禹洲集團控股有限公司
YUZHOU GROUP HOLDINGS COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01628)

INTERIM RESULTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

The board of directors (the "**Board**") of Yuzhou Group Holdings Company Limited (the "**Company**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**" or "**Yuzhou Group**") for the six-month period ended 30 June 2025 (the "**Period**"). These interim results have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". These interim results have also been reviewed by the audit committee of the Company.

FINANCIAL HIGHLIGHTS

1. Contracted sales achieved RMB3,728.51 million for the six-month period ended 30 June 2025, decreased by 14.21% on a period-on-period basis.

2. Revenue decreased by 62.42% from RMB6,377.54 million for the six-month period ended 30 June 2024 to RMB2,396.52 million for the six-month period ended 30 June 2025.

3. Loss attributable to owners of the parent was RMB5,632.06 million for the six-month period ended 30 June 2025 compared to loss attributable to owners of the parent of RMB6,255.98 million for the six-month period ended 30 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2025

	Notes	For the six-month period ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	3	**2,396,521**	6,377,536
Cost of sales		**(2,373,971)**	(6,269,505)
Gross profit		**22,550**	108,031
Fair value loss on investment properties, net		**(727,389)**	(346,271)
Other income and gains	3	**19,631**	31,708
Selling and distribution expenses		**(73,083)**	(135,754)
Administrative expenses		**(684,847)**	(201,699)
Other expenses		**(26,643)**	(186,430)
Write-down of properties held for sale and properties under development to net realisable value		**(2,923,061)**	(3,300,538)
Impairment of investments in joint ventures and associates		**(13,918)**	(109,451)
Impairment of other receivables		**(508,138)**	(1,564,173)
Remeasurement of financial guarantee contracts		**(249,343)**	(177,084)
Finance costs	5	**(1,874,212)**	(1,898,184)
Share of profits and losses of joint ventures		**(285,266)**	45,070
Share of profits and losses of associates		**(254,504)**	(155,334)
LOSS BEFORE TAX	6	**(7,578,223)**	(7,890,109)
Income tax credit/(expense)	7	**186,690**	(122,692)
LOSS FOR THE PERIOD		**(7,391,533)**	(8,012,801)
Attributable to:			
Owners of the parent		**(5,632,062)**	(6,255,983)
Non-controlling interests		**(1,759,471)**	(1,756,818)
		(7,391,533)	(8,012,801)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic *(RMB cents per share)*	9	**(88.28)**	(97.79)
Diluted *(RMB cents per share)*	9	**(88.28)**	(97.79)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2025

	For the six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(7,391,533)**	(8,012,801)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**97,959**	(307,178)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**97,959**	(307,178)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(7,293,574)**	(8,319,979)
Attributable to:		
Owners of the parent	**(5,534,103)**	(6,563,161)
Non-controlling interests	**(1,759,471)**	(1,756,818)
	(7,293,574)	(8,319,979)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 *RMB'000* (Unaudited)	31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**2,074,941**	2,106,871
Investment properties		**10,447,400**	11,188,200
Investments in joint ventures		**1,755,073**	2,060,673
Investments in associates		**4,644,790**	4,847,499
Financial assets at fair value through profit or loss		**5,100**	5,100
Deferred tax assets		**665,308**	683,170
Total non-current assets		**19,592,612**	20,891,513
CURRENT ASSETS			
Land held for property development for sale		**1,624,455**	1,624,455
Properties under development		**13,526,029**	18,112,748
Properties held for sale		**13,043,927**	13,037,581
Prepayments, other receivables and other assets		**22,452,918**	24,856,097
Prepaid corporate income tax		**600,712**	695,411
Prepaid land appreciation tax		**888,604**	871,841
Restricted cash		**1,511,400**	1,858,068
Cash and cash equivalents		**1,296,840**	1,119,141
Total current assets		**54,944,885**	62,175,342
CURRENT LIABILITIES			
Contract liabilities		**4,668,811**	5,361,237
Trade payables	*10*	**7,332,144**	7,960,003
Other payables and accruals		**25,587,825**	24,030,690
Interest-bearing bank and other borrowings		**6,067,922**	5,625,105
Corporate bonds	*11*	**269,750**	900,000
Senior notes	*12*	**38,618,153**	38,789,815
Corporate income tax payables		**1,938,976**	1,979,475
Provision for land appreciation tax		**1,214,652**	1,330,573
Total current liabilities		**85,698,233**	85,976,898
NET CURRENT LIABILITIES		**(30,753,348)**	(23,801,556)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(11,160,736)**	(2,910,043)

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**4,446,560**	5,330,302
Corporate bonds	*11*	**2,569,250**	1,975,000
Deferred tax liabilities		**1,270,068**	1,520,341
Total non-current liabilities		**8,285,878**	8,825,643
Net liabilities		**(19,446,614)**	(11,735,686)
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**559,947**	559,947
Senior perpetual securities		**1,911,986**	1,911,986
Reserves		**(20,686,036)**	(15,019,383)
		(18,214,103)	(12,547,450)
Non-controlling interests		**(1,232,511)**	811,764
Capital deficiency		**(19,446,614)**	(11,735,686)

1. CORPORATE AND GROUP INFORMATION

Yuzhou Group Holdings Company Limited is a limited liability company incorporated in the Cayman Islands and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited.

During the period, the Company and its subsidiaries were principally engaged in property development, property investment, property management and hotel operations in the mainland of the People's Republic of China (the "**PRC**" or "**Mainland China**") and Hong Kong.

In the opinion of the directors of the Company (the "**Directors**"), Mr. Lam Lung On and Ms. Kwok Ying Lan, both being directors of the Company, are considered as the controlling shareholders of the Company.

2.1 BASIS OF PRESENTATION

The condensed consolidated financial statements for the six-month period ended 30 June 2025 has been prepared under the going concern basis. The Group was not able to make payments of principal and interest on certain senior notes when they became due and upon the expiry of the relevant grace period, and as a result an event of default has occurred in respect of such senior notes. The holders of such senior notes may, subject to the conditions under the relevant indentures governing such senior notes, demand immediate redemption of the senior notes, which may further trigger cross default of the Group's other senior notes. Hence, the Group has reclassified all senior notes to current liabilities as at the period end date. The Group's interest-bearing bank and other borrowings, corporate bonds and senior notes amounted to an aggregate principal amount of RMB51,971,635,000 while cash and cash equivalent was RMB1,296,840,000 only. The Group incurred a loss attributable to owners of the parent of RMB5,632,062,000 for the six-month period ended 30 June 2025 and, as of that date, the Group had net current liabilities and net liabilities of RMB30,753,348,000 and RMB19,446,614,000 respectively.

In view of the above, the Group has formulated and implemented various measures to alleviate cash flow pressures and improve its financial position. It has taken or will take, including but not limited to, the following plans and measures, to enable the Group to have sufficient financial resources to meet its financial obligations as and when they fall due:

(a) each of the restructuring conditions of the Group's proposed offshore indebtedness restructuring scheme (the "**Restructuring Scheme**") has been satisfied and the restructuring effective date has occurred on 29 August 2025. As a result, the Group's offshore indebtedness under the Restructuring Scheme, including the US$-denominated senior notes, perpetual securities and borrowings from offshore banks and financial institutions, with a total principal amount of approximately US$6.68 billion together with the relevant accrued interests has been fully discharged by the relevant scheme arrangements in exchange for the (i) short-term notes, (ii) cash consideration, (iii) medium-term notes, (iv) new equity and (v) long-term notes on the restructuring effective date;

(b) the Group has been actively implementing measures to promote sales, inventory clearance and guarantee for housing delivery;

(c) the Group has been in the process of implementing an asset disposal plan for investment properties to generate additional cash inflows;

(d) the Group will continue to monitor its cash flow and work with professional advisers to assess and take necessary steps to preempt or mitigate risk of non-payment (if any) in respect of the Group's outstanding indebtedness. In respect of the Group's offshore indebtedness, in the event of a funding shortfall, the Group will promptly implement liability management on offshore indebtedness, including but not limited to the new notes, to ensure that its obligations as a borrower can be met; and

(e) the Group has implemented cost control measures and minimized capital expenditures to preserve liquidity for on-going development of its existing property development projects and operation of other businesses.

Taking into account the financial resources available to the Group, including internally generated funds from its operations, the proceeds from the rights issue on the basis of 49 Rights Shares for every 100 Shares held on the record date on a non-underwritten basis (the "**Rights Issue**"), the existing borrowings, and based on the assumptions that (i) the Proposed Restructuring will be consummated; (ii) the Group will be able to renew repayment schedules of bank and other borrowings as forecast; (iii) the relevant lenders of the existing bank and other borrowings will not exercise their rights to demand immediate repayment of the relevant borrowings prior to their scheduled contractual repayment dates; and (iv) the Group will be able to effectively preempt or mitigate risk of non-payment (if any) in respect of the Group's outstanding indebtedness, in the absence of unforeseeable circumstances, the Directors, after due and careful consideration, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of approval of the condensed consolidated financial statements and it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

2.2 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 ("**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. Other than change in accounting policies resulting from application of amendments to a HKFRS Accounting Standard, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six-month period ended 30 June 2025 are consistent with those used in the Group's annual financial statements for the year ended 31 December 2024.

2.3 APPLICATION OF AMENDMENTS TO A HKFRS ACCOUNTING STANDARD

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the 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	Lack of Exchangeability

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

3. REVENUE, OTHER INCOME AND GAINS

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

	For the six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Revenue from contracts with customers:		
Sales of properties	**2,174,382**	6,128,391
Rental income from investment properties	**116,897**	122,619
Property management fee income	**105,234**	125,423
Hotel operation income	**8**	1,103
	2,396,521	6,377,536
Other income and gains		
Bank interest income	**13,834**	27,398
Others	**5,797**	4,310
	19,631	31,708

4. OPERATING SEGMENT INFORMATION

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

(a) the property development segment engages in the development and sale of properties;

(b) the property investment segment invests in properties for their rental income potential and/or for capital appreciation;

(c) the property management segment engages in the provision of property management services;

(d) the hotel operation segment engages in the operation of hotels; and

(e) the others segment comprises corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's loss before tax except that interest income and finance costs are excluded from such measurement. Segment assets and liabilities are not reported to the Group's chief operating decision maker regularly.

For the six-month period ended 30 June 2025

	Property development *RMB'000* (Unaudited)	Property investment *RMB'000* (Unaudited)	Property management *RMB'000* (Unaudited)	Hotel operation *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue						
Sales to external customers	**2,174,382**	**116,897**	**105,234**	**8**	**–**	**2,396,521**
Other income and gains	**5,280**	**454**	**53**	**–**	**10**	**5,797**
Total	**2,179,662**	**117,351**	**105,287**	**8**	**10**	**2,402,318**
Segment results	**(5,122,374)**	**(619,394)**	**33,945**	**(162)**	**(9,860)**	**(5,717,845)**
Reconciliation:						
Interest income						**13,834**
Finance costs						**(1,874,212)**
Loss before tax						**(7,578,223)**
Income tax credit						**186,690**
Loss for the period						**(7,391,533)**

For the six-month period ended 30 June 2024

	Property development *RMB'000* (Unaudited)	Property investment *RMB'000* (Unaudited)	Property management *RMB'000* (Unaudited)	Hotel operation *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue						
Sales to external customers	6,128,391	122,619	125,423	1,103	–	6,377,536
Other income and gains	3,336	631	17	–	326	4,310
Total	6,131,727	123,250	125,440	1,103	326	6,381,846
Segment results	(5,849,235)	(291,290)	117,917	954	2,331	(6,019,323)
Reconciliation:						
Interest income						27,398
Finance costs						(1,898,184)
Loss before tax						(7,890,109)
Income tax expense						(122,692)
Loss for the period						(8,012,801)

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the Directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

Information about a major customer

During the six-month periods ended 30 June 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank and other borrowings, corporate bonds and senior notes	**2,062,908**	2,132,214
Less: Interest capitalised	**(188,696)**	(234,030)
	1,874,212	1,898,184

6. LOSS BEFORE TAX

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

	For the six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**2,306,839**	6,185,653
Cost of services provided	**67,132**	79,071
Depreciation	**25,342**	25,945
Fair value loss on financial assets at fair value through profit and loss*	**–**	55,792
Impairment of goodwill*	**–**	65,963
Employee benefit expense (including directors' and chief executive officer's remuneration):		
Wages and salaries	**60,430**	59,238
Equity-settled share option expenses	**2,953**	3,185
Retirement benefit scheme contributions	**9,833**	10,242
Less: amount capitalised	**(8,535)**	(9,192)
	64,681	63,473
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**7,387**	6,016

* These items are included in "Other expenses" in the condensed consolidated statement of profit or loss.

7. INCOME TAX

No provision for Hong Kong profits tax has been made for the period as the Group has no assessable profits generated during the period (six-month period ended 30 June 2024: Nil). The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for each of the six-month periods ended 30 June 2025 and 2024.

An analysis of the income tax (credit)/charge for the period is as follows:

	For the six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current:		
PRC corporate income tax	**108,375**	103,346
Over provision in prior years	**(80,774)**	(78,718)
PRC land appreciation tax	**18,120**	11,354
	45,721	35,982
Deferred:		
Current period	**(232,411)**	86,710
Total tax (credit)/charge for the period	**(186,690)**	122,692

8. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six-month periods ended 30 June 2025 and 2024.

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

The calculation of the basic loss per share amount for the periods ended 30 June 2025 and 2024 is based on the loss for the period attributable to owners of the parent, adjusted for the distribution related to senior perpetual securities, and the weighted average number of ordinary shares of 6,543,909,500 (six-month period ended 30 June 2024: 6,543,909,500) in issue less the weighted average number of shares of 10,324,504 (six-month period ended 30 June 2024: 10,324,504) held under the share award scheme.

The calculation of the diluted loss per share amount for the six-month period ended 30 June 2025 is based on the loss for the period attributable to owners of the parent, adjusted for the distribution related to senior perpetual securities, and the weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

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

	For the six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the parent	**(5,632,062)**	(6,255,983)
Distribution related to senior perpetual securities	**(135,503)**	(133,044)
Loss used in the basic and diluted loss per share calculations	**(5,767,565)**	(6,389,027)

	Number of shares For the six-month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the period, used in the basic loss per share calculation	**6,533,584,996**	6,533,584,996
Weighted average number of ordinary shares in issue during the period, used in the diluted loss per share calculation	**6,533,584,996**	6,533,584,996

10. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**4,116,582**	4,784,145
1 to 2 years	**3,215,562**	3,175,858
	7,332,144	7,960,003

The trade payables are non-interest-bearing and unsecured.

11. CORPORATE BONDS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Corporate bonds due in 2024	**1,075,000**	1,075,000
Corporate bonds due in 2025	**1,764,000**	1,800,000
	2,839,000	2,875,000
Portion classified as current liabilities	**(269,750)**	(900,000)
Non-current liabilities	**2,569,250**	1,975,000

Included in the above are bonds in an aggregate principal amount of:

(i) RMB2,000,000,000 corporate bonds due in 2024 issued by a subsidiary of the Company in April 2019 (the "**6.5% Corporate Bonds**"). The 6.5% Corporate Bonds have a term of five years and bear interest at a rate of 6.5% per annum. The 6.5% Corporate Bonds are unsecured. At the end of the second, third and fourth year, the subsidiary of the Group shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to the Group. In April 2021, the coupon rate was adjusted to 6.98% per annum. During the year ended 31 December 2023, a Chinese state-owned asset management company made a redemption for a 6.5% Corporate Bonds with a principal amount of RMB925,000,000. In April 2024, the coupon rate was adjusted to 6% per annum, and the Group obtained approval from the respective bondholders of the 6.5% Corporate Bonds for the extension of the maturity date. According to the related extension arrangement, the Group is required to settle 5% of the outstanding principal in April 2026, 10% in October 2026 and the remaining 85% in 2027, therefore the remaining balance of RMB53,750,000 and RMB1,021,250,000 are classified as current liabilities and non-current liabilities respectively as at 30 June 2025. The 6.5% Corporate Bonds were classified as non-current liabilities as at 31 December 2024.

(ii) RMB1,500,000,000 corporate bonds due in 2025 issued by a subsidiary of the Company in July 2020 (the "**6.5% Corporate Bonds II**"). The 6.5% Corporate Bonds II have a term of five years and bear interest at a rate of 6.5% per annum. At the end of the second and fourth year, the subsidiary of the Group shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to the Group. During the years ended 31 December 2022, 2023 and 2024, the Group repaid RMB75,000,000, RMB356,250,000 and RMB168,750,000 of the corporate bonds respectively. During the reporting period, the Group repaid RMB18,000,000 of the corporate bonds and the remaining balance is RMB882,000,000 as at 30 June 2025. In January 2025, the coupon rate was adjusted to 4% per annum, and the Group obtained approval from the respective bondholders of the 6.5% Corporate Bonds II for the extension of the maturity date. According to the related extension arrangement, the Group is required to settle 4% of the outstanding principal in July 2025, 8% in January 2026, 10% in July 2026, 30% in 2027, and the remaining 46% in 2028. Therefore, as at 30 June 2025, the remaining balance of RMB108,000,000 is classified as current liabilities, and RMB774,000,000 is classified as non-current liabilities. The 6.5% Corporate Bond II are pledged over the Group's equity interests in certain subsidiaries. The balance of RMB450,000,000 and RMB450,000,000 were classified as current liabilities and non-current liabilities respectively as at 31 December 2024.

(iii) RMB1,500,000,000 corporate bonds due in 2025 issued by a subsidiary of the Company in September 2020 (the "**6.5% Corporate Bonds III**"). The 6.5% Corporate Bonds III have a term of five years and bear interest at a rate of 6.5% per annum. At the end of the second and fourth year, the subsidiary of the Group shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to the Group. During the years ended 31 December 2022, 2023 and 2024, the Group repaid RMB75,000,000, RMB356,250,000 and RMB168,750,000 of the corporate bonds respectively. During the reporting period, the Group repaid RMB18,000,000 of the corporate bonds and the remaining balance is RMB882,000,000 as at 30 June 2025. In January 2025, the coupon rate was adjusted to 4% per annum, and the Group obtained approval from the respective bondholders of the 6.5% Corporate Bonds III for the extension of the maturity date. According to the related extension arrangement, the Group is required to settle 4% of the outstanding principal in September 2025, 8% in March 2026, 10% in September 2026, 30% in 2027, and the remaining 46% in 2028. Therefore, as at 30 June 2025, the remaining balance of RMB108,000,000 is classified as current liabilities, and RMB774,000,000 is classified as non-current liabilities. The 6.5% Corporate Bond III are pledged over the Group's equity interests in certain subsidiaries. The balance of RMB450,000,000 and RMB450,000,000 were classified as current liabilities and non-current liabilities respectively as at 31 December 2024.

12. SENIOR NOTES

		30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Notes	**Effective interest rate (%)**	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
2016 Senior Notes – 6%	*(a)*	**6.26**	**2023**	**1,765,890**	6.26	2023	1,778,172
2017 Senior Notes – 6%	*(b)*	**6.35**	**2022**	**82,954**	6.35	2022	83,532
2019 Senior Notes – 8.625%	*(c)*	**9.40**	**2022**	**102,005**	9.40	2022	102,714
2019 Senior Notes I – 8.5%	*(d)*	**8.81**	**2023**	**3,531,780**	8.81	2023	3,556,345
2019 Senior Notes II – 8.5%	*(e)*	**8.85**	**2024**	**3,531,780**	8.85	2024	3,556,345
2019 Senior Notes – 6%	*(f)*	**7.74**	**2023**	**2,825,425**	7.74	2023	2,845,076
2019 Senior Notes – 8.375%	*(g)*	**8.63**	**2024**	**3,510,590**	8.63	2024	3,535,007
2019 Senior Notes – 8.3%	*(h)*	**8.56**	**2025**	**3,432,890**	8.56	2025	3,440,022
2020 Senior Notes – 7.375%	*(i)*	**7.52**	**2026**	**4,491,742**	7.52	2026	4,501,284
2020 Senior Notes – 7.7%	*(j)*	**7.87**	**2025**	**2,825,425**	7.87	2025	2,830,172
2020 Senior Notes – 7.85%	*(k)*	**8.01**	**2026**	**2,079,707**	8.01	2026	2,084,319
2021 Senior Notes – 6.35%	*(l)*	**6.36**	**2027**	**3,926,070**	6.36	2027	3,919,641
2021 Senior Notes – 8.5%	*(m)*	**18.06**	**2022**	**812,309**	18.06	2022	817,959
2021 Senior Notes – 9.95%	*(n)*	**14.06**	**2023**	**1,264,377**	14.06	2023	1,273,171
2021 Senior Notes – 12%	*(o)*	**14.66**	**2023**	**706,356**	14.66	2023	711,269
2022 Senior Notes – 7.8125%	*(p)*	**10.07**	**2023**	**3,728,853**	10.07	2023	3,754,787
				38,618,153			38,789,815
Portion classified as current liabilities				**(38,618,153)**			(38,789,815)
Non-current portion				**–**			–

Notes: During the six-month period ended 30 June 2025, the Group failed to pay off a US$227,328,000 (equivalent to RMB1,605,742,000) senior notes' interest and non-payment of senior notes with principal in total of US$886,000,000 (equivalent to RMB6,258,315,000). As of 30 June 2025, the Group failed to pay off a US$1,512,824,000 (equivalent to RMB10,685,924,000) senior notes' interest and non-payment of senior notes with principal in total of US$3,981,085,000 (equivalent to RMB28,120,634,000). Such non-payment of interest or overdue principal have caused an event of default under the senior notes agreements. As a result, all note holders have right to demand immediate repayment of the principal and accrued interest. As at 30 June 2025, all senior notes are classified as current liabilities.

13. EVENTS AFTER THE REPORTING PERIOD

(a) On 9 July 2025, the Rights Issue became unconditional and a total of 71 valid acceptances and applications in respect of a total of 2,690,960,456 Rights Shares had been received, representing approximately 83.92% of the maximum number of 3,206,515,655 Rights Shares offered under the Rights Issue. The gross proceeds raised from the Rights Issue are approximately HK$94.2 million and the net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK$92.2 million.

(b) Regarding the Group's offshore indebtedness restructuring, each of the Restructuring Conditions had been satisfied and the Restructuring Effective Date occurred on 29 August 2025. As a result, the Group's offshore indebtedness with a total principal amount of approximately US$6.68 billion together with the relevant accrued interests under the Schemes (excluding the Scheme Excluded Liabilities) has been fully discharged and waived in exchange for the payment/issuance of certain amount of cash, new Shares (i.e. New Equity) and new notes to the Scheme Creditors on the Restructuring Effective Date in accordance with the terms of the Schemes.

(c) Subsequent to the reporting period and up to the date of approval of these interim condensed consolidated financial statements, a total number of 5,645,000,000 new Shares (i.e. New Equity) were issued on the Restructuring Effective Date (i.e. 29 August 2025) to the Scheme Creditors as part of the Scheme Consideration Entitlements, representing approximately 37.9% of the total number of issued Shares immediately after the allotment of New Equity.

Further details are set out in the Company's announcements dated 15 July 2025 and 29 August 2025 (capitalized terms used in the above paragraphs shall have the same respective meanings as defined therein).

MANAGEMENT DISCUSSION AND ANALYSIS

Market and Business Review

In the first half of 2025, despite that the real estate market remained volatile and on a downward trend, supportive policies for the real estate industry successively introduced by the central and local governments demonstrated a "stop falling and recovery (止跌回穩)" to some degree. According to the institutional statistics, the cumulative contracted sales of TOP-100 real estate enterprises for the first half of 2025 still recorded a double-digit period-on-period decline, yet the contraction narrowed compared with the same period of last year.

Benefiting from policy stimulus and short-lived resurgence, the market generally remained stable in the first quarter of this year. However, fading stimulus and weakening sentiment dragged activity into a slump in the second quarter. From the city-tier perspective, new housing transaction (by gross floor area) in first-tier and strong second-tier cities generally increased period-on-period. Notably, Shenzhen and Guangzhou saw double-digit growth, while Beijing and Shanghai recorded a slight increase, and certain popular second-tier cities including Hangzhou and Chengdu maintained stable transaction volume, supported by premium improvement projects. First-tier cities and certain strong second-tier cities demonstrated notable resilience, whereas weaker second-tier and lower-tier cities underperformed, deepening the market's bifurcation.

Affected by persistently sluggish real estate sales and developers' ongoing cash flow constraints, property developers showed limited enthusiasm for land acquisitions, while the scale of new project commencements, construction, and completion remained low. According to the National Bureau of Statistics, the investment amount in real estate industry in the first half of 2025 was RMB4.67 trillion, dropping by 11.2% period-on-period.

Overall Performance

During the Period, the revenue of the Group amounted to RMB2,396.52 million. The loss amounted to RMB7,391.53 million in the first half of 2025. The capital deficiency amounted to RMB19,446.61 million. The Board resolved not to recommend the payment of an interim dividend for the six-month period ended 30 June 2025.

Sale of Properties

During the Period, the Group's revenue from property sales decreased by 64.52% on a period-on-period basis to RMB2,174.38 million, accounting for 90.73% of the total revenue of the Group. The Group delivered a total gross floor area ("**GFA**") of approximately 278,399 sq.m.. The decrease of revenue from property sales was mainly attributable to the decrease in the GFA delivered during the Period. The average selling price of the properties delivered and recognized as property sales in the first half of 2025 was RMB7,810 per sq.m..

By geographic distribution, Central China Region, Bohai Rim Region, Yangtze River Delta Region, Guangdong – Hong Kong – Macao Greater Bay Area (the "**Greater Bay Area**"), West Strait Economic Zone and Southwest Region contributed 31.94%, 28.56%, 21.17%, 11.92%, 3.52% and 2.89% of the recognized revenue, respectively. Central China Region, in particular, stood as the principal contributor. Going forward, the Group will stick to its strategy of "Leading with Locality Development", facilitate synergetic development of various regions and inject more diversity into the revenue streams of the Group.

The recognized sales and GFA sold in each region in the first half of 2025 are set out in the following table:

Name of Regions	**Amount**	**Saleable GFA**	**Average Selling Price (after tax)**
	(RMB'000)	*(sq.m.)*	*(RMB/sq.m.)*
West Strait Economic Zone	76,584	10,304	7,432
Yangtze River Delta Region	460,331	51,123	9,004
Bohai Rim Region	621,071	82,126	7,562
Central China Region	694,429	89,505	7,759
Greater Bay Area	259,258	29,965	8,652
Southwest Region	62,709	15,376	4,078
Total sales of properties recognized	2,174,382	278,399	7,810

The recognized sales and GFA sold in each region in the first half of 2024 are set out in the following table:

Name of Regions	**Amount**	**Saleable GFA**	**Average Selling Price (after tax)**
	(RMB'000)	*(sq.m.)*	*(RMB/sq.m.)*
West Strait Economic Zone	128,504	23,130	5,556
Yangtze River Delta Region	3,559,622	215,586	16,511
Bohai Rim Region	70,204	8,936	7,856
Central China Region	1,540,383	111,634	13,799
Greater Bay Area	104,216	17,442	5,975
Southwest Region	725,462	65,884	11,011
Total sales of properties recognized	6,128,391	442,612	13,846

Contracted Sales

During the Period, the Group's accumulated contracted sales amounted to RMB3,728.51 million. The GFA of contracted sales amounted to 254,589 sq.m. and the contracted average selling price was approximately RMB14,645 per sq.m..

The Yangtze River Delta Region recorded contracted sales of RMB2,019.38 million in the first half of 2025, accounting for 54.16% of the Group's total contracted sales and remained the larger contributor to the contracted sales of the Group. The total contracted sales of the Greater Bay Area amounted to RMB943.74 million, accounting for 25.31% of the Group's total contracted sales. Such stable sales proportion reflected the advantage and achievement of Yuzhou Group's strategic footprint in the Greater Bay Area. The total contracted sales of the Bohai Rim Region and West Strait Economic Zone amounted to RMB419.46 million, accounting for 11.25% of the Group's total contracted sales. The Southwest Region and Central China Region also contributed total contracted sales in the amount of RMB345.93 million, accounting for 9.28% of the Group's total contracted sales.

During the Period, the supportive policies for real estate market from national and local governments, coupled with a "short-lived resurgence", provided a modest tailwind to the first-quarter market sales. Momentum faltered in the second quarter, with performance falling short of expectations. Confronting with the continued sluggish market conditions, Yuzhou Group made every effort to respond proactively. With its constantly improving skills, Yuzhou Group was able to keenly capture the trends in the real estate market and swiftly aligned its marketing strategies with the favorable policies introduced by the government, providing certain support for its sales performance. In the meanwhile, in line with its "moderate and excellent" operation philosophy, Yuzhou Group actively explored changes in customer consumption scenarios and consumption habits, and continued to strengthen its "Yuzhou Star Power" streamer matrix. It continued to upgrade and transform in terms of promotion linkage, platform transformation and image standardization, comprehensively improving the professional capabilities of the team. By constantly exploring the use of WeChat, Weibo, TikTok Short Video and Xiaohongshu and other platforms to promote projects, and synchronously building standardized tools such as a new-media topic bank to ensure precise audience targeting, it actively expanded its digital marketing channel for customer acquisition, in a view to continuously facilitate the achievement of sales targets of the Group.

The contracted sales and GFA sold in each region in the first half of 2025 are set out in the following table:

Name of Regions	**Total Amount of Contracted Sales** *(RMB'000)*	**GFA of Contracted Sales** *(sq.m.)*	**Average Contracted Selling Price** *(RMB/sq.m.)*
West Strait Economic Zone	73,999	6,570	11,263
Yangtze River Delta Region	2,019,384	132,043	15,293
Central China Region	222,331	18,220	12,203
Greater Bay Area	943,743	45,531	20,727
Southwest Region	123,597	11,856	10,425
Bohai Rim Region	345,456	40,369	8,557
Total	3,728,510	254,589	14,645

The contracted sales and GFA sold in each region in the first half of 2024 are set out in the following table:

Name of Regions	Amount of Contracted Sales *(RMB'000)*	GFA of Contracted Sales *(sq.m.)*	Average Contracted Selling Price *(RMB/sq.m.)*
West Strait Economic Zone	162,064	17,273	9,383
Yangtze River Delta Region	1,927,299	111,218	17,329
Central China Region	370,129	28,169	13,140
Greater Bay Area	1,295,656	69,976	18,516
Southwest Region	282,063	24,581	11,475
Bohai Rim Region	309,028	28,094	11,000
Total	4,346,239	279,311	15,561

Property Investment

The Group's property investment segment covers a variety of commercial properties and strives to shape three product lines, namely "Yu Yue" brand for shopping centers, "Yuzhou Plaza" brand for office buildings and shopping streets, so as to meet the needs of various consumption groups in cities. The Yuzhou property investment projects, whose business is mainly operated in economically developed areas such as the West Strait Economic Zone, Yangtze River Delta Region and the Greater Bay Area, currently cover areas of Shanghai, Shenzhen, Hangzhou, Xiamen, Nanjing, Suzhou, Hefei, Wuhan and Quanzhou. There were a total of 39 projects, consisting of 32 projects under operation and 7 projects in the preparation period. These projects covered a commercial area of over 1.53 million sq.m., where shopping center, office building and community business accounted for 60%, 20% and 20%, respectively.

In 2025, Yuzhou Commercial Group ("**Yuzhou Commercial**") officially launched its Minnan-culture communication strategy, aiming to reshape the contemporary consumer experience by harnessing the essence of Fujian heritage, infusing joy and happiness into "Yuyue Lifestyle（禹悅生活）". As a comprehensive commercial real estate operator rooted in southern Fujian, Yuzhou Commercial draws inspiration from Minnan culture and places the entrepreneurial Minnan spirit at its core. Anchored by its quarterly theme "Super New Highlights", Yuzhou Commercial actively collaborated with local government agencies and organizations to launch online and offline campaigns such as "Super Momentum Fair（超級好勢妙會）", "Living Heritage Shows（非遺好戲）", "New-year Photo Studio（新春照相館）" and "Robots Parade（機器人巡遊）", each highlighting different culture and public welfare dimensions. To celebrate a heritage that stretches back a millennium, Yuzhou Commercial also held cultural events such as "Yuzhou Blessing for Dragon Boat Festival – National Fun Hokkien Competition", offering consumers delightful culinary explorations and joyful shopping experiences while preserving and reinvigorating traditional culture. The event has drawn nearly 10 million participants, burnishing the legacy of Minnan merchant culture while sparking a creative dialogue between timeless folk traditions and modern trends.

Anchored to its U-Square service system framework, Yuzhou Commercial has seamlessly integrated user needs, office scenarios and professional services to build a comprehensive business platform that rests on three core pillars of security, warmth, and functionality. Yuzhou Commercial introduced six service systems of "Yu Professionalism, Yu Safety, Yu Housekeeper, Yu Colorfulness, Yu Space and Yu Resources", which are designed to leverage precise user insights, knit together the Group's rich product offerings and spaces as well as its strengths in diverse resources and professional services, delivering efficient, comfortable, and value-added working and living experiences for tenants.

Hotel Operation

In the first half of 2025, the Group's hotels adopted a diversified and innovative model of operation and management by continuously optimizing the existing operation and management system as well as upgrading the brand with a focus on the improvement of service quality, consumer experience and customer reputation, so as to create more space for the revenue growth of the Group on an ongoing basis. During the Period, this segment contributed approximately RMB8 thousand to the Group's revenue. In addition, Camelon Hot Spring Hotel in Tong'an District of Xiamen, Camelon Business Hotel in Hui'an of Quanzhou, and hotels in Feidong of Hefei, Taizi Lake of Wuhan and Jinhui Area of Fengxian District, Shanghai, etc. were still under construction in an orderly manner. Sticking to the service concept of "family-like service for you", the Group will bring high-quality service experience to its customers.

Quality, Safety and Product Line Design

Over the years, Yuzhou Group has always adhered to the concept of low-carbon environmental protection and green development, attached great importance to sustainable development, and taken the initiative to respond to the national goal of "carbon peaking and carbon neutrality" by building green boutique projects with "craftsmanship" and continuously increasing its practice of green building, striving to construct ecological communities where people and nature can coexist in harmony. "Environmental protection and energy saving, building green communities" has always been one of the development philosophies of Yuzhou Group's projects. As at 30 June 2025, 145 property projects of the Group (with a total area of over 21 million sq.m.) have achieved green building standards, of which approximately 5.55 million sq.m. have even reached two-star or above green building standards, either nationally or internationally.

During the Period, while passing on the establishments of the three residential product series, namely "Royale", "Langham" and "Honor", Yuzhou Group also made certain improvements by further standardizing the product system and clarifying top-level design concept of products, so as to fully demonstrate the products' values and orientation and satisfy the changing market demand at this stage. Yuzhou Group always adhered to the improvement of its products, strived to provide customers with refined quality houses that return to the essence of life. The "Temperature Space" series of products were built around "1 core, 3 spaces, 5 product principles, 6 product values" and were constantly innovating and iterating. The product design combined the natural environment and local living habits, starting from the product details. As time goes by, the highlights of life scenes are continuously presented. Owners can watch the morning glow rise from the city horizon and the sunset hide into the bay. While experiencing the leisure and happiness of urban camping downstairs of their own houses, owners can also easily enjoy the leisurely gathering, sipping tea and relaxing chit-chat with friends. The Group is committed to enriching the life dimensions of the owners.

Land Reserves

Adhering to its strategic deployment of leading with locality development and following the principle of "In-depth Cultivation", the Group develops the six metropolitan areas in the Yangtze River Delta Region, West Strait Economic Zone, Bohai Rim Region, Greater Bay Area, Central China Region and Southwest Region. As at 30 June 2025, the Group had land reserves amounting to approximately 10.35 million sq.m. of aggregate saleable GFA, with 161 projects located in 38 cities in the six metropolitan areas. The average land cost was approximately RMB5,943 per sq.m.. The Group believes that its land reserves currently held and managed are sufficient for its development over the next two to three years.

Saleable GFA of Land Reserves (sq.m.)
(As at 30 June 2025)

Region	Number of projects	GFA *(sq.m.)*	As of Total
West Strait Economic Zone			
Xiamen	26	823,975	8.0%
Fuzhou	7	151,232	1.4%
Quanzhou	3	659,101	6.4%
Longyan	1	21,013	0.2%
Zhangzhou	4	661,293	6.4%
Sub-total	**41**	**2,316,614**	**22.4%**
Yangtze River Delta Region			
Shanghai	15	555,784	5.4%
Nanjing	15	268,760	2.6%
Hangzhou	2	172,566	1.7%
Shaoxing	1	125,882	1.2%
Ningbo	2	14,088	0.1%
Suzhou	14	439,432	4.3%
Changzhou	1	23,158	0.2%
Wuxi	3	61,163	0.6%
Hefei	14	730,726	7.1%
Bengbu	1	479,849	4.6%
Jinhua	1	3,316	0.0%
Yangzhou	2	271,990	2.6%
Zhoushan	1	32,591	0.3%
Xuzhou	1	1,190	0.0%
Sub-total	**73**	**3,180,495**	**30.7%**

Region	Number of projects	GFA *(sq.m.)*	As of Total
Bohai Rim Region			
Beijing	1	26,656	0.3%
Tianjin	10	1,160,116	11.2%
Qingdao	4	68,028	0.7%
Shijiazhuang	1	5,150	0.0%
Tangshan	2	451,120	4.4%
Shenyang	1	86,535	0.8%
Sub-total	**19**	**1,797,605**	**17.4%**
Central China Region			
Wuhan	4	561,359	5.4%
Xinxiang	1	118,769	1.1%
Kaifeng	1	88,697	0.9%
Zhengzhou	3	485,246	4.7%
Sub-total	**9**	**1,254,071**	**12.1%**
Greater Bay Area			
Hong Kong	1	2,042	0.0%
Shenzhen	1	51,281	0.5%
Huizhou	2	338,877	3.3%
Foshan	4	111,518	1.1%
Zhongshan	1	15,965	0.1%
Jiangmen	1	109,430	1.1%
Sub-total	**10**	**629,113**	**6.1%**
Southwest Region			
Chongqing	4	347,584	3.4%
Chengdu	2	1,335	0.0%
Sub-total	**6**	**348,919**	**3.4%**
Total	**158**	**9,526,817**	**92.1%**
Urban Redevelopment Greater Bay Area			
Shenzhen	1	72,367	0.7%
Zhuhai	1	627,022	6.0%
Huizhou	1	122,339	1.2%
Total	**3**	**821,728**	**7.9%**
Grand total	**161**	**10,348,545**	**100.0%**

Revenue

The revenue of the Group was mainly derived from four business categories, including property sales revenue, rental income from investment properties, property management fee income and hotel operation income. For the six-month period ended 30 June 2025, the total revenue of the Group was RMB2,396.52 million, down by 62.42% on a period-on-period basis. This was mainly due to a decrease in recognized property sales revenue, driven by a decrease in GFA delivered during the Period. Specifically, property sales revenue was approximately RMB2,174.38 million, down by 64.52% compared to the corresponding period last year, accounting for 90.73% of the total revenue; property management fee income was approximately RMB105.23 million, decreased by 16.1% on a period-on-period basis; rental income from investment properties was approximately RMB116.90 million, decreased by 4.67% on a period-on-period basis; and hotel operation income was approximately RMB8 thousand.

Cost of Sales

The cost of sales mainly encompassed land cost, construction cost, capitalized interest of the Group and fair value adjustments on properties upon reclassification to subsidiaries from joint ventures and associates in prior periods. For the six-month period ended 30 June 2025, the cost of sales of the Group was RMB2,373.97 million, down by 62.13% from RMB6,269.51 million in the corresponding period in 2024. The decrease in the cost of sales was mainly due to the decrease in GFA of properties delivered by the Group during the Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group was RMB22.55 million in the first half of 2025, and the gross profit margin was 0.94%. The decrease in gross profit was mainly due to the decrease in GFA of properties delivered by the Group during the Period.

Fair Value Loss on Investment Properties

During the first half of 2025, the Group recorded a fair value loss on investment properties of RMB727.39 million (first half of 2024: RMB346.27 million). The fair value loss on investment properties was mainly due to fair value loss of the investment properties situated in Xiamen, Hefei and Shenzhen.

Other Income and Gains

Other income and gains decreased by approximately 38.09% from RMB31.71 million in the first half of 2024 to RMB19.63 million in the first half of 2025. The decrease in other income and gains was mainly due to the decrease in bank interest income in the first half of 2025.

Selling and Distribution Expenses

Selling and distribution expenses of the Group decreased by 46.17% from approximately RMB135.75 million in the first half of 2024 to approximately RMB73.08 million in the first half of 2025. With an effective cost control measure, the Group reduced the marketing and promoting expenses in the first half of 2025.

Administrative Expenses

Administrative expenses of the Group increased from approximately RMB201.70 million in the first half of 2024 to approximately RMB684.85 million in the first half of 2025, which was mainly due to the increase in exchange loss during the Period.

Other Expenses

Other expenses decreased from approximately RMB186.43 million in the first half of 2024 to approximately RMB26.64 million in the first half of 2025, which was mainly due to the decreases in impairment of goodwill and fair value loss on financial assets at fair value through profit and loss during the Period.

Finance Costs

Finance costs of the Group decreased from approximately RMB1,898.18 million in the first half of 2024 to approximately RMB1,874.21 million in the first half of 2025, which was mainly due to the decrease in the amount of domestic loans.

Share of Profits and Losses of Joint Ventures

The Group's share of losses of joint ventures was approximately RMB285.27 million in the first half of 2025, as compared to share of profits of approximately RMB45.07 million in the first half of 2024. In the first half of 2025, the total revenue of joint ventures amounted to RMB282.25 million, and the gross profit margin of joint ventures was -5.47%.

Share of Profits and Losses of Associates

The Group's share of losses of associates was approximately RMB254.50 million in the first half of 2025, as compared to share of losses of approximately RMB155.33 million in the first half of 2024. In the first half of 2025, the total revenue of associates amounted to RMB1,341.25 million, and the gross profit margin of associates was -12.06%.

Income Tax

Income tax credit of the Group was approximately RMB186.69 million in the first half of 2025, as compared to income tax expense of approximately RMB122.69 million in the first half of 2024. The decrease in income tax expense was mainly due to the decrease in deferred tax liabilities during the Period.

Loss for the Period

In the first half of 2025, the loss for the Period of the Group amounted to RMB7,391.53 million, as compared to the loss for the period of RMB8,012.80 million in the first half of 2024. The loss mainly resulted from the provision for impairment losses, fair value loss on investment properties and decrease in revenue during the Period.

Loss Attributable to Non-controlling Interests

In the first half of 2025, the loss attributable to non-controlling interests of the Group amounted to RMB1,759.47 million, as compared to the loss for the period of RMB1,756.82 million in the first half of 2024. The loss was mainly attributable to impairment of properties under development, fair value loss on investment properties and losses on certain non-wholly-owned projects.

Basic Loss per Share

For the period ended 30 June 2025, basic loss per share was RMB0.88.

Liquidity and Financial Resources

During the Period, the Group did not issue any new senior notes and recorded a weighted average finance cost of 7.91%.

Cash Position

As at 30 June 2025, the Group had cash and cash equivalents and restricted cash of approximately RMB2,808.24 million.

Borrowings

The Group adopts prudent financial policy for proactively conducting debt management and optimizing debt structure to ensure balance in financial risks and cut-down of finance costs.

As at 30 June 2025, the Group had total interest-bearing bank and other borrowings, corporate bonds and senior notes balance of RMB51,971.64 million, of which certain loans were secured by certain investment properties, properties held for sale and properties under development of the Group, representing a decrease of 1.23% as compared to RMB52,620.22 million as at 31 December 2024. Such decrease was due to repayment of bank and other borrowings for the Period. The weighted average interest rate of borrowings was 7.91%, decreased by 0.16 percentage point from 8.07% for the year ended 31 December 2024. As at 30 June 2025, asset-liability ratio after excluding advance receipts (total liability after excluding contract liabilities divided by total asset after excluding contract liabilities) was 127.83%, which was up by 12.73 percentage points as compared to that as at 31 December 2024.

Net Gearing Ratio

As of 30 June 2025, the Group's net gearing ratio (calculated as the interest-bearing bank and other borrowings, corporate bonds and senior notes less cash and cash equivalents and restricted cash and then divided by total equity) was -252.81%.

As at 30 June 2025, the Group provided guarantees to banks amounting to RMB12,813.92 million (31 December 2024: RMB11,450.96 million) in respect of mortgage facilities granted to certain purchasers of the Group's properties. The amounts of guarantee to banks and other lenders by the Group in respect of facilities granted to joint ventures and associates were RMB52.92 million (31 December 2024: RMB52.92 million) and RMB1,170.04 million (31 December 2024: RMB888.94 million), respectively. The amounts of guarantee to banks and other lenders by the Group in respect of facilities granted to certain contractors for construction cost were RMB10.02 million (31 December 2024: RMB6.76 million). The Group provided guarantees to banks and other lenders in respects of facilities granted to independent third parties with principal amounting to RMB4,774.86 million (31 December 2024: RMB4,798.42 million). The principal of RMB2,802.24 million (31 December 2024: RMB2,816.18 million) was included in the Group's interest-bearing bank and other borrowings, and the provision of expected credit loss on the financial guarantee was RMB2,255.54 million (31 December 2024: RMB2,112.92 million).

Currency Risk

As of 30 June 2025, the Group had total bank and other borrowings, corporate bonds and senior notes of approximately RMB51,971.64 million, of which approximately 16.38% was denominated in RMB and 83.62% was denominated in Hong Kong dollars and United States dollars.

As at 30 June 2025, the proportions of bank and other borrowings, corporate bonds, senior notes and cash balance of the Group in terms of the currencies were as follows:

	Bank and other borrowings, corporate bonds, and senior notes balance *(RMB'000)*	**Cash balance*** *(RMB'000)*
HK$	608,057	36,574
RMB	8,510,643	2,653,331
US$	42,852,935	118,335
Total	51,971,635	2,808,240

* *Including restricted cash*

The Group will closely monitor the exchange rate risk regularly and make foreign exchange hedging arrangement when necessary. The Group considers that no foreign exchange hedging arrangement is needed currently.

Human Resources

Yuzhou Group always adheres to the sage spirit of "King Yu tamed the flood, making desert an oasis (大禹治水，荒漠成洲)", embedding the core values of responsibility, practicability, synergy and win-win results throughout every aspect of corporate culture promotion. In the first half of 2025, the Human Resources Department carried out various corporate culture initiatives under the theme of "Act with Integrity". As of 30 June 2025, the Group had 981 staff in total.

In the first half of 2025, guided by its annual theme of "Act with Integrity", Yuzhou Group continued to focus on improving organizational efficiency and stimulating team vitality. Meanwhile, the Group integrated the cultural assessment into each stage of talent selection and retention. It recruited individuals of high integrity and strong work ethic, nurtured those who displayed courage and practicality, and recognized those who achieved outstanding results and pursued excellence, aiming to constantly inspire its employees to persevere, forge ahead, and strive for excellence. This collaborative endeavor propelled the Group's advancement across industry cycles. Yuzhou Group has always attached great importance to the physical and mental health, as well as career development, of its employees. Through a series of "moderate and excellent" care and warmth activities, Yuzhou Group expressed its tenderness to employees and built team cohesiveness. It provided its employees with welfare and gifts for traditional festivals such as Lunar New Year, Lantern Festival and Dragon Boat Festival, while preparing warm gifts and organizing various activities for female employees on Women's Day. At the ultimate stage of closing a project, the Group delivered caring supplies to colleagues at construction sites and marketing sales offices, motivating frontline colleagues to overcome difficulties and achieve excellent results.

Following the core values of "responsibility, practicability, synergy and win-win results", the Group will actively reserve talents in line with long-term strategic footprint and comprehensively develop and update a robust talent ecosystem covering talent recruitment, evaluation, workplace development and other aspects, so as to provide critical talent support for the Group's breakthroughs and lay a solid foundation for its future sustainable development.

EMPLOYMENT AND REMUNERATION POLICIES

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 by the Group based on the performance of the employees.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the prospectus and announcement of the Company dated 23 June 2025 and 15 July 2025 respectively (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Company conducted the Rights Issue on the basis of 49 Rights Shares for every 100 Shares held on a non-underwritten basis and dealings in the fully-paid Rights Shares on the Stock Exchange commenced on 17 July 2025. The Company allotted and issued an aggregate of 2,690,960,456 Rights Shares under the Rights Issue, representing approximately 83.92% of the maximum number of Rights Shares offered under the Rights Issue. The Rights Shares, which had been allotted and issued, rank *pari passu* in all respects with the Shares then in issue. The Company raised net proceeds of approximately HK$92.2 million from the Rights Issue, which have been/will be applied towards the payment of RSA Fees, payment of fees to the creditors and/or the Ad Hoc Group's advisors, general working capital needs and other expenses of the Group, details of which are set out in the announcement of the Company dated 15 July 2025. In connection with the Rights Issue, the Company made certain Adjustments to the exercise price and number of Shares to be issued upon the exercise of the outstanding Share Options, details of which are set out in the announcement of the Company dated 15 July 2025.

As disclosed in the announcements of the Company dated 12 August 2025, 21 August 2025 and 27 August 2025 (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Company received consents from the overwhelming majority of the Eligible Holders of the STNs in relation to certain amendments of the terms of the STNs. The Proposed Amendments, which relate to, among other things, capitalisation of the Accrued Interest, the Company's right to elect to pay certain portion of interest as PIK Interest, removal of certain mandatory redemption dates and reduction of the Minimum Principal Amount, have the effect of aligning the Company's repayment schedule under the STNs with the anticipated timing of future cash flows to enhance the financial stability of the Group following occurrence of the Restructuring Effective Date. The Proposed Amendments took effect immediately following the issuance of the STNs on the Restructuring Effective Date. Please refer to the announcement of the Company dated 12 August 2025 for details of the Proposed Amendments.

As disclosed in the announcement of the Company dated 29 August 2025 (the "**RED Announcement**") (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Restructuring Effective Date occurred on 29 August 2025 and all Liabilities in respect of the Existing Debt Finance Documents (excluding the Scheme Excluded Liabilities) were discharged in exchange for the issuance of the Scheme Consideration Entitlements to the relevant Scheme Creditors, which consist of (a) STN Entitlements, (b) Cash Consideration Entitlements, (c) MTN Entitlements, (d) New Equity Entitlements, and (e) LTN Entitlements. Upon occurrence of the Restructuring Effective Date, the Group achieved a significant deleveraging as it compromised approximately USD6.68 billion in indebtedness, which will enable the Company to achieve a sustainable capital structure to cope with its business operations in the long-term and de-risk the Group's ongoing operations. Since the tenor of the MTN and LTN ranges from four to ten years, none of the MTN and LTN are classified as current liabilities in the financial statements of the Group upon their issuance. The debt reduction as a result of the Proposed Restructuring significantly improves the overall financial position of the Group and alleviates the immediate liquidity pressure on the Group. Please refer to the circular of the Company dated 13 December 2024 and the RED Announcement for details of the Proposed Restructuring.

Save as disclosed above, there have been no material events after the reporting period.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the six-month period ended 30 June 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not enter into any material acquisitions and disposals during the Period.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 30 June 2025, the Group had provided financial assistance, by way of advances and guarantees for facilities granted to its affiliated companies (which includes associated companies and joint ventures of the Group), the details of which are set out below:

Name of affiliated companies (the "Affiliated Companies")	The Group's attributable interest in the Affiliated Companies	Advances to the Affiliated Companies as at 30 June 2025	Guarantees for facilities granted to the Affiliated Companies	Total
		RMB'000	*RMB'000*	*RMB'000*
Tianjin Yuzhou Yucheng Real Estate Development Co., Ltd.*	13%	902,631	–	902,631
Xiamen Zhongrong Real Estate Development Co., Ltd.*	33%	768,859	–	768,859
Chengdu Yuhong Real Estate Development Co., Ltd.*	51%	656,883	–	656,883
Suzhou Yuhongyuanying Property Co., Ltd.*	20%	613,435	–	613,435
Tianjin Yuzhou Xinghan Real Estate Development Co., Ltd.*	26%	517,719	–	517,719
Tianjin Yuzhou Runcheng Property Co., Ltd.*	49%	475,027	–	475,027
Tianjin Xuanyi Real Estate Development Co., Ltd.*	60%	413,402	–	413,402
Suzhou Haoyi Real Estate Development Co., Ltd.*	20%	395,295	–	395,295
Taicang Kangyida Real Estate Development Co., Ltd*	49%	348,012	310,439	658,451
Wuxi Xinghongyi Real Estate Co., Ltd*	50%	332,497	–	332,497
Liyang Yaheng Real Estate Co., Ltd.*	34%	290,934	–	290,934
Nanjing Kunhao Wujin Trading Company Limited*	80%	268,541	–	268,541
Nanjing Ximao Property Co., Ltd.*	20%	255,257	–	255,257
Qingdao Shenggang Investment Co., Ltd.*	17%	229,718	–	229,718
Suzhou Xin Yuxi Construction Development Co., Ltd.*	49%	198,394	324,100	522,494
Hangzhou Changhe Real-Estate Co., Ltd.*	23%	192,952	–	192,952
Tianjin Lianyu Property Co., Ltd.*	48%	27,396	–	27,396
Tianjin Boshang Wanyi Real Estate Development Co., Ltd.*	30%	26,107	–	26,107
Hefei Haoyi Real Estate Development Co., Ltd.*	50%	18,409	–	18,409
Hefei Ruiyun Realty Co., Ltd.*	51%	16,179	–	16,179
Wuxi Fengxiang Real Estate Development Co., Ltd*	40%	13,689	–	13,689
Taicang Yuzhou Yilong Real Estate Development Co., Ltd.*	23%	5,198	–	5,198
Tianjin Harmonious Home Construction Development Co., Ltd.*	27%	–	466,500	466,500
Chongqing Tongrong Industrial Co., Ltd.*	49%	–	52,920	52,920
Yangzhou Meizan Real Estate Development Co., Ltd.*	30%	–	69,000	69,000
Total		6,966,534	1,222,959	8,189,493

* *For identification purpose only*

Notes:

1. Advances are unsecured, interest-free and have no fixed repayment terms and will be repaid as and when appropriate.

2. All of committed facilities will be made from the internal resources and/or banking facilities of the Group.

3. Save as disclosed above, no other disclosure obligations arise under Rules 13.13 to 13.16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The total amount of financial assistance provided to the Affiliated Companies, in aggregate, amount to approximately 11.0% as at 30 June 2025 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the Affiliated Companies with financial assistance from the Group and the Group's attributable interests in the Affiliated Companies as at 30 June 2025 are presented as follows:

	Combined statement of financial position *RMB'000*	**Group's attributable interests** *RMB'000*
Non-current assets	9,033,347	3,575,068
Current assets	59,908,006	18,835,646
Current liabilities	(40,301,075)	(12,839,070)
Total assets less current liabilities	28,640,278	9,571,644
Non-current liabilities	(3,617,902)	(1,179,141)
Net assets	25,022,376	8,392,503

The combined statement of financial position of the Affiliated Companies was prepared by combining their statements of financial position as at 30 June 2025, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the publication date of this announcement, the Company has maintained sufficient public float as required under the Listing Rules.

NO MATERIAL CHANGE

Since the publication of the latest annual report for the year ended 31 December 2024 (the "**Annual Report**"), there have been no material changes to the Company's business.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the end of the reporting period, no treasury shares were held by the Company.

MODEL CODE FOR DIRECTORS' SHARE DEALING

The Company has adopted a Code of Conduct on Directors' Securities Transactions (the "**Securities Code**") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listing Issuers contained in Appendix C3 to the Listing Rules. The Directors have confirmed that they have complied with the requirements set out in the Securities Code throughout the Period.

CORPORATE GOVERNANCE

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Group emphasise a quality Board, sound internal controls, and transparency and accountability to all the shareholders of the Company.

During the reporting period, the Group had adopted, applied and complied with the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules except the following deviation:

Code Provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Ms. Kwok Ying Lan（郭英蘭）has been assuming the roles of both the Chairman and the Chief Executive Officer of the Group since 24 June 2022. Although these two roles are performed by the same individual, certain responsibilities are shared with the executive directors to balance the power and authority. In addition, all major decisions are made in consultation with members of the Board as well as senior management. The Board has three independent non-executive directors who offer different independent perspectives. Therefore, the Board is of the view that there are adequate balances of power and safeguards in place. The Board would review and monitor the situation on a regular basis to ensure that the present structure would not impair the balance of power in the Group.

SHARE OPTION SCHEME

The Company did not grant any share options for the six-month period ended 30 June 2025.

SHARE AWARD SCHEME

With reference to the Annual Report of the Company, the Company would like to supplement the following information in relation to the Share Award Scheme as defined on page 233 of the Annual Report:

Participants of the Share Award Scheme

Subject to the rules of the Share Award Scheme, the Board of the Company may, from time to time, at its absolute discretion select any employee (other than any excluded employee) for participation in the Share Award Scheme as a selected employee, and grant such number of awarded shares to any selected employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

Total Number and Percentage of Shares Available for Issue under the Share Award Scheme

As at 1 January 2025, 30 June 2025 and the date of this announcement, the total number of shares available for award under the Share Award Scheme was 10,324,504, representing approximately 0.16% of the issued shares of the Company as at 1 January 2025 and 30 June 2025, and representing approximately 0.07% of the issued shares of the Company as at the date of this announcement. None of the shares purchased has been awarded under the Share Award Scheme. As no shares purchased has been awarded, there is no weighted average closing price of the shares immediately before the date on which the awards were vested.

Maximum Entitlement

The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Vesting of Awarded Shares

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all relevant vesting conditions, the respective awarded shares held by the trustee on behalf of the selected employee pursuant to the provision of the rules of the Share Award Scheme shall vest in such selected employee in accordance with the relevant vesting schedule (if any), and the trustee shall, at the instruction of the selected employee, either cause the vesting shares to be transferred to such selected employee on the vesting date, or cause the vesting shares to be sold with the proceeds of sale (after the deduction of related sale expenses) to be transferred to the selected employee.

In respect of a selected employee who died or retired by agreement with a member of the Group at any time prior to or on the vesting date, all the awarded shares of the relevant selected employee shall be deemed to be vested on the day immediately prior to his/her death or the day immediately prior to his/her retirement with the relevant member of the Group.

The total number of shares that may be issued in respect of options and awards granted under all the share option schemes and share award scheme of the Company and the percentage of the issued shares that it represents as at the date of this announcement are 122,047,273 and 0.82% (1 January 2025: 114,392,504 and 1.75%), respectively.

REVIEW OF ACCOUNTS

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive directors, namely Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Mr. Yu Shangyou.

The Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated interim financial statements of the Group for the six-month period ended 30 June 2025. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Company (http://yuzhou-group.com/) and the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The 2025 interim report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

DEVELOPMENT STRATEGIES AND PROSPECTS

Since early 2025, the country has maintained accommodative real estate policies, with macroeconomic regulation gradually shifting from "market stabilization" to "market revitalization". In the second half of 2025, it is expected that "stop falling and recovery (止跌回穩)" will remain the policy keynote. The country will intensify efforts in more proactive fiscal policies and moderately accommodative monetary policies to stimulate demand. Persistent accommodative macro policies will play a positive role in restoring market confidence and easing homebuyers' concerns, potentially driving the real estate market bottoming-out recovery. In recent years, central policies consistently emphasized developing "quality housing". Going forward, high-quality properties under the concept of "quality cities + quality housing" are likely to gain market recognition.

Currently, amid the profound adjustments of the real estate industry, enterprises face significantly more complex and challenging conditions than anticipated. Yuzhou Group recognizes that neither market competition nor industry transformation will pause to accommodate temporary difficulties. Confronting arduous challenges, Yuzhou Group will adhere to three core principles of "strategic focus, innovative breakthroughs, collective advancement", uphold firm conviction and a pragmatic attitude, and forge new paths for development through this transformation. The Group maintains its strategic priorities on sales promotion and rigorous capital management, continuously advances marketing innovation initiatives, and strictly implements refined capital management, to accelerate the activation of existing inventory assets and enhance liquidity efficiency. The Group will continue to optimize the talent management system to enhance talent vitality and per capita productivity, and continuously improve service quality while further advancing management empowerment initiatives, so as to sustainably build corporate core competitiveness. United under the ethos of relentless dedication, pioneering spirit, tenacious endeavor, and making innovative breakthroughs, the Group lives by the creed of "rejecting complacency in comfort, and treasuring every minute for progress", striving diligently to ensure corporate health and sustainability and to safeguard stakeholders' vital interests.

By order of the Board
Yuzhou Group Holdings Company Limited
Kwok Ying Lan
Chairman

Hong Kong, 31 August 2025

As at the date of this announcement, the executive directors of the Company are Ms. Kwok Ying Lan (Chairman) and Mr. Lin Conghui, the non-executive director of the Company is Mr. Lam Lung On (J.P.), and the independent non-executive directors of the Company are Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Mr. Yu Shangyou.