



保利置業集團有限公司

POLY PROPERTY GROUP CO., LTD.

Incorporated in Hong Kong with limited liability

Stock Code : 00119

2025
Interim Report

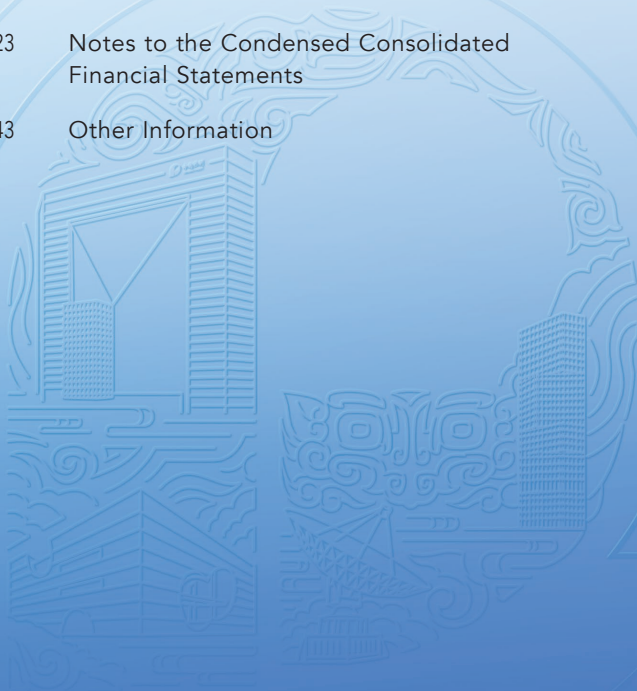
心安吾鄉

HOME IS WHERE MY HEART IS



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

WAN Yuqing (*Chairman*)

HU Zaixin (*General Manager*)

Non-executive Directors

ZHANG Yi (*appointed on 21 February 2025*)

GONG Jian (*appointed on 21 February 2025*
and retired on 18 September 2025)

DENG Huan (*appointed on 21 February 2025*)

CHEN Yuwen (*retired on 21 February 2025*)

Independent Non-executive Directors

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

NG Kim Lam

AUDIT COMMITTEE

LEUNG Sau Fan, Sylvia (*Chairlady*)

ZHANG Yi (*appointed on 21 February 2025*)

GONG Jian (*appointed on 21 February 2025*
and retired on 18 September 2025)

DENG Huan (*appointed on 21 February 2025*)

CHEN Yuwen (*retired on 21 February 2025*)

FUNG Chi Kin

WONG Ka Lun

NG Kim Lam

REMUNERATION COMMITTEE

WONG Ka Lun (*Chairman*)

HU Zaixin

ZHANG Yi (*appointed on 21 February 2025*)

CHEN Yuwen (*retired on 21 February 2025*)

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

NOMINATION COMMITTEE

WAN Yuqing (*Chairman*)

GONG Jian (*appointed on 21 February 2025*
and retired on 18 September 2025)

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

NG Kim Lam (*Chairman*)

HU Zaixin

DENG Huan (*appointed on 21 February 2025*)

CHEN Yuwen (*retired on 21 February 2025*)

FUNG Chi Kin

COMPANY SECRETARY AND

AUTHORIZED REPRESENTATIVE

WONG Cheuk Him

LEGAL ADVISER

Jingtian & Gongcheng LLP

AUDITOR

Baker Tilly Hong Kong Limited

PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of Beijing Co., Ltd.

Bank of China Limited

Bank of Communications Co., Ltd.

Bank of Shanghai Co., Ltd.

China Citic Bank Corporation Limited

China CITIC Bank International Limited

China Construction Bank Corporation

China Everbright Bank Co., Ltd.

China Guangfa Bank Co., Ltd.

China Merchants Bank Co., Ltd.

China Minsheng Bank Corp., Ltd.

China Zheshang Bank Co., Ltd.

CMB Wing Lung Bank Limited

Hua Xia Bank Co., Limited

Industrial and Commercial Bank of China Limited

Industrial and Commercial Bank of China (Asia) Limited

Industrial Bank Co., Ltd.

Malayan Banking Berhad

Ping An Bank Co., Ltd.

Postal Savings Bank of China Limited

Shanghai Pudong Development Bank Co. Ltd.

INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations Limited

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East, Hong Kong

REGISTERED OFFICE

Room 2503, Admiralty Centre, Tower 1

18 Harcourt Road, Hong Kong

COMPANY WEBSITE

www.polyhongkong.com



For the first half of 2025, the Group recorded a revenue of RMB18,444 million (corresponding period of 2024: RMB12,457 million), representing an increase of RMB5,988 million or 48.1% when comparing with the corresponding period of last year. Profit attributable to shareholders amounted to RMB208 million (corresponding period of 2024: RMB373 million), indicating a decrease of RMB165 million or 44.3% from the corresponding period of last year. Basic and diluted earnings per share stood at RMB5.44 cents (corresponding period of 2024: RMB9.77 cents). As at 30 June 2025, shareholders' equity of the Group amounted to RMB34,188 million (31 December 2024: RMB34,209 million), indicating a 0.1% decrease from last year end. Net asset value per share amounted to RMB8.95 (31 December 2024: RMB8.95).

BUSINESS REVIEW

In the first half of the year, China's Gross Domestic Product (GDP) expanded by 5.3% year-on-year, representing a 0.3 percentage point acceleration as compared with both the corresponding period of 2024 and the whole year of 2024. The national economy demonstrated resilience in the face of challenges. With more proactive and robust macroeconomic policies gaining sustained traction, the economy maintained its steady and upward trend, showcasing strong resilience and vitality.

The real estate market is showing signs of stabilization amid ongoing fluctuations, with the downward trend gradually moderating. In the first half of the year, the national sales amount of newly-built commercial housing declined by 5.5%, with the decrease rate narrowing significantly compared to both the corresponding period of 2024 and the whole year of 2024. Market transaction volumes have picked up, with total GFA of commercial housing completed for sales decreasing for four consecutive months. Funding sources for the property market have also demonstrated positive changes, reflecting relatively pronounced policy effectiveness.

During the period, Poly Property Group (the Group, together with its joint ventures and associates) completed a contracted sales amount of RMB26.7 billion, representing a year-on-year decrease of 6%. According to CRIC, the cumulative sales of the top 100 real estate companies from January to June decreased year-on-year by 11.8%. As of the end of June, the Group ranked 15th on the CRIC list in term of the total sales amount, moving up 2 spots from the end of last year. As new projects continue to concentrate in premium locations of higher-tier cities, the average contracted selling price increased by 9% year-on-year to RMB27,763 per square metre in the first half of the year, with the sales contribution from Yangtze River Delta and Greater Bay Area further increasing to 76%.

The land market has demonstrated a trend of contracted volume and upgraded quality, with developers actively expanding their presence in first-tier and core second-tier cities and land auction premium rates showing a significant rebound. In the first half of the year, Poly Property Group acquired a total of 9 property development projects, with newly acquired land reserve of approximately 1,183,000 square metres and an attributable interest of 74%. In terms of total land costs, 88% of the investments were concentrated in Shanghai, Hangzhou, and Guangzhou. High-quality and fast-turnover projects have bolstered both sales performance and cash collection, strengthening the company's safety margin while facilitating systematic inventory reduction.

MANAGEMENT DISCUSSION AND ANALYSIS

The real estate sector has received a comprehensive package of financial support policies aimed at stabilizing the market and expectations, injecting new impetus to anchor market stabilization from both supply and demand sides. The Group has successively obtained approvals of issuance of RMB7 billion corporate bonds and RMB7 billion medium-term notes, and completed the issuance of RMB4 billion corporate bonds in the first half of the year, with coupon rates as low as 2.46%-2.66%. Through steady debt reduction and active refinancing, the Group's average financing cost has decreased by 48 basis points from the end of last year, to 2.90%.

The Politburo meeting held in late July proposed to sustain the efficacy of macroeconomic policies and flexibly intensify them as needed; and to meticulously implement and refine more proactive fiscal policies and appropriately accommodative monetary policies. Regarding real estate, the meeting underscored the importance of thoroughly executing the guiding principles of the Central Urban Work Conference to advance high-quality urban renewal initiatives. Urban renewal will play a pivotal role in enhancing the quality and efficiency of existing housing stock, stimulating domestic demand, and consolidating stability in the real estate market. The Group will maintain its strategic focus on premium land parcels in higher-tier cities and deepen customer insights to develop locally-adapted products, exploring high-quality pathways for industry transformation and upgrading as well as urban renewal and development.

PROPERTY SALES

In the first half of 2025, Poly Property Group recorded contracted area sold of approximately 961,000 square metres, and contracted sales of approximately RMB26.7 billion in value. Poly Property Group had 131 major projects for sale, with two of them being debut projects, namely Shanghai Poly Infinite Mansion and Ningbo Poly Lustrous Elegance.

MANAGEMENT DISCUSSION AND ANALYSIS



During the period, the contracted sales of Poly Property Group by regions were as follows:

Region and City	Contracted Sales for the First Half of 2025 (RMB million)	Percentage (%)
Yangtze River Delta Region	14,605	55%
Shanghai	6,082	
Kunshan	1,077	
Changzhou	321	
Taicang	31	
Suzhou	3,548	
Changshu	1	
Ningbo	2,065	
Ninghai	5	
Hangzhou	1,475	
Pearl River Delta Region	3,991	15%
Guangzhou	1,930	
Foshan	102	
Shenzhen	1,861	
Huizhou	97	
Southwestern Region	1,556	6%
Guiyang	154	
Zunyi	7	
Nanning	841	
Liuzhou	1	
Kunming	552	
Other Regions	4,868	18%
Wuhan	580	
Harbin	137	
Mudanjiang	5	
Jinan	3,460	
Yantai	64	
Weihai	156	
Zibo	6	
Wanning	460	
Hong Kong	1,648	6%
Hong Kong	1,648	
Total	26,668	100%

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

1. Contracted sales include car park sales;
2. Since figures were rounded up, their grand total or sub-total may not equal to the actual sum.

In the second half of 2025, subject to construction progress and market conditions, Poly Property Group plans to launch 9 new projects which include Shanghai Yang Pu Project, Hangzhou Xihu District Project, Hangzhou Xiyuan Qilu Project, Hangzhou Xiao Shan Project, Guangzhou Li Wan Project, Shenzhen Bao An Project, Jinan Lixia District A1 Project, Jinan Tian Qiao Project and Weihai Huan Cui Project.

NEWLY COMMENCED CONSTRUCTION

In the first half of 2025, Poly Property Group commenced construction on a total of 6 new projects with a gross floor area of approximately 511,000 square metres. Among which, 3 projects commenced construction for the first time, namely, Shanghai Poly Infinite Mansion, Guangzhou Li Wan Project and Shenzhen Bao An Project.

Project	Gross Floor Area of Newly Commenced Construction (‘000 square metres)	Interests Attributable to the Group (%)
Shanghai Poly Infinite Mansion	85	100%
Guangzhou Poly Gratified West Bay	48	75%
Guangzhou Li Wan Project	195	100%
Shenzhen Bao An Project	80	100%
Guiyang Poly Park 2010	32	100%
Wuhan Poly City	71	68%
Total	511	



RECOGNISED PROPERTY SALES

In the first half of 2025, the Group recognised a total sales value of approximately RMB17,367 million and a total gross floor area of approximately 814,000 square metres. Details of recognised project sales as follows:

Region and Project	Sales Recognised in the First Half of 2025 (RMB million)	Percentage (%)
Yangtze River Delta Region	4,004	23%
1. Shanghai Jiading Project	64	
2. Shanghai Poly Moonrise Mansion	117	
3. Shanghai Poly Dawn Light Residence	41	
4. Changzhou Poly Jingyue Palace	162	
5. Suzhou Tide Mansion	216	
6. Ningbo Poly Brocade Scroll	136	
7. Ningbo Poly Rising	3,200	
8. Others	69	
Pearl River Delta Region	7,513	43%
9. Guangzhou Poly Gratified West Bay	1,817	
10. Guangzhou Poly Polaris	183	
11. Guangzhou Poly Moonlight Lake	84	
12. Guangzhou Poly Longyue	120	
13. Foshan Poly Mansion	75	
14. Shenzhen Poly New Dream	1,980	
15. Shenzhen Poly Vibe Centro	1,279	
16. Shenzhen Poly Urban Cultural Bay	1,730	
17. Huizhou Poly Sunshine Town	167	
18. Others	77	

MANAGEMENT DISCUSSION AND ANALYSIS

Region and Project	Sales Recognised in the First Half of 2025 (RMB million)	Percentage (%)
Southwestern Region	1,860	11%
19. Guiyang Poly Park 2010	90	
20. Guiyang Poly Bright Moon on Top	52	
21. Nanning Poly Town	42	
22. Nanning Poly Town Phase II	886	
23. Nanning Poly Moon Bay	65	
24. Kunming Poly City	687	
25. Others	38	
Other Regions	3,353	19%
26. Wuhan Poly City	189	
27. Harbin Poly Time Lane	91	
28. Jinan Poly Grand Joy II	1,309	
29. Jinan Poly Jade	120	
30. Jinan Poly Park TOD	611	
31. Yantai Poly Moon Mansion	307	
32. Weihai Poly Moon Fenghua	153	
33. Wanning Poly Peninsula No. 1	376	
34. Others	197	
Hong Kong Region	637	4%
35. Hong Kong Vibe Centro	17	
36. Hong Kong Villa La Plage	620	
Total	17,367	

Note: Since figures were rounded up, their grand total or sub-total may not equal to the actual sum.



NEW LAND RESERVES

In the first half of 2025, Poly Property Group acquired nine new projects, which are located in Shanghai, Hangzhou, Guangzhou, Jinan and Weihai. The planned total gross floor area of the new projects amounted to approximately 1,183,000 square metres with land cost at a reasonable level.

New Projects	Planned Property Type	Total Site Area ('000 square metres)	Planned Total Gross Floor Area ('000 square metres)	Interests
				Attributable to the Group (%)
Guangzhou Li Wan Project	Commercial and Residential	22	253	100%
Hangzhou Xihu District Project	Residential	20	68	100%
Jinan Lixia District A1 Project	Commercial and Residential	37	168	40%
Shanghai Yang Pu Project	Residential	21	88	100%
Hangzhou Xiyuan Qilu Project	Residential	30	116	100%
Weihai Huan Cui Project	Commercial and Residential	58	120	70%
Shanghai Jing An Project	Commercial and Residential	27	124	51%
Jinan Tian Qiao Project	Commercial and Residential	35	120	40%
Hangzhou Xiao Shan Project	Residential	64	126	25%
Total		314	1,183	

Guangzhou Li Wan Project

The project is located in the Bai'etan Area of Guangzhou, a CBD area serving as a core engine to the high-quality development of Liwan District. It is approximately 300 metres away from Bai'etan Fangcun Station of Metro Line 1, a transfer hub in western area with a four-line interchange, enjoying convenient transportation. The land parcel is only approximately 200 metres away from the Mixc and enjoys excellent ancillary commercial and educational resources. The project, with a planned total gross floor area of approximately 253,000 square metres, is intended to be developed into high-rise residential buildings.

MANAGEMENT DISCUSSION AND ANALYSIS

Hangzhou Xihu District Project

The project is located in the western Sandun Area of Xihu District, Hangzhou, approximately 800 metres away from Lianchi Road Station of Metro Line 4. Benefiting from the proximity to the Zijingang Campus of Zhejiang University, the area features high-end industrial clusters, including Alibaba Cloud Valley and West Lake Science and Technology Park. The neighborhood is well served by abundant educational resources and comprehensive living amenities. The project, with a planned total gross floor area of approximately 68,000 square metres, is intended to be developed into high-rise residential buildings.

Jinan Lixia District A1 Project

The project is located in the CBD Western Area of Lixia District, Jinan, northeast of the Government of Lixia District, neighbouring the Second Ring East Road in the west and Jiefang East Road in the south, both of which are iconic trunk roads. It is a core area of Jinan. The project enjoys complete commercial, educational, medical, cultural and sports facilities in the vicinity and exceptional living convenience, boasting a strong residential atmosphere. The project, with a planned total gross floor area of approximately 168,000 square metres, is intended to be developed into high-rise residential buildings.

Shanghai Yang Pu Project

The project is located in the Eastern Bund area within the Middle Ring Road of Yangpu District, Shanghai and approximately 25 minutes by car from Lujiazui. It falls within Yangpu Riverside Area, a key planned development area for Yangpu District. With an approximately 900-metre walking distance from Aiguo Road Station of Metro Line 12 and pedestrian access to Yangpu Riverside, the project enjoys convenient transportation. With complete commercial and medical facilities in the vicinity, it boasts a strong residential atmosphere. The project, with a planned total gross floor area of approximately 88,000 square metres, is intended to be developed into high-rise residential buildings.

Hangzhou Xiyuan Qilu Project

The project is located in the western Sandun Area of Xihu District, Hangzhou, adjacent to the Hangzhou Xihu District Project previously acquired by the Group on its northern side. The project is within walking distance of a metro station and benefits from surrounding commercial streets with strong population density. Joint development of the two land parcels will create economies of scale, catering to both first-time homebuyers and upgraders in the area. The project, with a planned total gross floor area of approximately 116,000 square metres, is intended to be developed into high-rise residential buildings.





Weihei Huan Cui Project

The project occupies a prime position in the central area of Huancui District, Weihai, offering exceptional transportation convenience and quick access to the central areas of all districts in Weihai. The project is adjacent to RT-MART and Weigao commercial area in the downtown with complete commercial, educational and medical facilities and is surrounded by well-developed residential communities, boasting a strong residential atmosphere. The project, with a planned total gross floor area of approximately 120,000 square metres, is intended to be developed into high-rise residential buildings.

Shanghai Jing An Project

The project is located in the Inner Loop of Jing'an District, Shanghai and about 13-minute driving distance from the People's Square, a core area in the downtown area. The project neighbours the North Xizang Road Station of Metro Line 8, enjoying convenient transportation links. It is proximate to various commercial complexes with abundant medical and educational resources. The project, with a planned total gross floor area of approximately 124,000 square metres, is intended to be developed into high-rise residential buildings.

Jinan Tian Qiao Project

The project is located in Beihu Area of Tianqiao District, Jinan, the core town area of Tianqiao District. Within an approximately 250-metre walking distance from Shengchan Road Station of Metro Line 2, the project boasts excellent transportation links. The surrounding area is well-developed with comprehensive educational, commercial, and medical facilities, offering exceptional living convenience. It is approximately 500 metres straight-line away from the Daming Lake scenic area, enjoying an advantageous geographical position. The project, with a planned total gross floor area of approximately 120,000 square metres, is intended to be developed into high-rise residential buildings.

Hangzhou Xiao Shan Project

The project is located in Wenyan Area of Xiaoshan District, Hangzhou, and on the south of the Qiantang River. It is about only 0.7 kilometres to the Qiantang River. With subway stations in the surrounding 2-kilometre area and quick connections to Puyan Road, Huoju Avenue and other trunk roads, it enjoys convenient transportation links. The project has complete educational and commercial facilities in the vicinity and is surrounded by well-developed residential communities. The project, with a planned total gross floor area of approximately 126,000 square metres, is intended to be developed into high-rise residential buildings.

MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENT PROPERTIES

The Group has various investment properties and hotels located in first-tier cities and second-tier provincial capitals. Its investment properties have a total gross floor area of approximately 681,000 square metres and asset value of approximately RMB8,647 million.

Location	Major Investment Properties and Hotels	Gross Floor Area Held ('000 square metres)	Interests Attributable to the Group (%)	Property Type
Investment properties				
Beijing	Beijing Poly Plaza	15	75%	Office
Shanghai	Shanghai Poly Plaza (partial)	30	100%	Office and commercial
Shanghai	Shanghai Stock Exchange Buildings (partial)	48	100%	Office
Shenzhen	Shenzhen Poly Cultural Plaza (partial)	135	100%	Commercial
Wuhan	Wuhan Poly Plaza (partial)	56	100%	Office
Hotels				
Beijing	Beijing Poly Plaza Hotel	63	75%	Hotel
Shanghai	Hyatt Regency Shanghai Jiading	69	100%	Hotel
Wuhan	Wuhan Poly Hotel	28	100%	Hotel

PROPERTY MANAGEMENT

The Group has various property management companies engaging in the management of residential, commercial, offices, hotels, theatres and other property types. They have been the leading players in the property management industry in China and have received many titles and awards.

In the first half of 2025, the Group's property management companies recorded revenue of RMB625 million in aggregate, representing an increase of 6.7% when comparing with the corresponding period of last year. The companies managed a total of 318 property projects with a gross floor area under management of approximately 54,090,000 square metres, representing an increase of 7.0% when comparing with the corresponding period of last year.



FINANCIAL REVIEW

Liquidity and Capital Structure

As at 30 June 2025, total equity attributable to shareholders of the Company amounted to RMB34,187,501,000 (31 December 2024: RMB34,209,353,000), while the net asset value per share was RMB8.95 (31 December 2024: RMB8.95). As at 30 June 2025, the Group's gearing ratio (on the basis of the amount of total liabilities divided by the amount of total assets) was 75.9% (31 December 2024: 76.6%).

As at 30 June 2025, the Group had an outstanding bank and other borrowings (including the notes payable) of RMB68,203,639,000. In terms of maturity, the outstanding bank and other borrowings (including notes payable) can be divided into RMB17,483,131,000 (25.6%) to be repaid within one year, RMB17,067,474,000 (25.0%) to be repaid after one year but within two years, RMB25,032,652,000 (36.7%) to be repaid after two years but within five years, RMB8,620,382,000 (12.7%) to be repaid after five years. In terms of currency denomination, the outstanding bank and other borrowings (including the notes payable) can be divided into RMB61,105,639,000 (90%) in Renminbi, RMB3,549,000,000 (5%) in United States dollars, and RMB3,549,000,000 (5%) in Hong Kong dollars.

44% of the bank and other borrowings (including the notes payable) of the Group are subject to fixed interest rates and the remaining 56% are subject to floating interest rates. Therefore, under circumstances of interest rates uncertainty or fluctuations or otherwise as appropriate, the Group will consider the use of hedging instruments (including interest rates swaps), in order to manage interest rate risks.

As at 30 June 2025, the Group had a net current assets of RMB78,391,334,000 and total bank balances of RMB28,468,404,000 (31 December 2024: RMB79,321,844,000 and RMB34,671,647,000, respectively). With the available banking facilities and cash revenue from business operations, it is believed that the Group has sufficient resources to meet the foreseeable working capital demands and capital expenditure.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities, and foreign exchange revenue versus foreign exchange expenditures. The management believes that the foreign exchange rate between Hong Kong dollars and United States dollars is relatively stable. Due to recent fluctuation of Renminbi exchange rate against Hong Kong dollars, the Group closely monitors the fluctuation and adopts policy to minimise exchange rate risks, if necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledged Assets

At the end of the reporting period, the carrying value of the Group's assets which were pledged to secure credit facilities granted to the Group are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Investment properties	6,433,509	5,530,726
Hotel properties	1,576,000	1,605,000
Buildings	130,398	120,258
Right-of-use assets	201,366	205,392
Properties under development	18,346,879	23,421,673
Properties held for sale	2,152,607	1,118,818
Bank deposits	163,696	164,147
	29,004,455	32,166,014

In addition to above pledge of assets, at 30 June 2025 and 31 December 2024, the Group's interests in certain subsidiaries were pledged to secure credit facilities granted to the Group. The details of net assets value of subsidiaries are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Total assets	7,397,970	10,462,976
Total liabilities	(7,029,356)	(10,190,072)
Net assets value	368,614	272,904



Contingent Liabilities

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to RMB17,824,863,000 as at 30 June 2025 (31 December 2024: RMB23,496,301,000). Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the purchasers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

At 30 June 2025, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to RMB6,428,812,000 (31 December 2024: RMB6,494,874,000), of which RMB2,409,584,000 (31 December 2024: RMB3,547,951,000) had been utilised by these associates and joint ventures.

EMPLOYEES

As at 30 June 2025, the Group employed 6,437 (30 June 2024: 6,124) employees with remuneration for the period amounted to approximately RMB379,110,000. The Group provides its employees with various benefits including year-ended double-pay, discretionary bonus, contributory provident fund and medical insurance. On-the-job training is also provided as and when required.

INTERIM RESULTS

The directors (the “Directors/Board”) of Poly Property Group Co., Limited (the “Company”) hereby announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 with comparative figures for the six months ended 30 June 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	2	18,444,209	12,456,641
Cost of sales		(15,224,705)	(10,680,723)
Gross profit		3,219,504	1,775,918
Decrease in fair value of investment properties		–	(34,460)
Increase in fair value of financial assets		14,878	33,033
Other gains, net	3	363,026	378,506
Selling expenses		(831,921)	(431,369)
Administrative expenses		(496,711)	(442,437)
Other operating expenses		(149,674)	(96,112)
Finance costs		(648,072)	(707,433)
Share of results of associates		(45,962)	98,279
Share of results of joint ventures		(49,093)	5,435
Profit before income tax expense	4	1,375,975	579,360
Income tax expense	5	(1,143,493)	(330,718)
Profit for the period		232,482	248,642
Attributable to:			
Owners of the Company		207,865	373,227
Non-controlling interests		24,617	(124,585)
		232,482	248,642
Earnings per share (expressed in RMB cents)	7		
– Basic and diluted		5.44	9.77



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	232,482	248,642
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus arising on revaluation of properties	15,936	29,285
Exchange differences arising on translation of functional currency to presentation currency	(169,377)	(866)
Other comprehensive income before income tax effect	(153,441)	28,419
Deferred tax liability arising on revaluation of properties	(3,984)	(7,321)
Other comprehensive income for the period, net of tax	(157,425)	21,098
Total comprehensive income for the period	75,057	269,740
Attributable to:		
Owners of the Company	51,973	396,750
Non-controlling interests	23,084	(127,010)
	75,057	269,740

INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Investment properties	8	8,647,112	8,676,752
Property, plant and equipment	8	3,350,291	3,392,941
Right-of-use assets		510,505	530,439
Interests in associates		2,860,086	2,765,516
Interests in joint ventures		2,662,469	2,702,012
Financial assets at fair value through profit or loss	23	800,088	785,231
Loan receivables		162,783	176,560
Deposits paid for acquisition of land use rights		388,488	439,123
Deposits paid for acquisition of a subsidiary	9	849,598	–
Deferred tax assets		241,661	270,826
Total non-current assets		20,473,081	19,739,400
Current assets			
Properties under development		78,040,272	80,266,271
Properties held for sale		46,687,663	45,223,352
Other inventories		35,775	42,361
Contract costs		966,921	1,104,604
Trade and other receivables	10	6,301,673	5,477,695
Amounts due from associates	11	308,109	619,885
Amounts due from joint ventures	12	4,679,769	4,446,368
Amounts due from non-controlling shareholders of subsidiaries		3,726,101	3,356,816
Taxation recoverable		3,814,815	3,754,378
Pledged bank deposits		163,696	164,147
Bank balances, deposits and cash		28,304,708	34,507,500
Total current assets		173,029,502	178,963,377

INTERIM RESULTS



	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current liabilities			
Trade and other payables	13	22,431,992	24,127,769
Contract liabilities		40,877,159	41,377,239
Property rental deposits		102,860	85,681
Amounts due to associates	11	1,810,592	1,761,342
Amounts due to joint ventures	12	1,009,358	925,353
Amount due to the ultimate holding company	14	6,965	7,099
Amount due to an intermediate holding company	15	2,792	2,792
Amount due to a fellow subsidiary	16	485	485
Amounts due to non-controlling shareholders of subsidiaries		2,933,719	3,723,788
Taxation payable		7,979,115	8,086,584
Notes payable – due within one year	18	8,549,000	10,127,000
Bank and other borrowings – due within one year	17	8,934,131	9,416,401
Total current liabilities		94,638,168	99,641,533
Net current assets		78,391,334	79,321,844
Total assets less current liabilities		98,864,415	99,061,244
Capital and reserves attributable to owners of the Company			
Share capital	19	15,712,159	15,712,159
Reserves		3,950,800	4,107,704
Accumulated profits		14,524,542	14,389,490
Equity attributable to owners of the Company		34,187,501	34,209,353
Non-controlling interests		12,392,755	12,337,957
Total equity		46,580,256	46,547,310

INTERIM RESULTS

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Bank and other borrowings – due after one year	17	35,594,508	36,784,705
Notes payable – due after one year	18	15,126,000	14,126,000
Lease liabilities		7,663	11,499
Deferred tax liabilities		1,555,988	1,591,730
Total non-current liabilities		52,284,159	52,513,934
		98,864,415	99,061,244

INTERIM RESULTS



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company										
	Share capital	Hotel properties revaluation reserve	Translation reserve	PRC statutory reserves	Other capital reserve	Asset revaluation reserve	Other reserve	Accumulated profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	15,712,159	837,018	506,777	3,107,974	208,593	86,592	(639,250)	14,389,490	34,209,353	12,337,957	46,547,310
Total comprehensive income for the period	-	16,387	(172,279)	-	-	-	-	207,865	51,973	23,084	75,057
Dividend approved in respect of the previous year	-	-	-	-	-	-	-	(73,825)	(73,825)	-	(73,825)
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(84,000)	(84,000)
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	-	115,714	115,714
De-registration of a subsidiary	-	-	(1,012)	-	-	-	-	1,012	-	-	-
At 30 June 2025	15,712,159	853,405	333,486	3,107,974	208,593	86,592	(639,250)	14,524,542	34,187,501	12,392,755	46,580,256

For the six months ended 30 June 2024

	Attributable to owners of the Company										
	Share capital	Hotel properties revaluation reserve	Translation reserve	PRC statutory reserves	Other capital reserve	Asset revaluation reserve	Other reserve	Accumulated profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	15,712,159	779,119	346,626	3,024,510	208,593	86,592	(639,250)	14,581,921	34,100,270	11,060,363	45,160,633
Total comprehensive income for the period	-	24,389	(866)	-	-	-	-	373,227	396,750	(127,010)	269,740
Dividend approved in respect of the previous year	-	-	-	-	-	-	-	(288,614)	(288,614)	-	(288,614)
Other	-	2	-	-	-	-	-	(2)	-	(1)	(1)
At 30 June 2024	15,712,159	803,510	345,760	3,024,510	208,593	86,592	(639,250)	14,666,532	34,208,406	10,933,352	45,141,758

INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	395,789	5,131,812
Income taxes paid	(1,321,640)	(570,184)
Interest paid	(1,174,686)	(1,825,669)
Net cash (used in)/generated from operating activities	(2,100,537)	2,735,959
Cash flows from investing activities		
Acquisition of associates	(120,000)	(445,845)
Deposits paid for acquisition of a subsidiary	(849,598)	–
Bank interest income received	149,989	182,751
Advance to non-controlling shareholders of subsidiaries	(369,285)	(560,523)
(Advance to)/repayment from joint ventures	(314,569)	29,904
Repayment from/(advance to) associates	286,744	(379,877)
Interest income received from loans to joint ventures	–	81,217
Interest income received from loans to associates	5,818	41,530
Decrease in pledged bank deposits	451	99,018
Other cash flows arising from investing activities	5,573	147,578
Net cash used in investing activities	(1,204,877)	(804,247)
Cash flows from financing activities		
Borrowings raised	7,947,367	10,426,686
Notes payable raised	4,000,000	1,500,000
Capital contribution by non-controlling shareholders of subsidiaries	115,714	–
Dividend paid to non-controlling shareholders of subsidiaries	(84,000)	–
Repayment of borrowings	(9,541,834)	(11,228,807)
Repayment of notes payable	(4,500,000)	–
Repayment to a fellow subsidiary	–	(180,000)
Repayment to non-controlling shareholders of subsidiaries	(762,931)	(816,566)
Advance from/(repayment to) joint ventures	84,005	(7,434)
Advance from associates	49,250	345,610
Payment of lease liabilities	(12,942)	(12,180)
Other cash flows arising from financing activities	(134)	(295)
Net cash (used in)/generated from financing activities	(2,705,505)	27,014
Net (decrease)/increase in cash and cash equivalents	(6,010,919)	1,958,726
Cash and cash equivalents at beginning of the period	34,507,500	31,631,917
Effect of exchange rate changes on cash and cash equivalents	(191,873)	(380)
Cash and cash equivalents at end of the period	28,304,708	33,590,263
Analysis of cash and cash equivalents		
Cash and cash equivalents as stated in the consolidated statement of financial position	28,304,708	33,590,263



1. BASIS OF PREPARATION

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

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the most recent consolidated financial statements for the year ended 31 December 2024, except for the changes in accounting policy made when the Group initially applies financial reporting standards newly applicable to the annual accounting period beginning on 1 January 2025.

The preparation of condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This report contains condensed consolidated financial statements and selected explanatory notes. The explanatory notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the most recent consolidated financial statements for the year ended 31 December 2024. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the financial year ended 31 December 2024 that is included in this report of the interim results for the six months ended 30 June 2025 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The HKICPA has issued the following amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

Amendment to HKAS 21, The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability

The Group has assessed the impact of the adoption of these amended standards that are effective for the first time for this interim financial period. The adoption of these amended standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

The following new/revised HKFRS Accounting Standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments¹

Annual Improvements to HKFRS Accounting Standards – Volume 11¹

HKFRS 18, Presentation and Disclosure in Financial Statements²

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an investor and its Associate or Joint Venture³

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.



The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The Group has various subsidiaries operating in jurisdictions where the electronic payment systems are not instantaneous. Upon the application of the amendments, the Group will apply the exception to derecognise financial liabilities settled via such electronic payment systems when the payment instruction is initiated. On the other hand, for the settlement by the subsidiaries' customers via electronic settlement systems, the Group can only derecognise the financial assets when cash is deposited in the bank accounts of the subsidiaries.

HKFRS 18, Presentation and Disclosure in Financial Statements

HKFRS 18, Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1, Presentation of Financial Statements. This new HKFRS, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7, Statement of Cash Flows and HKAS 33, Earnings per Share are also made.

The application of the new standard is expected to affect the presentation and disclosure of the statement of profit or loss in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organised into four operating divisions. These divisions are the basis on which the Group reports its segment information.

Principal activities are as follows:

Property development business – property development

Property investment and management – property investment and management

Hotel operations – hotel and restaurant business and its related services

Other operations – manufacturing and sales of digital discs and others

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Information about these segments is presented below:

For the six months ended 30 June 2025

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
REVENUE						
Revenue from contracts with customers within the scope of HKFRS 15:						
– Recognised at a point in time	17,458,481	–	–	10,783	–	17,469,264
– Recognised over time	–	625,294	114,312	–	–	739,606
Revenue from other sources outside the scope of HKFRS 15:						
– Rental income	–	235,339	–	–	–	235,339
External revenue	17,458,481	860,633	114,312	10,783	–	18,444,209
Inter-segment revenue*	–	53,054	–	–	(53,054)	–
Total revenue	17,458,481	913,687	114,312	10,783	(53,054)	18,444,209
SEGMENT RESULTS	1,690,693	143,069	(30,548)	13,332	–	1,816,546
Unallocated income						314,417
Unallocated expenses						(11,861)
Finance costs						(648,072)
Share of results of associates	(45,962)	–	–	–	–	(45,962)
Share of results of joint ventures	(49,483)	–	–	390	–	(49,093)
Profit before income tax expense						1,375,975
Income tax expense						(1,143,493)
Profit for the period						232,482

* Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



As at 30 June 2025

Assets and liabilities

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
Assets					
Segment assets	142,119,497	9,392,191	3,002,832	928,285	155,442,805
Interests in associates	2,860,086	–	–	–	2,860,086
Interests in joint ventures	2,659,008	–	–	3,461	2,662,469
Unallocated corporate assets					32,537,223
Total assets					193,502,583
Liabilities					
Segment liabilities	67,642,797	1,361,609	68,939	6,762	69,080,107
Unallocated corporate liabilities					77,842,220
Total liabilities					146,922,327

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
REVENUE						
Revenue from contracts with customers within the scope of HKFRS 15:						
– Recognised at a point in time	11,416,234	–	–	22,935	–	11,439,169
– Recognised over time	–	586,385	177,000	–	–	763,385
Revenue from other sources outside the scope of HKFRS 15:						
– Rental income	–	254,087	–	–	–	254,087
External revenue	11,416,234	840,472	177,000	22,935	–	12,456,641
Inter-segment revenue*	–	49,730	–	–	(49,730)	–
Total revenue	11,416,234	890,202	177,000	22,935	(49,730)	12,456,641
SEGMENT RESULTS						
Unallocated income						265,950
Unallocated expenses						(12,937)
Finance costs						(707,433)
Share of results of associates	98,279	–	–	–	–	98,279
Share of results of joint ventures	5,435	–	–	–	–	5,435
Profit before income tax expense						579,360
Income tax expense						(330,718)
Profit for the period						248,642

* Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



As at 31 December 2024

Assets and liabilities

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
Assets					
Segment assets	141,335,678	9,200,916	3,035,869	937,823	154,510,286
Interests in associates	2,765,516	–	–	–	2,765,516
Interests in joint ventures	2,698,940	–	–	3,072	2,702,012
Unallocated corporate assets					38,724,963
Total assets					198,702,777
Liabilities					
Segment liabilities	70,569,736	1,333,672	64,321	8,985	71,976,714
Unallocated corporate liabilities					80,178,753
Total liabilities					152,155,467

3. OTHER GAINS, NET

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Loss on disposal of investment properties	–	(18,869)
Exchange gain, net	164,427	–
Government subsidy	4,292	7,951
Interest income from banks	149,989	182,751
Interest income from loans to associates	315	41,530
Interest income from loans to joint ventures	–	81,217
Interest income from amounts due from non-controlling shareholders of subsidiaries	5,704	21,048
Others	38,299	62,878
	363,026	378,506

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. PROFIT BEFORE INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit before income tax expense is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	72,062	79,429
Depreciation of right-of-use assets	16,595	24,357
Share of tax of associates (included in share of results of associates)	13,626	37,581
Share of tax of joint ventures (included in share of results of joint ventures)	1,382	(1,668)
Loss on disposal of investment properties	–	18,869

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
The charge comprises:		
Hong Kong Profits Tax	262	20,468
People's Republic of China Enterprise Income Tax ("PRC EIT")	559,396	209,855
People's Republic of China Land Appreciation Tax ("LAT")	594,395	100,683
	1,154,053	331,006
Deferred taxation	(10,560)	(288)
	1,143,493	330,718



Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2024: 16.5%) based on the estimated assessable profit for the period ended 30 June 2025, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime.

For that subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in prior period.

The PRC EIT is calculated at 25% (six months ended 30 June 2024: 25%) based on the estimated assessable profit for the period.

Certain People's Republic of China (the "PRC") subsidiaries are also subject to the LAT which is levied at progressive rates ranging from 30% to 60% on the appreciation of properties, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction.

6. DIVIDENDS

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$Nil).

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2025 is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Earnings:		
Profit for the period attributable to owners of the Company	207,865	373,227
	Six months ended 30 June	
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	3,821,183,118	3,821,183,118

The diluted earnings per share for the six-month period ended 30 June 2025 and 2024 are the same as basic earnings per share as there were no potentially dilutive ordinary shares in 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties decreased by RMB29,640,000 during the period ended 30 June 2025 (30 June 2024: decreased by RMB176,177,000).

During the period ended 30 June 2025, transfer of investment properties of RMB27,000,000 to properties held for sale was noted (30 June 2024: RMBNil).

The Group's property, plant and equipment decreased by RMB42,650,000 during the period ended 30 June 2025 (30 June 2024: decreased by RMB47,234,000).

During the period ended 30 June 2025, depreciation charge of RMB72,062,000 (30 June 2024: RMB79,429,000) and disposal of property, plant and equipment of RMB327,000 (30 June 2024: RMB3,715,000) were noted.

The decrease was offset by the additions of motor vehicles, furniture and fixture and plant and machinery of RMB14,611,000 (30 June 2024: RMB6,624,000) and the surplus arising on revaluation of hotel properties of RMB15,937,000 (30 June 2024: RMB29,286,000).

The Group's investment properties and hotel properties at 30 June 2025 were valued by AA Property Services Limited, an independent professional surveyor and property valuer not connected with the Group. AA Property Services Limited is a member of the Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at using the same valuation techniques as were used by this valuer when carrying out the valuations at 31 December 2024.

9. DEPOSITS PAID FOR ACQUISITION OF A SUBSIDIARY

The amount as at 30 June 2025 represents the consideration for the acquisition of 51% equity interests of a company. The acquisition has not been completed as at 30 June 2025.



10. TRADE AND OTHER RECEIVABLES

The credit terms in connection with sales of properties granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables arising from sales of properties as the Group has numerous customers. In respect of sales of goods granted to trade customers, the Group allows an average credit period of 30 days to 90 days. The following is an ageing analysis of trade receivables net of allowance for credit losses at the end of the reporting period presented based on invoice dates:

	30 June 2025 RMB'000	31 December 2024 RMB'000
0 to 30 days	42,196	187,892
31 to 90 days	30,694	16,133
More than 90 days	457,398	247,019
Total trade receivables	530,288	451,044
Other receivables	5,771,385	5,026,651
	6,301,673	5,477,695

11. AMOUNTS DUE FROM/(TO) ASSOCIATES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amounts due from associates:		
– Interest-free	308,109	600,131
– Fixed rate of 8%	–	19,754
	308,109	619,885
Amounts due to associates:		
– Interest-free	1,720,592	1,689,342
– Fixed rate of 3%	90,000	72,000
	1,810,592	1,761,342

The amounts are unsecured and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amounts due from joint ventures:		
– Interest-free	4,679,769	1,449,308
– Fixed rate of 6.5%	–	1,468
– Hong Kong Interbank Offered Rate ("HIBOR") +1.5%	–	2,995,592
	4,679,769	4,446,368
Amounts due to joint ventures:		
– Interest-free	1,009,358	925,353

The amounts are unsecured and repayable on demand.

13. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2025 RMB'000	31 December 2024 RMB'000
0 to 30 days	654,422	1,827,262
31 to 90 days	765,536	290,931
More than 90 days	13,742,545	14,441,805
Total trade payables	15,162,503	16,559,998
Other payables	7,269,489	7,567,771
	22,431,992	24,127,769



14. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

	30 June 2025 RMB'000	31 December 2024 RMB'000
Interest-free	6,965	7,099

The amount is unsecured and repayable on demand.

15. AMOUNT DUE TO AN INTERMEDIATE HOLDING COMPANY

	30 June 2025 RMB'000	31 December 2024 RMB'000
Interest-free	2,792	2,792

The amount is unsecured and repayable on demand.

16. AMOUNT DUE TO A FELLOW SUBSIDIARY

	30 June 2025 RMB'000	31 December 2024 RMB'000
Interest-free	485	485

The amount is unsecured and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. BANK AND OTHER BORROWINGS

The Group's bank and other borrowings decreased by RMB1,672,467,000 (30 June 2024: decreased by RMB802,121,000).

During the period ended 30 June 2025, the Group repaid bank and other borrowings of RMB9,541,834,000 (30 June 2024: RMB11,228,807,000). The decrease was offset by additions of bank and other borrowings of RMB7,947,367,000 (30 June 2024: RMB10,426,686,000), which bear interest at market rates.

18. NOTES PAYABLE

The Group has issued the following notes payable:

- (i) On 10 November 2020, the Group issued the 4% note due in 2025 in the aggregate principal amount of US\$500,000,000 (equivalent to RMB3,549,000,000) (31 December 2024: US\$500,000,000 equivalent to RMB3,627,000,000). The note bears interest at the rate of 4% per annum. The note is payable semi-annually in arrears on the interest payment date falling on 10 May and 10 November, in each year.
- (ii) On 18 February 2022, the Group issued the 3.66% note due in 2027 in the aggregate principal amount of RMB500,000,000. The note bears interest at the rate of 3.66% per annum. The note is payable annually in arrears on the interest payment date falling on 18 February, in each year.
- (iii) On 6 June 2022, the Group issued the 3.65% note due in 2027 in the aggregate principal amount of RMB500,000,000. The note bears interest at the rate of 3.65% per annum. The note is payable annually in arrears on the interest payment date falling on 6 June, in each year.
- (iv) On 20 June 2022, the Group issued the 3.68% note due in 2027 in the aggregate principal amount of RMB500,000,000. The note bears interest at the rate 3.68% per annum respectively. The note is payable annually in arrears on the interest payment date falling on 20 June, in each year.



- (v) On 26 August 2022, the Group issued the 3.29% note due in 2025 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 3.29% per annum. The note is payable annually in arrears on the interest payment date falling on 26 August, in each year.
- (vi) On 1 November 2022, the Group issued the 3.3% note due in 2025 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 3.3% per annum. The note is payable annually in arrears on the interest payment date falling on 1 November, in each year.
- (vii) On 9 January 2023, the Group issued the 3.82% note due in 2026 in the aggregate principal amount of RMB1,500,000,000. The note bears interest at the rate of 3.82% per annum. The note is payable annually in arrears on the interest payment date falling on 9 January, in each year.
- (viii) On 24 February 2023, the Group issued the 3.7% and 4.2% notes due in 2026 and 2028 in the aggregate principal amount of RMB1,000,000,000 and RMB1,000,000,000 respectively. The notes bear interest at the rate of 3.7% and 4.2% per annum respectively. The notes are payable annually in arrears on the interest payment date falling on 24 February, in each year.
- (ix) On 6 April 2023, the Group issued the 3.47% and 3.88% notes due in 2026 and 2028 in the aggregate principal amount of RMB500,000,000 and RMB1,500,000,000 respectively. The notes bear interest at the rate of 3.47% and 3.88% per annum respectively. The notes are payable annually in arrears on the interest payment date falling on 6 April, in each year.
- (x) On 27 July 2023, the Group issued the 3.40% note due in 2026 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 3.40% per annum. The note is payable annually in arrears on the interest payment date falling on 27 July, in each year.
- (xi) On 17 October 2023, the Group issued the 3.48% note due in 2026 in the aggregate principal amount of RMB500,000,000. The note bears interest at the rate of 3.48% per annum. The note is payable annually in arrears on the interest payment date falling on 17 October, in each year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (xii) On 11 June 2024, the Group issued the 2.5% and 2.8% notes due in 2027 and 2029 in the aggregate principal amount of RMB500,000,000 and RMB1,000,000,000 respectively. The notes bear interest at the rate of 2.5% and 2.8% per annum respectively. The notes are payable annually in arrears on the interest payment date falling on 11 June, in each year.
- (xiii) On 22 July 2024, the Group issued the 2.45% and 2.83% notes in the aggregate principal amount of RMB1,200,000,000 and RMB800,000,000 due in 2027 and 2029 respectively. The notes bear interest at the rate of 2.45% and 2.83% per annum. The notes are payable annually in arrears on the interest payment date falling on 22 July, in each year.
- (xiv) On 9 September 2024, the Group issued the 2.4% note in the aggregate principal amount of RMB626,000,000 due in 2026. The note bears interest at the rate of 2.4% per annum. The note is payable annually in arrears on the interest payment date falling on 9 September, in each year.
- (xv) On 16 October 2024, the Group issued the 2.98% note due in 2027 in the aggregate principal amount of RMB1,500,000,000. The note bears interest at the rate of 2.98% per annum. The note is payable annually in arrears on the interest payment date falling on 16 October, in each year.
- (xvi) On 5 March 2025, the Group issued the 2.66% note due in 2028 in the aggregate principal amount of RMB1,500,000,000. The note bears interest at the rate of 2.66% per annum. The note is payable annually in arrears on the interest payment date falling on 5 March, in each year.
- (xvii) On 16 April 2025, the Group issued the 2.46% note due in 2028 in the aggregate principal amount of RMB1,500,000,000. The note bears interest at the rate of 2.46% per annum. The note is payable annually in arrears on the interest payment date falling on 16 April, in each year.
- (xviii) On 12 June 2025, the Group issued the 2.6% note due in 2030 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 2.6% per annum. The note is payable annually in arrears on the interest payment date falling on 12 June, in each year.



19. SHARE CAPITAL

	Number of ordinary shares	Amount RMB'000
Ordinary shares, issued and fully paid:		
At 31 December 2024 and 30 June 2025	3,821,183,118	15,712,159

20. CONTINGENT LIABILITIES

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to approximately RMB17,824,863,000 as at 30 June 2025 (31 December 2024: RMB23,496,301,000). Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the purchasers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

At 30 June 2025, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to approximately RMB6,428,812,000 (31 December 2024: RMB6,494,874,000), of which approximately RMB2,409,584,000 (31 December 2024: RMB3,547,951,000) had been utilised by these associates and joint ventures.

21. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property development expenditures amounted to RMB12,259,778,000 (31 December 2024: RMB10,004,894,000) as at 30 June 2025.

The Group did not have any capital expenditure authorised but not contracted for as at 30 June 2025 (31 December 2024: RMBNil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. MATERIAL RELATED PARTY TRANSACTIONS

During the current period, the Group entered into the following material related party transactions:

(I) Transactions with related parties

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Property rental income (note a)	9,006	9,309
Interest expenses (note b)	8,750	24,024
Interest income (note c)	315	122,747
Management fee income	890	890
Rental expenses paid	—	1,035

Notes:

- (a) The property rental income was received from subsidiaries of the ultimate holding company, which was charged in accordance with the relevant tenancy agreements.
- (b) The interest expenses arose from loans advanced by a subsidiary of the ultimate holding company. These loans were unsecured, carried interest at either a fixed rate of 3.25% or variable rates based on LPR ranging from LPR minus 1.35% to 0.25% and repayable within three years.
- (c) The interest income was derived from loan advanced to an associate, which carried interest at a fixed rate of 8% and repayable on demand.

(II) Compensation to key management personnel

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Short-term benefits	5,402	4,735
Post-employment benefits	1,650	1,203
	7,052	5,938

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.



23. FAIR VALUE MEASUREMENTS

(i) Financial instruments carried at fair value

The fair value of financial assets are determined with reference to quoted market prices or using valuation techniques in which no significant input is based on observable market data.

The following table presents financial instruments measured at fair value in the condensed consolidated statement of financial position on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, "Fair Value Measurement". The level into which a fair value measurement classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which no significant input is based on observable market data

At 30 June 2025, the Group had following financial instruments carried at fair value all of which are based on the level 1 or level 3 of the fair value hierarchy:

	Fair value at 30 June 2025 RMB'000	Fair value measurements as at 30 June 2025 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Financial assets at fair value through profit or loss				
– Listed	916	916	–	–
– Unlisted	799,172	–	–	799,172
	800,088	916	–	799,172

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Financial assets at fair value through profit or loss				
– Listed	1,011	1,011	–	–
– Unlisted	784,220	–	–	784,220
	785,231	1,011	–	784,220

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no transfers between financial instruments in level 1 and level 2, or transfer into and out of level 3. The Group policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) **The fair values of financial assets and financial liabilities are determined as follows:**

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted active bid prices and ask prices respectively; and the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as inputs.



INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$Nil).

SHARE OPTION SCHEME

In order to provide incentives or rewards to the Directors and certain employees of the Company and certain eligible persons for their contributions to the long-term success of the business of the Group, the shareholders of the Company adopted a share option scheme (the "Share Option Scheme") on 28 May 2014. The Share Option Scheme was valid and effective for a period of 10 years commencing on the adoption date of 28 May 2014 and expired on 27 May 2024.

During the six months ended 30 June 2025, the Company did not adopt any share option schemes.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (including the interests or short positions they were deemed to have pursuant to Part XV of the SFO, which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") adopted by the Company, are detailed as follows:

(1) Long position in the shares and underlying shares of the Company

Name of Director	Number of shares/underlying shares held				Approximate percentage of the issued shares of the Company ^(Note 1)
	Personal interest	Family interest	Other interest	Total	
Leung Sau Fan, Sylvia	33,000	–	–	33,000	0.00

Note:

1. Calculated based on 3,821,183,118 shares in issue of the Company as at 30 June 2025.

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- (2) Long position in the shares and underlying shares of the associated corporation of the Company

Poly Developments and Holdings Group Co., Ltd. ("Poly Developments")

Name of Director	Number of shares/underlying shares held				Approximate percentage of the issued shares of Poly Developments ^(Note 1)
	Personal interest	Family interest	Other interest	Total	
Hu Zaixin	915,497	27,173 ^(Note 2)	–	942,670	0.01

Notes:

1. Calculated based on 11,970,443,418 shares in issue of Poly Developments as at 30 June 2025.
2. The spouse of Mr. Hu is the beneficial owner of such shares.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2025, the following persons (other than the Directors or the chief executive of the Company) had interests in the shares and underlying shares of the Company representing 5% or more of the issued shares of the Company (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the shares and underlying shares of the Company

Name of shareholder	Number of shares/underlying shares held			Approximate percentage of the issued share capital of the Company ^(Note 1)
	Beneficial owner	Held by controlled corporation(s)	Total	
Long position				
China Poly Group Corporation Limited* (中國保利集團有限公司)	253,788,246	1,583,738,058	1,837,526,304 ^(Note 2)	48.09%
Poly Developments and Holdings Group Co., Ltd.* (保利發展控股集團股份有限公司)	–	1,583,738,058 ^(Note 3)	1,583,738,058	41.45%
Poly (Hong Kong) Holdings Limited	120,381,544	1,463,356,514	1,583,738,058 ^(Note 4)	41.45%
Ting Shing Holdings Limited	–	1,463,356,514 ^(Note 5)	1,463,356,514	38.30%
Congratulations Company Ltd.	1,111,578,283	–	1,111,578,283	29.09%
Source Holdings Limited	244,594,241	107,183,990	351,778,231 ^(Note 6)	9.21%

Notes:

1. Calculated based on 3,821,183,118 shares in issue of the Company as at 30 June 2025.
2. China Poly Group Corporation Limited directly holds 253,788,246 shares of the Company beneficially and owns 50% issued share capital of Poly (Hong Kong) Holdings Limited, and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
3. Poly Developments and Holdings Group Co., Ltd. owns 50% of the issued share capital of Poly (Hong Kong) Holdings Limited and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.

OTHER INFORMATION

4. Poly (Hong Kong) Holdings Limited is deemed by the SFO to be interested in 1,583,738,058 shares of the Company as a result of its direct holding of 120,381,544 shares and indirect holding of 1,463,356,514 shares through its wholly-owned subsidiary, Ting Shing Holdings Limited.
5. Ting Shing Holdings Limited is deemed by the SFO to be interested in 1,463,356,514 shares of the Company as a result of its indirect holding of 1,463,356,514 shares through its subsidiaries, Source Holdings Limited and Congratulations Company Ltd., of 351,778,231 shares and 1,111,578,283 shares, respectively.
6. Source Holdings Limited is deemed by the SFO to be interested in 351,778,231 shares of the Company as a result of its direct holding of 244,594,241 shares and indirect holding of 107,183,990 shares through its wholly-owned subsidiaries, Musical Insight Holdings Ltd. and Wincall Holding Ltd., of 47,825,571 shares and 59,358,419 shares, respectively.

* *for identification purposes only*

Save as disclosed above, as at 30 June 2025, no other person (other than the Directors or the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SPECIFIC PERFORMANCE OBLIGATIONS OF CONTROLLING SHAREHOLDER

Disclosures pursuant to Rule 13.21 of the Listing Rules

1. On 10 November 2020, a wholly-owned subsidiary of the Company (as the issuer), the Company (as the guarantor) and China Poly Group Corporation Limited ("China Poly Group") entered into a keepwell deed in relation to US\$500,000,000 4.00% notes due 2025 (the "Notes Due 2025").

Pursuant to the keepwell deed and the terms and conditions of the Notes Due 2025, if China Poly Group (a) ceases to be the single largest shareholder of the Company or ceases to hold, directly or indirectly through its controlled corporations (as defined under Part XV of the SFO) at least 40% of the issued share capital of the Company; or (b) ceases to maintain management control of the Company, this will constitute an event of default under the Notes Due 2025.



2. On 31 January 2024, the Company (as borrower) entered into a facility agreement with (1) Hua Xia Bank Co., Limited Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), Bank of Communications Co., Ltd. Hong Kong Branch, China CITIC Bank International Limited, China Everbright Bank Co. Ltd., Hong Kong Branch, Agricultural Bank of China Limited Hong Kong Branch, Ping An Bank Co., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited and Malayan Banking Berhad, Hong Kong Branch (as mandated lead arrangers, bookrunners and lenders); (2) Bank of Communications Co., Ltd. Hong Kong Branch (as sustainability link loan advisor and co-ordinator) and (3) China CITIC Bank International Limited (as facility agent) for a term loan facility in an aggregate amount of HK\$3,900,000,000. The final maturity date of the facility shall be the date falling 36 months after the first utilisation date under the facility.

Pursuant to the facility agreement, it shall be an event of default if, among other things, China Poly Group ceases to: (a) (together with its controlled corporations) be the single largest shareholder of the Company, or directly or indirectly through its controlled corporations, to hold at least 40% of the issued share capital of the Company; (b) maintain management control of the Company; or (c) be under the control and supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China.

3. On 12 August 2025, the Company (as borrower) entered into a facility agreement with (1) China Construction Bank Shanghai Pudong Sub-Branch and China Construction Bank Corporation Macau Branch (as mandated lead arrangers and bookrunners), (2) China Construction Bank (Asia) Corporation Limited (as sustainability link loan advisor, coordinator and facility agent), and (3) certain banks and financial institutions (as lenders) for a RMB3.65 billion term loan facility. The final maturity date of the facility shall be 36 months after the first drawdown.

Pursuant to the facility agreement, if, among other things, China Poly Group: (a) ceases to be directly or indirectly owned (legally or beneficially) at least 50.1% of its issued share capital by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China and/or any entity controlled directly or indirectly by the Central Government of the People's Republic of China (collectively, "SASAC and/or PRC Central Government-Controlled Entities"), or if SASAC and/or PRC Central Government-Controlled Entities cease to have management control over China Poly Group; or (b) ceases to directly or indirectly (through its controlled corporations) own at least 38% of the issued share capital of the Company, or (together with its controlled corporations in aggregate) ceases to remain as the single largest shareholder of the Company, or ceases to maintain management control over the Company, then the lenders may: (i) cancel all or part of the commitment under the facility agreement; and (ii) declare all or any part of the loans under the facility agreement together with accrued interest thereon and all other amounts accrued or outstanding under the finance documents immediately due and payable.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the period under review, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “CG Code”).

The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

COMPLIANCE WITH THE MODEL CODE

During the six months ended 30 June 2025, the Company has adopted the required standard of the Model Code as set out in Appendix C3 to the Listing Rules for the purpose of the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Model Code for the six months ended 30 June 2025.

CHANGES IN DIRECTORS' INFORMATION

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in the information of Directors required to be disclosed by the Company are as follows:

Mr. Deng Huan was appointed as a non-executive director of Straco Corporation Limited (stock code: S85, the shares of which are listed on the Mainboard of Singapore Exchange) with effect from 26 May 2025 and a director of China Haisum Engineering Co., Ltd. (stock code: 002116, the shares of which are listed on the Main Board of Shenzhen Stock Exchange) with effect from 11 August 2025.

AUDIT COMMITTEE

As at 30 June 2025, the audit committee of the Company (the “Audit Committee”) comprised three Non-executive Directors, namely Mr. Zhang Yi, Mr. Gong Jian and Mr. Deng Huan, and four Independent Non-executive Directors, namely Ms. Leung Sau Fan, Sylvia (as Chairlady), Mr. Fung Chi Kin, Mr. Wong Ka Lun and Mr. Ng Kim Lam.

The members of the Audit Committee have reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters, including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025. The Audit Committee has approved the unaudited interim financial statements.