Taking into account, among others, its financial position, the Company did not participate in the Colour Life Rights Issue. As disclosed in Colour Life’s announcement of 24 March 2025, a total of 371,881,438 Colour Life Shares were issued under the Colour Life Rights Issue. As a result, the shareholding interest of the Company in Colour Life had been diluted from approximately 52.44% to approximately 41.95%. Colour Life remains a subsidiary of the Company and its financial results would continue to be consolidated in the financial statements of the Company. The deemed disposal of interest in Colour Life by the Company constituted a discloseable transaction of the Company subject to the announcement requirement under Chapter 14 of the Listing Rules. For further details, please refer to the Company’s announcement on 27 January 2025.



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

## **IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

There are no important events affecting the Group which have occurred since the end of the 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 2024 and the condensed consolidated financial statements of the Group for the period ended 30 June 2025 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 42 to 43 of the 2024 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 54 of the 2024 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 53 to 54 of the 2024 Annual Report and the "Review Report of Condensed Consolidated Financial Statement" set out in the 2025 Interim Report to be published, the Company's independent auditor, did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2024 and the condensed consolidated financial statements of the Group for the period ended 30 June 2025. 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 43 to 45 of the 2024 Annual Report and the 2025 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 of the Company (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 2024 Annual Report and the 2025 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 value 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.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) during the Period, save for the deviation as disclosed below.

Code provision C.1.8 of the CG Code provides that an issuer should arrange appropriate insurance cover in respect of legal action against its directors. During the six months ended 30 June 2025, 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 executive officers in relation to legal actions against Directors and senior management arising from the activities of the Company. The Company will continue to identify a suitable insurance company and arrange appropriate liability insurance for the Directors as soon as practicable.

Effective from 22 May 2025, Mr. Kwok Chi Shing resigned as an independent non-executive director of the Company. As a result of Mr. Guo's resignation, the Company failed to comply with (i) Rules 3.10(1) and 3.10A of the Listing Rules which require that the Board must include at least three independent non-executive Directors and the number of independent non-executive Directors must represent at least one-third of the Board; (ii) Rule 3.21 of the Listing Rules which requires that the Audit Committee must comprise a minimum of three members and must be chaired by an independent non-executive Director; and (iii) Rule 3.27A of the Listing Rules which requires that the Nomination Committee must comprise a majority of independent non-executive Directors. The Company re-complied with the aforesaid requirements upon the appointment of Mr. Leung Yiu Cho as an independent non-executive director on 11 July 2025.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 of the Listing Rules 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 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](http://www.hkexnews.hk)) as well as the website of the Company ([www.cnfantasia.com](http://www.cnfantasia.com)).

By order of the Board  
**Fantasia Holdings Group Co., Limited**  
**Cheng Jianli**  
*Chairman*

Hong Kong, 29 August 2025

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