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中国三迪

CHINA SANDI

CHINA SANDI HOLDINGS LIMITED

中國三迪控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 910)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Directors”) of China Sandi Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) announces the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 (the “Reporting Period”) together with the comparative figures for the corresponding period in 2024 (the “Corresponding Period”). The unaudited condensed consolidated financial statements have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue			
Goods and services	3	266,677	148,551
Rental income from investment properties	3	49,047	44,394
		<u>315,724</u>	<u>192,945</u>
Cost of sales and services rendered		<u>(252,762)</u>	<u>(113,357)</u>
Gross profit		62,962	79,588
Other income	5	664	486
Other gains or losses, net		(4,530)	(1,220)
Loss in fair value of investment properties		(119,200)	(148,006)
(Loss)/gain in fair value of derivative component of convertible bond		(2,309)	10,117
Write-down of inventories of properties		(30,033)	(219,685)
Gain on disposal of subsidiaries		19,859	–
Selling and marketing expenses		(27,563)	(13,607)
Administrative expenses		(9,362)	(29,328)
Finance costs	6	<u>(176,825)</u>	<u>(49,359)</u>
Loss before income tax	7	(286,337)	(371,014)
Income tax credit	8	<u>22,870</u>	<u>79,976</u>
Loss for the period		<u>(263,467)</u>	<u>(291,038)</u>
Other comprehensive income/(expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>18,192</u>	<u>(26,352)</u>
Total comprehensive expense for the period		<u>(245,275)</u>	<u>(317,390)</u>

		Six months ended 30 June	
		2025	2024
<i>Notes</i>		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Loss for the period attributable to:			
– Owners of the Company		(236,665)	(289,500)
– Non-controlling interests		(26,802)	(1,538)
		<u>(263,467)</u>	<u>(291,038)</u>
Total comprehensive expense for the period attributable to:			
– Owners of the Company		(218,473)	(315,852)
– Non-controlling interests		(26,802)	(1,538)
		<u>(245,275)</u>	<u>(317,390)</u>
Loss per share			
Basic (<i>RMB cents</i>)	<i>10</i>	<u>(4.65)</u>	<u>(5.69)</u>
Diluted (<i>RMB cents</i>)	<i>10</i>	<u>(4.65)</u>	<u>(5.69)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	<i>Notes</i>	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Non-current assets			
Property, plant and equipment		45,523	48,347
Investment properties		5,886,300	6,005,500
Deferred tax assets		–	12,104
		5,931,823	6,065,951
Current assets			
Inventories of properties		8,113,093	9,150,262
Contract costs		43,280	63,840
Trade and other receivables and prepayments	<i>11</i>	1,113,173	895,370
Deposits for land use rights for properties under development for sale		53,270	53,270
Income tax recoverable		183,091	181,635
Amounts due from related companies	<i>15(c)</i>	–	24,678
Amounts due from non-controlling shareholders of subsidiaries	<i>15(d)&(e)</i>	199,781	232,398
Restricted bank deposits		42,499	90,101
Bank balances and cash		46,298	100,415
		9,794,485	10,791,969
Current liabilities			
Trade and other payables and accruals	<i>12</i>	3,472,188	3,656,360
Debt component of convertible bond		221,927	216,942
Derivative component of convertible bond		87,324	86,883
Promissory note		705,526	691,525
Contract liabilities		4,352,638	4,776,505
Income tax payable		560,653	556,679
Amounts due to related companies	<i>16(c)</i>	–	45,118
Amount due to the ultimate controlling shareholder	<i>16(d)</i>	99,626	99,626
Bank and other borrowings due within one year	<i>13</i>	5,567,943	5,833,124
		15,067,825	15,962,762
Net current liabilities		(5,273,340)	(5,170,793)
Total assets less current liabilities		658,483	895,158

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Capital and reserves			
Share capital	<i>14</i>	42,890	42,890
Reserves		70,264	288,737
		<hr/>	<hr/>
Equity attributable to owners of the Company		113,154	331,627
Non-controlling interests		206,121	213,842
		<hr/>	<hr/>
Total equity		319,275	545,469
		<hr/>	<hr/>
Non-current liabilities			
Deferred tax liabilities		339,208	349,689
		<hr/>	<hr/>
		339,208	349,689
		<hr/>	<hr/>
		658,483	895,158
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

China Sandi Holdings Limited (the “Company” or “China Sandi”) is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate parent is United Century International Limited (incorporated in the British Virgin Islands (the “BVI”). The ultimate controlling party is Mr. Guo Jiadi. The addresses of registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit G, 1/F, Fook Moon Building, 56–72 Third Street, Sai Ying Pun, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are engaged in property development, holding of property for investment and rental purpose in the People’s Republic of China (the “PRC”).

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Company for the year ended 31 December 2024.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.

Going concern basis

During the six months ended 30 June 2025, the Group recorded a loss for the period of RMB263,467,000. As at 30 June 2025, the Group had net current liabilities of RMB5,273,340,000, and current liabilities of RMB15,067,825,000, including (i) bank and other borrowings due within one year amounting to RMB5,567,943,000, (ii) certain advances from third parties, which are included in other payables, amounting to RMB1,344,354,000, in aggregate, which are repayable on demand or within one year, (iii) debt component of convertible bond of RMB221,927,000, (iv) promissory note of RMB705,526,000 and (v) amount due to the ultimate controlling shareholder of RMB99,626,000. However, the Group had cash and cash equivalents and restricted bank deposits only amounted to RMB46,298,000 and RMB42,499,000, respectively.

Furthermore, as at 30 June 2025, the Group did not repay certain bank and other borrowings at an aggregate carrying value of approximately RMB4,302,973,000 and aggregate interest payables of RMB403,713,000 (“Overdue Borrowings”) in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Borrowings, the Overdue Borrowings would be immediately repayable if requested by the respective lenders. In addition, out of the Overdue Borrowings of RMB4,302,973,000, bank and other borrowings with carrying amount of RMB240,690,000 were also in breach of financial covenants.

Other than the Overdue Borrowings, as at 30 June 2025, the Group’s bank and other borrowings at an aggregate carrying value of RMB1,106,610,000 and aggregate interest payables of RMB111,694,000 (“Cross-default Borrowings”) contained a cross-default clause in the respective financing agreements, under which Cross-default Borrowings were considered defaulted if any bank and other borrowings of the Group had been defaulted. Pursuant to the terms of the Cross-default Borrowings, the Cross-default Borrowings would be immediately due if requested by the lenders.

Accordingly, as at 30 June 2025, events of default and cross-default bank and other borrowings of the Group amounted to a total of RMB5,409,583,000 and default and cross-default interest payables amounted to a total of RMB515,407,000.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The following plans and measures included in (i) to (vii) below (the “Plans and Measures”) are formulated to mitigate the liquidity pressure and to improve its cash flows:

- i. regarding the convertible bond and promissory note, the Group has amended the relevant terms such that the maturity date was changed from 30 January 2024 to 30 January 2029 whereas a right shall be granted to the holder of the convertible bond and promissory note to require the Company to redeem all of the outstanding convertible bond and promissory note on demand. Details of the amendments of terms and conditions of the convertible bond and promissory note are set out in the Company’s announcements dated 30 January 2024, 21 February 2024 and 13 March 2024. However, a right of repayable on demand was given to the holder of the convertible bond and promissory note. In this regard, the holder of convertible bond and promissory note signed a letter of undertaking on 6 March 2026, in writing, to the Company that the holder of convertible bond and promissory note would not exercise the right to demand repayment from the Company for at least twelve months from the date of approval of these condensed consolidated financial statements;
- ii. regarding the amount due to the ultimate controlling shareholder, the ultimate controlling shareholder signed a letter of undertaking on 6 March 2026, in writing, to the Company that they would not exercise the right to demand repayment from the Company for at least one year from the date of approval of these condensed consolidated financial statements;
- iii. the Group has been conducting active negotiations with the lenders on the extension of the repayment schedule of certain borrowings;
- iv. among the other payables, there are repayable on demand balances of RMB344,370,000 advances from third parties, with which, subsequent to the period end date, the management successfully liaised to set the maturities to be at least one year from the date of approval of these condensed consolidated financial statements;

- v. the Group will continue to implement Plans and Measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds so as to generate adequate net cash inflows;
- vi. the Group applies cost control measures in cost of sales and administrative expenses; and
- vii. the Group will also continue to seek for new or other alternative financing from financial institutions, such as equity financing to finance the settlement of its existing financial obligations and future operating expenditures.

The directors of the Company have reviewed the Group's cash flow forecast prepared by the management and are of the opinion that, taking into account the above mentioned financial condition, plans and measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of approval of these condensed consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. These financial conditions, together with the Plans and Measures, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

Should the Group be unable to achieve the above mentioned plans and measures and 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.

2. ACCOUNTING POLICIES

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

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to 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 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.

3. REVENUE

Disaggregation of revenue

Segments	For the six months ended 30 June 2025 (unaudited)		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Sales of properties	265,267	–	265,267
Property management and related fee income	–	1,410	1,410
	<hr/>	<hr/>	<hr/>
Revenue from contracts with customers within the scope of HKFRS 15	265,267	1,410	266,677
Rental income	–	49,047	49,047
	<hr/>	<hr/>	<hr/>
	265,267	50,457	315,724
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Geographical market			
Mainland China	265,267	50,457	315,724
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition			
At a point in time	265,267	–	265,267
Over time	–	1,410	1,410
	<hr/>	<hr/>	<hr/>
	265,267	1,410	266,677
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Segments	For the six months ended 30 June 2024 (unaudited)		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Sales of properties	144,315	–	144,315
Property management and related fee income	–	4,236	4,236
Revenue from contracts with customers within the scope of HKFRS 15	144,315	4,236	148,551
Rental income	–	44,394	44,394
	<u>144,315</u>	<u>48,630</u>	<u>192,945</u>
Geographical market			
Mainland China	<u>144,315</u>	<u>48,630</u>	<u>192,945</u>
Timing of revenue recognition			
At a point in time	144,315	–	144,315
Over time	–	4,236	4,236
	<u>144,315</u>	<u>4,236</u>	<u>148,551</u>

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

Segments	For the six months ended 30 June 2025 (unaudited)		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information			
External customers	265,267	50,457	315,724
Less: rental income	–	(49,047)	(49,047)
Revenue from contracts with customers	<u>265,267</u>	<u>1,410</u>	<u>266,677</u>

Segments	For the six months ended 30 June 2024 (unaudited)		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information			
External customers	144,315	48,630	192,945
Less: rental income	—	(44,394)	(44,394)
Revenue from contracts with customers	<u>144,315</u>	<u>4,236</u>	<u>148,551</u>

4. SEGMENT INFORMATION

Information regularly reported to the chief executive officer of the Company (the chief operating decision maker (“CODM”)) for the purposes of resource allocation and assessment of segment performance focuses on the type of goods and services delivered or provided. The Group’s reportable and operating segments under HKFRS 8 “Operating Segments” are as follows:

Property development – development and sale of properties

Property investment – lease of investment properties and provision of property management service

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

Segment revenue and results

Segments	For the six months ended 30 June 2025 (unaudited)		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue			
External revenue	<u>265,267</u>	<u>50,457</u>	<u>315,724</u>
Segment loss			
	<u>(164,317)</u>	<u>(102,413)</u>	<u>(266,730)</u>
Unallocated other income			4
Unallocated other gains or losses, net			1,176
Loss in fair value of derivative component of convertible bond			(2,309)
Gain on disposal of subsidiaries			19,859
Unallocated corporate expenses			(370)
Unallocated finance costs			<u>(37,967)</u>
Loss before income tax			<u>(286,337)</u>

Segments	For the six months ended 30 June 2024 (unaudited)		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue			
External revenue	144,315	48,630	192,945
Segment loss	<u>(211,875)</u>	<u>(130,793)</u>	<u>(342,668)</u>
Unallocated other income			53
Unallocated other gains or losses, net			(1,244)
Gain in fair value of derivative component of convertible bond			10,117
Unallocated corporate expenses			(1,650)
Unallocated finance costs			<u>(35,622)</u>
Loss before income tax			<u>(371,014)</u>

Segment results represent the loss incurred by by each segment without allocation of part of unallocated other income, unallocated other gains and losses, net, change in fair value of derivative component of convertible bond, unallocated corporate expenses and unallocated finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of performance assessment.

Segment assets and liabilities

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

Segment assets

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Property development	9,526,015	10,604,937
Property investment	<u>6,109,817</u>	<u>6,075,406</u>
Total segment assets	15,635,832	16,680,343
Unallocated assets:		
Bank balances and cash	1,026	626
Restricted bank deposits	3	3
Unallocated corporate assets	<u>89,447</u>	<u>176,948</u>
Consolidated total assets	<u>15,726,308</u>	<u>16,857,920</u>

Segment liabilities

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Property development	12,781,594	13,521,509
Property investment	<u>1,544,938</u>	<u>1,526,980</u>
Total segment liabilities	14,326,532	15,048,489
Unallocated liabilities:		
Debt component of convertible bond	221,927	216,942
Derivative component of convertible bond	87,324	86,883
Promissory note	705,526	691,525
Amount due to a related company	—	267,686
Unallocated corporate liabilities	<u>65,724</u>	<u>926</u>
Consolidated total liabilities	<u><u>15,407,033</u></u>	<u><u>16,312,451</u></u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain bank balances and cash, certain restricted bank deposits and unallocated corporate assets not attributable to respective segment.
- all liabilities are allocated to operating segments other than debt component of convertible bond, derivative component of convertible bond, promissory note, amount due to a related company and other unallocated corporate liabilities not attributable to respective segment.

Geographical information

During the six months ended 30 June 2025 and 2024, the Group's major operations and assets are situated in the PRC in which all of its revenue was derived.

Information about major customers

No individual customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2025 and 2024.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	122	327
Government grants	–	20
Forfeited deposits from customers	250	–
Others	292	139
	<u>664</u>	<u>486</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	187,762	236,178
Effective interest on convertible bond	9,523	11,226
Effective interest on promissory note	28,441	24,398
Interest on amount due to a related company	–	11,641
	<u>225,726</u>	<u>283,443</u>
Total borrowing costs	225,726	283,443
Less: amounts capitalised to qualifying assets	(48,901)	(234,084)
	<u>176,825</u>	<u>49,359</u>

7. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss before income tax has been arrived at after charging:		
Directors' emoluments	833	306
Other staff costs		
Staff salaries and allowances	9,635	16,143
Retirement benefit scheme contributions	1,124	2,148
	<u>10,759</u>	<u>18,291</u>
Cost of inventories recognised as an expense	252,762	107,486
Depreciation of property, plant and equipment	2,813	3,773
Impairment loss on trade receivables	5,706	—
	<u><u>261,276</u></u>	<u><u>121,550</u></u>

8. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax expense:		
Enterprise Income Tax (“EIT”) in the PRC	45	444
Land Appreciation Tax (“LAT”) in the PRC	1,219	133
	<u>1,264</u>	<u>577</u>
Deferred tax credit	(24,134)	(80,553)
	<u><u>(22,870)</u></u>	<u><u>(79,976)</u></u>

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profit derived for the period. No provision for Hong Kong Profits Tax has been made for the period as the income of the Group neither arises in nor is derived from Hong Kong (six months ended 30 June 2024: same).

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (six months ended 30 June 2024: 25%) for the period.

The provision of LAT is estimated according to the requirement set forth in the relevant PRC tax laws and regulation. LAT has been provided at ranges of progressive rate of the appreciation value, with certain allowable exemptions and deductions.

9. DIVIDENDS

No dividend was paid, declared or proposed to ordinary shareholders of the Company during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2024: nil).

10. 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:

Loss figures are calculated as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>(236,665)</u>	<u>(289,500)</u>

Number of shares

	Six months ended 30 June	
	2025	2024
Total potential weighted average number of ordinary shares for the purpose of diluted loss per share*	<u>5,088,208</u>	<u>5,088,208</u>

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2025 and 2024, the potential ordinary shares of the Company included outstanding share options and convertible bond. The calculation of the dilutive effects for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the six months ended 30 June 2025 and 2024, the assumed exercise of potential ordinary shares in relation to the outstanding share options has anti-dilutive effect to the basic loss per share as the exercise price of the options exceeds the average market price of ordinary shares during the period.

* As the Company's outstanding convertible bond had an anti-dilutive effect to the basic loss per share calculation, the exercise of the potential dilutive shares is not assumed in the calculation of diluted loss per share for both periods. Accordingly, weighted average number of ordinary shares of 5,088,208 (six months ended 30 June 2024: 5,088,208) was used in the calculation for both periods.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group allows an average credit period of 30 days (31 December 2024: 30 days) to its trade customers from date of issuance of the invoices. Trade receivables arising from rental income is invoiced in advance monthly or quarterly in accordance with the terms of the related rental agreements.

The following is an aging analysis of the Group's trade receivables presented based on the date of properties delivered and the date of demand note for rental income, net of allowance for credit losses:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0 – 30 days	29,654	17,323
31 – 90 days	729	22,517
Over 90 days	90,779	92,387
	<u>121,162</u>	<u>132,227</u>

As at 30 June 2025, other receivables and prepayments mainly included (i) RMB403,477,000 (31 December 2024: RMB381,529,000) of prepaid construction cost, (ii) RMB168,856,000 (31 December 2024: RMB161,534,000) of other tax prepayments which mainly represented prepaid value added tax and other taxes (excluding EIT and LAT) and (iii) advances made by the Group to various parties of RMB419,678,000 (RMB217,810,000), including suppliers and employees.

12. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aging analysis of trade payables presented based on the invoice date:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0 – 30 days	45,038	104,792
31 – 90 days	20,264	102,663
91 – 365 days	2,700	296,364
Over 1 year	706,581	417,859
	<u>774,583</u>	<u>921,678</u>

As at 30 June 2025, other payables and accruals mainly included (i) balances amounting to RMB344,370,000 (31 December 2024: RMB493,642,000) which were advanced from independent third parties for short-term borrowing purposes, and are non-trade related, interest-free and repayable on demand and (ii) balances amounting to RMB807,512,000 (31 December 2024: RMB958,821,000) of deposits received from tenants, other tax payables and accrued construction costs.

13. BANK AND OTHER BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Secured bank borrowings	4,729,713	4,961,944
Secured other borrowings (note)	<u>838,230</u>	<u>871,180</u>
	<u><u>5,567,943</u></u>	<u><u>5,833,124</u></u>

Note:

The other borrowings were raised from independent third parties, which are financial institutions, financial asset management companies and a property developer.

As at 30 June 2025, bank and other borrowings were guaranteed and secured by the followings:

- (a) Mr. Guo Jiadi and Ms. Shen Bizhen, the spouse of Mr. Guo Jiadi, have provided guarantees to banks for the bank and other borrowings with principal amount of RMB3,380,040,000 (31 December 2024: RMB3,390,914,000).
- (b) Bank and other borrowings were pledged by the Group's investment properties, inventories of properties, trade receivables from rental income and equity interest in a subsidiary.

As at 30 June 2025, certain bank and other borrowings of the Group is required to comply with the financial covenants throughout the continuance of the relevant bank and other borrowings and as long as the relevant bank and other borrowings is outstanding.

Default and cross-default of bank and other borrowings and interest payables

The default and cross-default bank and other borrowings and interest payables as at 30 June 2025 and 31 December 2024 are as follows:

	Bank and other borrowings As at 30 June 2025 RMB'000 (Unaudited)	Interest payables RMB'000 (Unaudited)	Bank and other borrowings As at 31 December 2024 RMB'000 (Audited)	Interest payables RMB'000 (Audited)
Default	4,302,973	403,713	4,342,154	263,315
Cross-default	<u>1,106,610</u>	<u>111,694</u>	<u>1,331,870</u>	<u>80,767</u>
	<u><u>5,409,583</u></u>	<u><u>515,407</u></u>	<u><u>5,674,024</u></u>	<u><u>344,082</u></u>

As at 30 June 2025, the Group did not repay certain bank and other borrowings at an aggregate carrying value of approximately RMB4,302,973,000 (31 December 2024: RMB4,342,154,000) and aggregate interest of RMB403,713,000 included in interest payables (31 December 2024: RMB263,315,000) in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Borrowings, the Overdue Borrowings would be immediately repayable if requested by the respective lenders. In addition, out of the overdue bank and other borrowings of RMB4,302,973,000, bank and other borrowings with carrying amount of RMB240,690,000 (31 December 2024: same) were also in breach of financial covenants.

Other than the Overdue Borrowings, as at 30 June 2025, the Group's bank and other borrowings at an aggregate carrying value of RMB1,106,610,000 (31 December 2024: RMB1,331,870,000) and aggregate interest of RMB111,694,000 included in interest payables (31 December 2024: RMB80,767,000) contained a cross-default clause in the respective financing agreements, under which Cross-default Borrowings were considered defaulted if any bank and other borrowings of the Group had been defaulted. Pursuant to the terms of the Cross-default Borrowings, the Cross-default Borrowings would be immediately due if requested by the lenders.

Accordingly, as at 30 June 2025, events of default and cross-default bank and other borrowings of the Group amounted to a total of RMB5,409,583,000 (31 December 2024: RMB5,674,024,000) and default and cross-default interest payables amounted to a total of RMB515,407,000 (31 December 2024: RMB344,082,000).

14. SHARE CAPITAL

	Number of shares		Share capital	
	As at 30 June 2025 '000	As at 31 December 2024 '000	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Authorised				
Ordinary shares of HK\$0.01 each	2,000,000	200,000,000	1,979,280	1,979,280
Convertible preference shares	602,000	602,000	4,902	4,902
Issued and fully paid ordinary shares				
At the beginning of period/year	5,088,208	5,088,208	42,890	42,890
At the end of period/year	5,088,208	5,088,208	42,890	42,890

15. FINANCIAL GUARANTEE CONTRACTS

At the end of the respective reporting period, the Group has provided financial guarantee as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Guarantees given in favour of banks for:		
Mortgage facilities granted to customers of the Group's properties (<i>note a</i>)	1,812,225	2,083,212
Guarantees given to banks in connection with loan facilities granted to third parties (<i>note b</i>)	114,480	123,705
	<u>1,926,705</u>	<u>2,206,917</u>

Notes:

- (a) The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by customers of the Group's properties. Pursuant to the terms of the guarantees, if a customer defaults on the payment of its mortgage during the term of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's sales deposit and sell the property to recover any amounts paid by the Group to the bank. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the customer obtained the individual property ownership certificate. The fair value of the financial guarantee contracts is insignificant at the initial recognition. In the opinion of the directors, no provision for the guarantee contracts is recognised as the loss given default is low due to the value of pledged assets.
- (b) In the opinion of the directors of the Company, the initial fair value of the financial guarantees given to banks in connection with loan facilities granted to third parties was insignificant as the fair value of properties pledged is higher than the financial guarantees at the date of inception and the end of each reporting period. In addition, no provision for the guarantees contracts at the end of the reporting period is recognised as the loss given default is low.

16. RELATED PARTY DISCLOSURE

- (a) The Group entered into the following transactions with its related parties during the period:

Name of related parties	Nature of transaction	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fujian Sandi Real Estate Development Co., Limited (<i>note</i>)	Interest expense	–	11,641
Primary Partner International Limited (<i>note</i>)	Interest expense	<u>28,441</u>	<u>35,624</u>

Note:

Mr. Guo Jiadi is the controlling shareholder of the Group and is also the director and shareholder of these related companies.

- (b) During the current interim period, Mr. Guo Jiadi and Ms. Shen Bizhen, the spouse of Mr. Guo Jiadi, have provided guarantees to banks for the bank and other borrowings of the Group with principal amount of RMB3,380,040,000 (31 December 2024: RMB3,390,914,000).
- (c) As at 30 June 2025, all amounts are non-trade related, interest free and repayable on demand. Mr. Guo Jiadi is the controlling shareholder of the Group and is also the director and shareholder of these related companies.
- (d) The amounts are non-trade related, interest free and repayable on demand.
- (e) These entities have significant influence over several non-wholly owned subsidiaries of the Group. As at 30 June 2025 and 31 December 2024, the balance mainly represents prepaid proceeds that the non-controlling shareholders deserve for co-developing certain property projects which have been presold but not yet fully delivered.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Total revenue for the Reporting Period was approximately RMB315.7 million, representing an increase of approximately 63.6% as compared with approximately RMB192.9 million for the Corresponding Period.
- Gross profit for the Reporting Period was approximately RMB63.0 million, representing a decrease of approximately 20.9% as compared with approximately RMB79.6 million for the Corresponding Period.
- Loss for the Reporting Period was approximately RMB263.5 million, as compared to loss for the Corresponding Period of approximately RMB291.0 million.
- Loss attributable to owners for the Reporting Period was approximately RMB236.7 million as compared to loss attributable to owners for the Corresponding Period of approximately RMB289.5 million.
- Contracted sales amount of the Group for the Reporting Period amounted to approximately RMB40.1 million, representing a decrease of approximately 73.1% as compared with approximately RMB149.3 million for the Corresponding Period.
- Contracted sales gross floor area (“GFA”) was approximately 6,225 square meters (“sq.m.”) for the Reporting Period, representing a decrease of approximately 51.8% as compared with approximately 12,925 sq.m. for the Corresponding Period.
- As of 30 June 2025, the gearing ratio for the Group was approximately 2,047.3% (31 December 2024: approximately 1,241.7%).
- As of 30 June 2025, the current ratio for the Group was approximately 65.0% (31 December 2024: approximately 67.6%).
- As of 30 June 2025, the quick ratio for the Group was approximately 11.2% (31 December 2024: approximately 11.8%).

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Reporting Period (Corresponding Period: Nil).

BUSINESS REVIEW

The Group is principally engaged in property development, and holding of properties for investment and rental purposes.

Property development

As at 30 June 2025, the Group had 9 property projects under development which are situated in different cities in the People's Republic of China ("PRC"), including key cities such as Shanghai, Fuzhou, Xi'an, and Baoji. The Group primarily focuses on the development of residential properties, as well as residential and commercial complex properties, product types including apartments, offices, retail shops and villas, etc.

Contracted property sales

During the Reporting Period, the Group achieved contracted sales of approximately RMB40.1 million with contracted GFA of approximately 6,225 sq.m., representing decreases of approximately 73.1% in contracted sales and approximately 51.8% in contracted GFA in comparison with the Corresponding Period. The decrease in contracted sales is mainly influenced by the continued sluggish domestic real estate sales market.

The table below illustrates the contracted sales (stated before the deduction of applicable taxes) achieved by the Group for the Reporting Period:

Property sales

Property projects	Type	Contracted sales amount <i>RMB'000</i>	Contracted sales area <i>(sq.m.)</i>	Average price of contracted sales <i>RMB/sq.m.</i>	Percentage of total contracted sales amount <i>%</i>	Group interest <i>%</i>
Shanghai						
Sandi Manhattan	Commercial	17,350	874	19,842	43.3	100
Shaanxi Province						
Sandi Bahe Yihao	Residential	1,900	143	13,277	4.7	70

Property projects	Type	Contracted sales amount <i>RMB'000</i>	Contracted sales area <i>(sq.m.)</i>	Average price of contracted sales <i>RMB/sq.m.</i>	Percentage of total contracted sales amount %	Group interest %
Baoji Province						
Sandi Jinyunfu	Residential	6,397	859	7,444	15.9	51
Others	Residential/ Commercial	<u>14,463</u>	<u>4,348</u>	3,326	<u>36.1</u>	
Total		<u><u>40,110</u></u>	<u><u>6,225</u></u>	6,444	<u><u>100</u></u>	
Attributable to the Group		<u><u>36,406</u></u>	<u><u>5,761</u></u>			

Notes:

- (i) Contracted sales and the calculation of average selling price are based on the sales revenue before the deduction of business/value-added tax and other surcharges/taxes.
- (ii) Contracted sales and GFA attributable to the car parking spaces are excluded in the contracted GFA and average selling price calculation.

Property under development

The table below summaries the major property development projects of the Group as at 30 June 2025:

Property projects	Expected completion dates	Site area <i>sq.m.</i>	Completed		GFA under development <i>sq.m.</i>	Planned GFA for future development <i>sq.m.</i>	Group's interest %
			Saleable GFA delivered/ pre-sold <i>sq.m.</i>	GFA available for sale <i>sq.m.</i>			
Shaanxi Province							
Sandi Century New City	2026	169,923	1,108,179	67,741	62,659	–	100
Sandi Jinyu Gaoxin	2026	65,157	94,661	2,189	105,114	–	100
Sandi Yunding Fengdan	2026	52,870	75,749	–	53,734	–	100
Sandi Bahe Yihao	2026	77,018	–	–	235,433	–	70
Sandi Jinyunfu	2026	40,592	–	–	77,331	–	51
Fujian Province							
Sandi Jiangshan Waterfront	2026	310,176	10,525	–	255,096	–	100
Sandi Xishanyuan	2026	177,010	–	–	96,449	–	100
Sandi Yasong Fengdan Garden	2024	38,539	23,358	16,467	–	–	100
Sandi Yunqitai	2024	60,928	59,580	37,274	–	–	51
Sandi Jinyu Yunjing	2024	29,332	38,967	27,342	–	–	100
Sandi Jinyu Yunyue	2026	17,386	–	–	15,383	–	100

Property projects	Expected completion dates	Site area <i>sq.m.</i>	Completed		GFA under development <i>sq.m.</i>	Planned GFA for future development <i>sq.m.</i>	Group's interest %
			Saleable GFA delivered/pre-sold <i>sq.m.</i>	GFA available for sale <i>sq.m.</i>			
Zhejiang Province							
Sandi Yasong Meizhu	2024	37,252	47,457	18,633	–	–	100
Shanghai							
Sandi Manhattan	2026	104,251	155,128	56,499	120,280	–	100
Total		<u>1,180,434</u>	<u>1,613,604</u>	<u>226,145</u>	<u>1,021,479</u>	<u>–</u>	
Attributable to the Group		<u>1,107,584</u>	<u>1,584,409</u>	<u>207,881</u>	<u>912,956</u>	<u>–</u>	

Notes:

- The table above includes properties for which the Group has obtained the relevant land use rights certificate(s) but has not obtained the requisite construction permits or the Group has received the confirmation letter(s) on bidding of granting land use rights but is in progress to obtain the land use right certificate(s). The figures for “GFA available for sale”, “GFA under development” and “Planned GFA for future development” are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- The figures of “Saleable GFA pre-sold” and “GFA available for sale” include saleable GFA of car parks spaces; while figures of “GFA under development” and “Planned GFA for future development” also include non-saleable GFA such as ancillary area.
- “GFA available for sale”, “GFA under development” and “Planned GFA for future development” are derived from the Group’s internal records and estimates.

The following section provides further details of major ongoing projects of the Group.

Shaanxi Province

Sandi Bahe Yihao

Sandi Bahe Yihao (“Bahe Yihao”) project is located in Baqiao District, Xian, north of Xiangyun Road and east of Ba Liu Yi Road. The project is adjacent to the Ba River Ecological Wetland Park, occupies the rare river view resources of the Bahe River, and has an excellent ecological environment in Xian.

Bahe Yihao is comparable to New York's ONE and London's One Hyde Park, and is a top-level project built by China Sandi in accordance with the concept of "international vision and quality home building". The project occupies an area of about 19 acres, with a total GFA of 235,433 sq.m., a floor area ratio of 2.21, and a green area ratio of 35%. The project makes full use of the landscape of the Bahe River to create a high-end improvement quality development in the Bahe River New Area. The project plans five high-rise buildings (24-25 floors), five small high-rise buildings (15-16 floors) and eight multi-storey buildings (5-9 floors) along the Ba River, covering a full range of dwelling choices such as pied-à-terre, houses, and large bungalows, making the project the only high-end quality architectural complex with a full range of dwelling choices along the Ba River. Pre-sale of the project commenced in 2022. During the Reporting Period, contracted sales amounted to approximately RMB1.9 million.

Shanghai

Sandi Manhattan

Shanghai Sandi Manhattan project ("Sandi Manhattan") is a major project of the Group in Shanghai. It is situated in the prime location of Shanghai Songjiang District, Songjiang New Town International Ecology Business District with a site area of approximately 104,251 sq.m.. Sandi Manhattan is a mixed-use development complex, including offices, shopping malls and hotels. Hyatt Regency Shanghai Songjiang ("Hyatt Regency") and Shanghai Sandi Xintiandi ("Sandi Xintiandi"), the projects of Sandi Manhattan, opened in July and December 2021, respectively. Hyatt Regency, an international 5-star hotel, belongs to one of the major investment properties of the Group in Sandi Manhattan. Hyatt Regency is located at the core area of Songjiang New Town International Ecology Business District and provides privileged services to guests. It provides multi-functional spaces of approximately 1,900 sq.m. and 256 guestrooms, including 18 suites, with floor-to-ceiling views of Wulong Lake, gardens or Ecology Business District skyline. Sandi Xintiandi is also located at the core area of Songjiang New Town International Ecology Business District. It is the first ecology semi-open commercial complex project, with approximately 170,000 sq.m. GFA. The contracted sales amount of approximately RMB17.4 million were recorded during the Reporting Period.

Land bank replenishment

The Group's strategy is to maintain the sufficiency of land bank portfolio to support the Group's own development pipeline for the next few years. As at 30 June 2025, the Group had a quality land bank amounting to a total GFA of approximately 1,619,000 sq.m., of which approximately 1,444,000 sq.m. were attributable to the owners of the Company.

The table below summarises the landbank by location as at 30 June 2025:

Land bank by location	Total GFA (‘000 sq.m.)	Attributable GFA (‘000 sq.m.)
Shaanxi	712	594
Fujian	728	671
Shanghai	179	179
	<hr/>	<hr/>
Total	1,619	1,444
	<hr/> <hr/>	<hr/> <hr/>

Property Investment

During the Reporting Period, the Group recognised rental income and property management and related fee income of approximately RMB50.5 million (Corresponding Period: approximately RMB48.6 million), which was mainly generated by two furniture malls situated in Fuzhou and Baoji. The Group’s investment properties also include hotels, kindergarten, commercial and office premises, all of which are all located in the PRC and generated a stable income stream to the Group.

Set out below are the major investment properties held by the Group as at 30 June 2025:

Location	Existing/ Intended use(s)	Approximate GFA <i>sq.m.</i>	Group’s interest %
Completed investment properties			
Fujian Province			
Sandi Furniture Plaza, No. 173 Gongye Road, Yizhou Street, Taijiang District, Fuzhou City	Shopping Mall	113,252	100
Various blocks, Sandi Kaixuan Fengdan, No. 202 Minjiang Avenue, Cangshan District, Fuzhou City	Commercial/ Hotel	13,477	100
Shaanxi Province			
Red Star Macalline, Block 196, No. 8 Bao Guo Road, Jin Tai District, Baoji City	Shopping Mall	63,643	100
Sandi Plaza, Block 186, No. 8 Bao Guo Road, Jin Tai District, Baoji City	Shopping Mall	63,125	100

Location	Existing/ Intended use(s)	Approximate GFA sq.m.	Group's interest %
Ramada Hotel Block No. 184, No. 8 Bao Guo Road, Jintai District, Baoji City	Hotel	15,181	100
Pesht Boutique, Block No. 25, No. 8 Bao Guo Road, Jintai District, Baoji City	Hotel	12,248	100
Jinjiang Inn, Block No. 18, No. 8 Bao Guo Road, Jintai District, Baoji City	Hotel	7,094	100
Shanghai			
Lot N5, No. 11 Zhongshan Street Neighbourhood, Songjiang District	Commercial/ Hotel	59,701	100
Lot N11, No. 11 Zhongshan Street Neighbourhood, Hotel	Commercial	26,071	100
Zhejiang Province			
Northwest of Weiliu Road and Jingwu Road, Qiantang New District, Hangzhou City	Residential	16,356	100
Northeast of Jingsi Road and Changfeng Road, Qiantang New District, Hangzhou City	Residential	8,204	100
Investment properties under construction			
Fujian Province			
Tang Kou, Xi Nan Village, Ge Ling Town, Yongtai County, Fuzhou City	Hotel	89,668	100
Shanghai			
Lot N6, No. 11 Zhongshan Street Neighbourhood, Songjiang District	Commercial/ Hotel	122,749	100

OUTLOOK

We are halfway through 2025. The global political and economic situation remains challenging.

The real estate market is still in a period of adjustment. In the first half of 2025, the saleable area of commercial real estate in China was approximately 458.5 million sq.m., a year-on-year decrease of approximately 3.5%, of which the saleable area of residential properties decreased by approximately 3.7%. As a pillar industry of the national economy, the real estate market experienced a significant cooling down this year, increasing the market adjustment pressure.

Overall, China's property sector had experienced volatile adjustments and encountered unprecedented difficulties in recent years. The Group's liquidity is under unprecedented pressure with a dual tightening of sales and financing. The Group will adhere to prudent financial policies and risk control measure in the face of new challenges. The Group will continue to ensure the sufficiency of cash flow, intensify efforts to revitalise under-performing assets and taking various debt management measures to overcome periodic liquidity pressures.

The Group's contracted sales amount for the Reporting Period was approximately RMB40.1 million (Corresponding Period: approximately RMB149.3 million), which decreased by approximately 73.1% as compared with the Corresponding Period. The Group is facing a significant decline in the rate of property sales in the first half of 2025, which is also a challenge that the entire real estate market in China is confronting. As one of the industry participants, we are experiencing difficulties, but it is only by fully recognising the objective laws of the cycle that we will be able to face reality and seek change.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The Group's revenue is primarily derived from property sales, which contributed approximately 84.0% of the revenue for the Reporting Period. The table below sets forth the breakdown of the Group's revenue by operating segment as indicated:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property sales	265,267	84.0	144,315	74.8
Property investment	50,457	16.0	48,630	25.2
	<u>315,724</u>	<u>100.0</u>	<u>192,945</u>	<u>100.0</u>

Revenue from property sales

The Group's revenue from property sales increased to approximately RMB265.2 million for the Reporting Period (Corresponding Period: approximately RMB144.3 million).

The table below summarises the revenue from property sales for the Reporting Period:

Property projects	Type	30/6/2025	30/6/2025	30/6/2025	Percentage of total amount %
		Sales revenue <i>RMB'000</i>	GFA sold <i>sq.m</i>	Average price per sq.m. <i>RMB/sq.m</i>	
Fujian Province					
Sandi Yasong Fengdan Garden	Residential	165,383	9,221	17,936	62.3
Others	Residential/Commercial	<u>99,884</u>	<u>13,813</u>	<u>7,231</u>	<u>37.7</u>
Total		<u><u>265,267</u></u>	<u><u>23,034</u></u>	<u><u>11,516</u></u>	<u><u>100.0</u></u>

Notes:

- i. Sales revenue amount and the calculation of average selling price are based on the sales revenue after the deduction of business/value-added tax and other surcharges/taxes.
- ii. GFA and sales revenue attributable to the car parking spaces are excluded in the GFA sold and the average selling price calculation.

Revenue from property investment

Revenue from property investment including rental income and property management and related fee income amounted to approximately RMB50.5 million for the Reporting Period (Corresponding Period: approximately RMB48.6 million), which was derived from the Group's investment properties situated in the PRC, including shopping malls and commercial buildings.

Cost of properties sales

The Group's cost of properties sales increased to approximately RMB252.8 million for the Reporting Period (Corresponding Period: approximately RMB107.7 million). The increase was primarily attributable to the increase in the total GFA of properties.

Change in fair value on investment properties

For the Reporting Period, the Group recognised a net fair value loss of approximately RMB119.2 million on its investment properties (Corresponding Period: net fair value loss of approximately RMB148.0 million). The decrease of fair value on investment properties was mainly due to the decline in demand for commercial property as a result of the unfavourable macro market environment.

Write-down of inventories of properties

For the Reporting Period, write-down of inventories of properties amounted to approximately RMB30.0 million (Corresponding Period: RMB219.7 million).

The write-down of inventories of properties was due to the impact of the dismal real estate market in the PRC, which resulted in the expected net realisable value of the inventories of properties under development being lower than their carrying value.

Change in fair value of derivative components of convertible bonds

During the Reporting Period, the Group recognised a fair value loss of approximately RMB2.3 million (Corresponding Period: fair value gain of approximately RMB10.1 million) on the derivative components of the convertible bonds. These convertible bonds, with initial principal amount of HK\$500 million (which was changed to HK\$300 million with retrospective effect from 30 January 2024 by way of an ordinary resolution passed on 13 March 2024), were issued to Primary Partner International Limited ("Primary Partner"), a wholly-owned entity of Mr. Guo Jiadi ("Mr. Guo"), on 30 January 2019 to settle the consideration for acquisition of All Excel Industries Limited. The derivative components of the convertible bonds represented the conversion option into shares (the "Shares") of the Company. They are classified as derivative financial instrument and measured at fair value with changes in fair value recognised in profit or loss.

Other gains and losses

Other gains and losses for the Reporting Period mainly represented net exchange gain of approximately RMB1.2 million (Corresponding Period: net exchange losses of approximately RMB1.2 million).

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately RMB14.0 million from approximately RMB13.6 million for the Corresponding Period to approximately RMB27.6 million for the Reporting Period. The increase was mainly due to the increase in property sales during the Reporting Period.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB19.9 million from approximately RMB29.3 million for the Corresponding Period to approximately RMB9.4 million for the Reporting Period. The decrease was primarily attributable to the overall decrease in staff cost.

Finance costs

Finance costs consist of interest expenses on bank and other borrowings, convertible bonds, promissory note, contract liabilities and lease liabilities. The finance costs amounted to approximately RMB176.8 million for the Reporting Period (Corresponding Period: approximately RMB49.4 million). The increase in finance cost was attributable to the decrease of the capitalized interest expenses of the bank and other borrowings.

Income tax credit/expense

Income tax credit mainly comprises the PRC enterprise income tax and land appreciation tax amounted to approximately RMB22.9 million for the Reporting Period (Corresponding Period: income tax expense of approximately RMB80.0 million). The change was mainly attribute to the recognition of deferred tax for the change in fair value of derivative component of convertible bonds and impairment of properties under development during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had bank and other borrowings of approximately RMB5,567.9 million denominated in RMB (31 December 2024: approximately RMB5,833.1 million denominated in RMB) and other debts comprising convertible bonds, promissory note and amount due to a related company totaling approximately RMB1,014.8 million denominated in HK\$ and RMB (31 December 2024: approximately RMB995.4 million denominated in HK\$ and RMB). As at 30 June 2025 and 31 December 2024, all bank and other borrowings were secured at fixed interest rates. The bank and other borrowings with maturities within one year and those maturing after one year amounted to approximately RMB5,567.9 million and RMBNil million respectively (31 December 2023: approximately RMB5,833.1 million and RMBNil million respectively).

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB46.3 million (31 December 2024: approximately RMB100.4 million) which were mainly denominated in HK\$ and RMB. The decrease of cash and cash equivalents was mainly due to interest paid and repayment of bank borrowings.

As at 30 June 2025, the gearing ratio for the Group was approximately 2,047.3% (31 December 2024: approximately 1,241.7%), calculated based on the net debts (comprising bank and other borrowings and other debts comprising convertible bonds, promissory note and amount due to a related company less cash and cash equivalent) of approximately RMB6,536.4 million (31 December 2024: approximately RMB6,773.2 million) over the total equity of approximately RMB319.3 million (31 December 2024: approximately RMB545.5 million). The debt ratio was approximately 98.0% (31 December 2024: approximately 96.8%), calculated as total liabilities over total assets of the Group.

As at 30 June 2025, the Group's net current liabilities amounted to approximately RMB5,273.3 million (31 December 2024: approximately RMB5,170.8 million). The Group's current ratio, being percentage of its current assets and its current liabilities, amounted to approximately 65.0% (31 December 2024: approximately 67.6%).

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company (the "Shareholders"), issue new shares or sell assets to reduce debt percentage.

CAPITAL STRUCTURE

The capital structure of the Group and fund raising activities during the Reporting Period are summarised as follows:

(i) Bank and other borrowings

As at 30 June 2025, the Group had bank and other borrowings of approximately RMB5,567.9 million (31 December 2024: approximately RMB5,833.1 million), of which approximately RMB5,567.9 million are repayable within one year and no such bank and other borrowings are repayable beyond one year. The Group's bank and other borrowings bear interest rates ranging from approximately 3.2% to 11.0% per annum. All the bank and other borrowings were denominated in RMB. As at 30 June 2025, borrowings of approximately RMB5,410.0 million and certain interest payable that were not repaid according to their respective repayment schedules, might be demanded for early repayment. As at the date of this announcement, bank and other borrowings of approximately RMB5,647.0 million and certain interest payable were not repaid in accordance with their respective repayment schedules pursuant to their respective loan agreements. The Group is actively communicating with banks on the extension of existing loans.

(ii) Promissory note

As at 30 June 2025, the Company had a promissory note (the “Promissory Note”) with principal of HK\$800 million issued to Mr. Guo, the chairman of the Board and an executive Director, with interest of 6% per annum, with interest payable annually in arrears and the principal will be repaid when the Promissory Note falls due on 30 January 2029. The Promissory Note is denominated in HK\$. There was no early redemption of the Promissory Note requested by the Company or Mr. Guo during the Reporting Period.

(iii) Convertible bonds

As at 30 June 2025, the Company had a convertible bonds (the “CB”) with principal amount of HK\$300 million (31 December 2024: HK\$300 million), with interest of 2% per annum (31 December 2024: 2% per annum) payable annually in arrears and carrying a conversion price of HK\$0.09 per conversion Share (31 December 2024: HK\$0.09 per conversion Share), with conversion rights to convert into a maximum of 3,333,333,333 Shares (31 December 2024: 3,333,333,333 Shares). The principal will be repaid when the CBs fall due on 30 January 2029 if no conversion happened on or before 30 January 2029. The CBs are denominated in HK\$. There was no early redemption of the CBs requested by the Company or the CB holder during the Reporting Period.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except for investment in subsidiaries, there were no significant investments held by the Group as at 30 June 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events undertaken by the Company or by the Group after the Reporting Period and up to the date of this announcement.

CONTINGENT LIABILITIES

The Group had entered into agreements with certain banks to provide guarantees in respect of mortgage facilities granted to purchasers of the Group’s properties. As at 30 June 2025, the Group provided guarantees for mortgage loans in an amount of approximately RMB1,812.2 million (31 December 2024: approximately RMB2,083.2 million) to banks in respect of such agreements. In addition, certain subsidiaries of the Group had also provided corporate guarantees amounting to approximately RMB114.5 million (31 December 2024: approximately RMB123.7 million) to certain financial institutions in respect of loan facilities granted to certain independent third parties during the Reporting Period.

COMMITMENTS

As at 30 June 2025, the Group had commitments in respect of investment properties, properties under development, properties for sales and land use rights totaling approximately RMB305.8 million (31 December 2024: approximately RMB311.1 million).

FOREIGN EXCHANGE EXPOSURE

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC and Hong Kong denominated in RMB and HK\$, respectively. The functional currency of the Company and its subsidiaries which operate in Hong Kong as investment holdings companies is HK\$. The functional currency of its principal operating subsidiaries in the PRC is RMB. As at 30 June 2025, the Group did not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate. As at 30 June 2025, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedging or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

EMPLOYEES

As at 30 June 2025, the Group employed a total of 135 employees (31 December 2024: 163 employees) of which 133 employees (31 December 2024: 161 employees) were hired in the PRC and 2 employees (31 December 2024: 2 employees) were hired in Hong Kong. Total remuneration paid to the employees for the Reporting Period amounted to approximately RMB10.8 million (Corresponding Period: approximately RMB18.3 million). In addition to competitive remuneration package offered to the employees, the Group also provided other benefits including contributions to mandatory provident fund, as well as group medical and accident insurance.

KEY RISK FACTORS AND UNCERTAINTIES

The following paragraphs list out the key risks and uncertainties the Group is facing. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks Pertaining to the Property Market and Operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China is affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences. In the past six months, there has been a significant deviation between the overall property sales failing to meet the Group's expectation. Considering the current real estate market, the Group anticipates that the property sales will continue to be sluggish in the coming period, which will have a profound impact on the Company's operations.

Liquidity Risk

As affected by the downturn of the property market in the PRC, the Group faced significant challenges in the pre-sale performance, in particular, the Group's pre-sale performance has declined significantly and there has been no obvious sign of rebound up to the date of this announcement. Moreover, the Group is facing more difficulties in obtaining financing through the repayment and extension of loans due to the difficult and challenging debt financing environment. The Group is actively communicating with banks and financial institutions regarding the extension of loan maturity dates and renewal. However, as of the date of this announcement, no definitive outcome has been reached.

Despite the challenges and difficulties, the Group commits to timely delivery of its properties to the property buyers, which requires the Group to place higher priority in construction of pre-sale properties with the current funds of the Group. As a result of the above conditions, the Group is facing phased liquidity pressure.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise an effective Board, sound internal control, appropriate independence policy, transparency and accountability so as to safeguard the interests of the Shareholders.

The Board is committed to comply with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in "Part 2 – Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices" of Appendix C1 to the Listing Rules to the extent that the Directors consider it to be practical and applicable to the Company. During the Reporting Period and up to the date of this announcement, the Company has complied with the CG Code except for the following deviation:

Code Provision C.2.1

The roles of the chairman and the chief executive officer should be segregated and not be exercised by the same individual. The chairman is responsible for the corporate strategic planning and formulation of corporate policies for the Group, while the chief executive officer is responsible for overseeing day-to-day management of the Group's business.

Mr. Guo currently serves as the chairman of the Board (the "Chairman").

Up to date of this announcement, no individual was appointed as the chief executive officer of the Company (the "CEO"). The day-to-day management of the Group's business is monitored by the executive Directors and senior management of the Group. Given the size of the Group, the current business operations and administration have been stable, the Board is of the view that the current management structure is able to effectively discharge the duties of both positions. However, going forward, the Board will review from time to time and separate the roles of the Chairman and the CEO when necessary.

The Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code. The Board will continue to monitor and review the Company's corporate governance practices in order to ensure that such practices may meet the general rules and standards as required by the Listing Rules. The Board believes that sound and reasonable corporate governance practices are essential for sustainable growth of the Group and for benefit of the Group and the Shareholders as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its code of conduct in respect of the securities dealing by the Directors. The Company has made specific enquiry to all Directors in respect of the securities dealing by the Directors and all Directors confirmed that they have complied with the Model Code during the Reporting Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's securities.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinasandi.com.cn). The interim report of the Company (the "Interim Report") will be despatched to the Shareholders who requested a printed copy and published on the aforesaid websites in due course.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENT

The Company has established the Audit Committee for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The Audit Committee, which comprised Ms. Yu Huaxiu, Mr. Liao Yiyi and Ms. Zhang Jianchan being independent non-executive Directors, has reviewed the accompanying financial statements prior to their publication.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements, this announcement and the Interim Report, and was of the opinion that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

By order of the Board
China Sandi Holdings Limited
Guo Jiadi
Chairman

Hong Kong, 6 March, 2026

As at the date of this announcement, the Board comprises Mr. Guo Jiadi and Mr. Wang Chao, being the executive Directors; Ms. Amika Lan E Guo, being the non-executive Director; Ms. Yu Huaxiu, Mr. Liao Yiyi, Ms. Zhang Jianchan, being the independent non-executive Directors.