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 2026

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 2026 (the "Reporting Period") together with the comparative figures for the corresponding period in 2025 (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 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue			
Goods and services	*3*	**98,321**	266,677
Rental income from investment properties	*3*	**44,144**	49,047
		142,465	315,724
Cost of sales and services rendered		**(51,482)**	(252,762)
Gross profit		**90,983**	62,962
Other income	*5*	**214**	664
Other gains or losses, net		**(799)**	(4,530)
Loss in fair value of investment properties		**(89,600)**	(119,200)
Gain/(loss) in fair value of derivative component of convertible bond		**4,180**	(2,309)
Write-down of inventories of properties		**–**	(30,033)
Gain on disposal of subsidiaries		**–**	19,859
Selling and marketing expenses		**(9,063)**	(27,563)
Administrative expenses		**(11,277)**	(9,362)
Finance costs	*6*	**(202,445)**	(176,825)
Loss before income tax	*7*	**(217,807)**	(286,337)
Income tax credit	*8*	**14,158**	22,870
Loss for the period		**(203,649)**	(263,467)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**40,066**	18,192
Total comprehensive expense for the period		**(163,583)**	(245,275)

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to:			
– Owners of the Company		**(212,808)**	(236,665)
– Non-controlling interests		**9,159**	(26,802)
		(203,649)	(263,467)
Total comprehensive (expense)/income for the period attributable to:			
– Owners of the Company		**(172,742)**	(218,473)
– Non-controlling interests		**9,159**	(26,802)
		(163,583)	(245,275)
Loss per share			
Basic *(RMB cents)*	*10*	**(4.18)**	(4.65)
Diluted *(RMB cents)*	*10*	**(4.18)**	(4.65)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**50,860**	47,768
Investment properties		**5,610,400**	5,700,000
		5,661,260	5,747,768
Current assets			
Inventories of properties		**7,241,560**	7,271,931
Contract costs		**42,572**	42,572
Trade and other receivables and prepayments	*11*	**1,298,298**	1,074,837
Deposits for land use rights for properties under development for sale		**33,270**	33,270
Income tax recoverable		**114,865**	178,611
Amounts due from non-controlling shareholders of subsidiaries	*16(c)*	**199,794**	199,765
Restricted bank deposits		**63,646**	41,784
Bank balances and cash		**58,188**	40,515
		9,052,193	8,883,285
Current liabilities			
Trade and other payables and accruals	*12*	**3,828,211**	3,578,062
Debt component of convertible bond		**228,140**	227,324
Derivative component of convertible bond		**89,070**	96,912
Promissory note		**720,284**	720,659
Contract liabilities		**3,491,586**	3,465,845
Income tax payable		**558,340**	557,619
Amount due to the ultimate controlling shareholder	*16(c)*	**99,626**	99,626
Bank and other borrowings due within one year	*13*	**5,544,136**	5,553,068
		14,559,393	14,299,115
Net current liabilities		**(5,507,200)**	(5,415,830)
Total assets less current liabilities		**154,060**	331,938

	Note	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Deferred tax liabilities		**286,207**	300,502
		286,207	300,502
Net (liabilities)/assets		**(132,147)**	31,436
(Deficit)/equity			
Share capital	*14*	**42,890**	42,890
Reserves		**(390,447)**	(217,705)
Equity attributable to owners of the Company		**(347,557)**	(174,815)
Non-controlling interests		**215,410**	206,251
Total (deficit)/equity		**(132,147)**	31,436

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

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”). As at 30 June 2026, the directors consider its parent and ultimate parent is United Century International Limited, which is incorporated in the British Virgin Islands (the “BVI”). The ultimate controlling party is Mr. Guo Jiadi (“Mr. Guo”). The addresses of its registered office in Bermuda and the head office and principal place of business of the Company in Hong Kong are located at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, 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 the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 judgements 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 2025.

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 2025, which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.

Going concern basis

During the six months ended 30 June 2026, the Group recorded a loss for the period of RMB203,649,000. As at 30 June 2026, the Group had net current liabilities of RMB5,507,200,000, and current liabilities of RMB14,559,393,000, including (i) bank and other borrowings due within one year amounting to RMB5,544,136,000, (ii) certain advances from third parties, which are included in other payables, amounting to RMB1,347,776,000, in aggregate, which are repayable on demand or within one year, (iii) debt component of convertible bond of RMB228,140,000, (iv) promissory note of RMB720,284,000 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 RMB58,188,000 and RMB63,646,000, respectively.

Furthermore, as at 30 June 2026, the Group did not repay certain bank and other borrowings at an aggregate carrying value of RMB1,488,248,000 and aggregate interest payables of RMB354,553,000 ("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 RMB1,488,248,000, bank and other borrowings with carrying amount of RMB239,140,000 were also in breach of financial covenants.

Other than the Overdue Borrowings, as at 30 June 2026, the Group's bank and other borrowings at an aggregate carrying value of RMB4,009,688,000 and aggregate interest payables of RMB557,956,000 ("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, at as 30 June 2026, events of default and cross-default bank and other borrowings of the Group amounted to a total of RMB5,497,936,000 and default and cross-default interest payables amounted to a total of RMB912,509,000.

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 (vi) 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. 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 31 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 the execution of the letters of undertaking;

ii. regarding the amount due to the ultimate controlling shareholder, the ultimate controlling shareholder signed a letter of undertaking on 30 June 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. During the six months ended 30 June 2026, the Group negotiated with the banks and successfully extended the borrowings with principal amount of RMB1,167,818,000. Such borrowings were also reclassified from default borrowings to borrowings due within one year under the current liabilities following the extension;

iv. 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;

v. the Group applies cost control measures in cost of sales and administrative expenses; and

vi. 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, the 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 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 Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

The application of the amendments to HKFRS Accounting Standards 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

	For the six months ended 30 June 2026 (unaudited)		
Segments	**Property development** *RMB'000*	**Property investment** *RMB'000*	**Total** *RMB'000*
Types of goods or services			
Sales of properties	**89,265**	**–**	**89,265**
Property management and related fee income	**–**	**9,056**	**9,056**
Revenue from contracts with customers within the scope of HKFRS 15	**89,265**	**9,056**	**98,321**
Rental income	**–**	**44,144**	**44,144**
	89,265	**53,200**	**142,465**
Geographical market			
Mainland China	**89,265**	**53,200**	**142,465**
Timing of revenue recognition			
At a point in time	**89,265**	**–**	**89,265**
Over time	**–**	**9,056**	**9,056**
	89,265	**9,056**	**98,321**

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

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 2026 (unaudited)** **Property development** ***RMB'000***	**Property investment** ***RMB'000***	**Total** ***RMB'000***
Revenue disclosed in segment information			
External customers	**89,265**	**53,200**	**142,465**
Less: rental income	**–**	**(44,144)**	**(44,144)**
Revenue from contracts with customers	**89,265**	**9,056**	**98,321**

Segments	For the six months ended 30 June 2025 (unaudited)		
	Property development	Property investment	Total
	RMB'000	*RMB'000*	*RMB'000*
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	265,267	1,410	266,677

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

Segment revenues and results

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

Segments	**For the six months ended 30 June 2026 (unaudited)**		
	Property development	**Property investment**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Segment revenue			
External revenue	**89,265**	**53,200**	**142,465**
Segment loss	**(125,981)**	**(59,221)**	**(185,202)**
Unallocated other gains or losses, net			**2,148**
Gain in fair value of derivative component of convertible bond			**4,180**
Unallocated corporate expenses			**(1,572)**
Unallocated finance costs			**(37,361)**
Loss before income tax			**(217,807)**

Segments	Property development *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
	For the six months ended 30 June 2025 (unaudited)		
Segment revenue			
External revenue	265,267	50,457	315,724
Segment loss	(164,317)	(102,413)	(266,730)
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			(37,967)
Loss before income tax			(286,337)

Segment results represent the loss incurred by each segment without allocation of part of unallocated other income, unallocated other gains or losses, net, change in fair value of derivative component of convertible bond, gain on disposal of subsidiaries, 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 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Property development	**8,990,817**	8,714,735
Property investment	**5,688,591**	5,825,970
Total segment assets	**14,679,408**	14,540,705
Unallocated assets:		
Bank balances and cash	**536**	931
Restricted bank deposits	**–**	3
Unallocated corporate assets	**33,509**	89,414
Consolidated total assets	**14,713,453**	14,631,053

Segment liabilities

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Property development	**12,365,232**	11,979,422
Property investment	**1,428,961**	1,507,932
Total segment liabilities	**13,794,193**	13,487,354
Unallocated liabilities:		
Debt component of convertible bond	**228,140**	227,324
Derivative component of convertible bond	**89,070**	96,912
Promissory note	**720,284**	720,659
Unallocated corporate liabilities	**13,913**	67,368
Consolidated total liabilities	**14,845,600**	14,599,617

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 and other unallocated corporate liabilities not attributable to respective segment.

Geographical information

During the six months ended 30 June 2026 and 2025, 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 2026 and 2025.

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**18**	122
Forfeited deposit from customers	**134**	250
Government grants	**45**	–
Others	**17**	292
	214	664

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**165,083**	187,762
Effective interest on convertible bond	**9,680**	9,523
Effective interest on promissory note	**27,682**	28,441
Total borrowing costs	**202,445**	225,726
Less: amounts capitalised to qualifying assets	**–**	(48,901)
	202,445	176,825

Borrowing costs capitalised during the six months ended 30 June 2025 arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7.92% (six months ended 30 June 2026: nil) per annum to expenditure on qualifying assets.

7. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss before income tax has been arrived at after charging:		
Directors' emoluments	**898**	833
Other staff costs		
Staff salaries and allowances	**6,129**	9,635
Retirement benefit scheme contributions	**966**	1,124
	7,095	10,759
Cost of inventories recognised as an expense	**51,482**	252,762
Depreciation of property, plant and equipment	**146**	2,813
Impairment loss on trade and other receivables	**2,989**	5,706

8. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax expense:		
Enterprise Income Tax ("EIT") in the PRC	**3**	45
Land Appreciation Tax ("LAT") in the PRC	**135**	1,219
	138	1,264
Deferred tax credit	**(14,296)**	(24,134)
	(14,158)	(22,870)

Hong Kong Profits Tax has not been provided as the Group has no assessable profit for the year (six months ended 30 June 2025: 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 2025: 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. DIVIDEND

No dividend was paid, declared or proposed to ordinary shareholders of the Company during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2025: 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	**(212,808)**	(236,665)

Number of shares

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Total potential weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,088,208**	5,088,208

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 2026 and 2025, the potential ordinary shares of the Company included outstanding share options and convertible bond.

For the six months ended 30 June 2026 and 2025, 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 5,088,208,000 (six months ended 30 June 2025: 5,088,208,000) 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 2025: 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 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
0–30 days	**46**	40,903
31–90 days	**–**	2,250
Over 90 days	**149,454**	97,111
	149,500	140,264

As at 30 June 2026, other receivables and prepayments mainly included (i) RMB528,091,000 (31 December 2025: RMB402,597,000) of prepaid construction cost, (ii) RMB157,177,000 (31 December 2025: RMB124,765,000) of prepaid value added tax and (iii) advances made by the Group to various parties of RMB459,770,000 (31 December 2025: RMB405,311,000), including suppliers and employees and (iv) RMB3,760,000 (31 December 2025: RMB1,900,000) of other refundable deposits.

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 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
0–30 days	**–**	1,702
31–90 days	**52**	17,928
91–365 days	**271,190**	91,194
Over 1 year	**662,602**	435,249
	933,844	546,073

As at 30 June 2026, other payables and accruals mainly included (i) balances amounting to RMB628,847,000 (31 December 2025: RMB1,008,192,000) of deposits received from tenants, other tax payables and accrued construction costs, (ii) balance amounting to RMB1,347,776,000 (31 December 2025: RMB1,258,188,000), which were advanced from independent third parties and (iii) balance amounting to RMB917,744,000 (31 December 2025: RMB765,609,000), which were interest payables.

13. BANK AND OTHER BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Secured bank borrowings	**4,674,756**	4,682,688
Secured other borrowings *(note)*	**869,380**	870,380
	5,544,136	5,553,068

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 2026, bank and other borrowings were guaranteed and secured by the followings:

(a) Mr. Guo and Ms. Shen Bizhen, the spouse of Mr. Guo, have provided guarantees to banks for the bank and other borrowings with principal amount of RMB3,335,668,000 (31 December 2025: RMB3,342,130,000).

(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 (31 December 2025: same).

As at 30 June 2026 and 31 December 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 2026 and 31 December 2025 are as follows:

	Bank and other borrowings	**Interest payables**	Bank and other borrowings	Interest payables
	As at 30 June 2026		As at 31 December 2025	
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Default	**1,488,248**	**354,553**	2,055,138	289,656
Cross-default	**4,009,688**	**557,956**	3,497,930	475,953
	5,497,936	**912,509**	5,553,068	765,609

As at 30 June 2026, the Group did not repay certain bank and other borrowings at an aggregate carrying value of RMB1,488,248,000 (31 December 2025: RMB2,055,138,000) and aggregate interest of RMB354,553,000 (31 December 2025: RMB289,656,000) included in interest payables 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 RMB1,488,248,000 (31 December 2025: RMB2,055,138,000), bank and other borrowings with carrying amount of RMB239,140,000 (31 December 2025: 239,140,000) were also in breach of financial covenants.

During the six months ended 30 June 2026, the Group negotiated with the banks and successfully extended the borrowings with principal amount of RMB1,167,818,000. Such borrowings were also reclassified from default borrowings to borrowings due within one year under the current liabilities following the extension.

Other than the Overdue Borrowings, as at 30 June 2026, the Group's bank and other borrowings at an aggregate carrying value of RMB4,009,688,000 (31 December 2025: RMB3,497,930,000) and aggregate interest of RMB557,956,000 (31 December 2025: RMB475,953,000) included in interest payables 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 2026, events of default and cross-default bank and other borrowings of the Group amounted to a total of RMB5,497,736,000 (31 December 2025: RMB5,553,068,000) and default and cross-default interest payables amounted to a total of RMB912,509,000 (31 December 2025: RMB765,609,000).

14. SHARE CAPITAL

	Number of shares		**Share capital**	
	As at 30 June 2026	As at 31 December 2025	**As at 30 June 2026**	As at 31 December 2025
	'000	*'000*	***RMB'000***	*RMB'000*
			(Unaudited)	(Audited)
Authorised				
Ordinary shares of HK$0.01 each	**200,000,000**	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 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Guarantees given in favour of banks for:		
Mortgage facilities granted to customers of the Group's properties *(note a)*	**1,520,719**	1,644,592
Guarantees given to banks in connection with loan facilities granted to third parties *(note b)*	**54,480**	55,860
	1,575,199	1,700,452

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	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Primary Partner International Limited *(note)*	Interest expense on promissory note	**27,682**	28,441

Note:

Mr. Guo 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 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 RMB3,335,668,000 (31 December 2025: RMB3,342,130,000).

(c) The amounts are non-trade related, interest free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Total revenue for the six months ended 30 June 2026 (the "Reporting Period") was approximately RMB142.5 million, representing an decrease of approximately 54.9% as compared with approximately RMB315.7 million for the six months ended 30 June 2025 (the "Corresponding Period").

- Gross profit for the Reporting Period was approximately RMB91.0 million, representing an increase of approximately 44.5% as compared with approximately RMB63.0 million for the Corresponding Period.

- Loss for the Reporting Period was approximately RMB203.6 million, as compared to loss for the Corresponding Period of approximately RMB263.5 million.

- Loss attributable to owners for the Reporting Period was approximately RMB212.8 million as compared to loss attributable to owners for the Corresponding Period of approximately RMB236.7 million.

- Contracted sales amount of China Sandi Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the Reporting Period amounted to approximately RMB47.2 million, representing an increase of approximately 17.7% as compared with approximately RMB40.1 million for the Corresponding Period.

- Contracted sales gross floor area ("GFA") was approximately 5,493 square meters ("sq.m.") for the Reporting Period, representing a decrease of approximately 11.8% as compared with approximately 6,225 sq.m. for the Corresponding Period.

- As of 30 June 2026, the gearing ratio for the Group is not presented because the Group had a net deficit in equity (31 December 2025: approximately 20,859.7%).

- As of 30 June 2026, the current ratio for the Group was approximately 62.1% (31 December 2025: approximately 62.1%).

- As of 30 June 2026, the quick ratio for the Group was approximately 12.4% (31 December 2025: approximately 11.3%).

INTERIM DIVIDEND

The board (the "Board") of directors (the "Directors") of the Company 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 2026, 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 RMB47.2 million with contracted GFA of approximately 5,493 sq.m., representing an increase of approximately 17.7% in contracted sales and approximately 11.8% in contracted GFA in comparison with the Corresponding Period. The increase in contracted sales was primarily attributable to higher contracted sales volume in first-tier cities during the Reporting Period.

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	Contracted sales area	Average price of contracted sales	Percentage of total contracted sales amount	Group interest
		RMB'000	*(sq.m.)*	*RMB/sq.m.*	*%*	*%*
Shanghai						
Sandi Manhattan	Commercial	171	79	2,166	0.4	100
Shaanxi Province						
Sandi Bahe Yihao	Residential	4,450	359	12,407	9.4	70

Property projects	Type	Contracted sales amount *RMB'000*	Contracted sales area *(sq.m.)*	Average price of contracted sales *RMB/sq.m.*	Percentage of total contracted sales amount *%*	Group interest *%*
Baoji Province						
Sandi Jinyunfu	Residential	5,626	517	10,882	11.9	51
Others	Residential/ Commercial	36,962	4,538	8,145	78.3	
Total		47,209	5,493	8,595	100	
Attributable to the Group		42,592	4,922			

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 2026:

Property projects	Expected completion dates	Site area	Completed Saleable GFA delivered/ pre-sold	Completed GFA available for sale	GFA under development	Planned GFA for future development	Group's interest
		sq.m.	*sq.m.*	*sq.m.*	*sq.m.*	*sq.m.*	*%*
Shaanxi Province							
Sandi Century New City	2027	169,923	1,110,437	65,483	62,659	–	100
Sandi Jinyu Gaoxin	2027	65,157	95,721	1,630	105,114	–	100
Sandi Yunding Fengdan	2026	52,870	75,749	–	53,734	–	100
Sandi Bahe Yihao	2027	77,018	–	–	235,433	–	70
Sandi Jinyunfu	2026	40,592	–	–	77,331	–	51
Fujian Province							
Sandi Jiangshan Waterfront	2027	310,176	10,525	–	255,096	–	100
Sandi Xishanyuan	2027	177,010	–	–	96,449	–	100
Sandi Jinyu Yunyue	2026	17,386	–	–	15,383	–	100
Shanghai							
Sandi Manhattan	2027	104,251	156,249	55,378	120,280	–	100
Total		1,014,383	1,448,681	122,491	1,021,479	–	
Attributable to the Group		971,338	1,448,681	122,491	912,956	–	

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 RMB4.5 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. During the Reporting Period, contracted sales amounted to approximately RMB0.2 million.

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 2026, 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 2026:

Land bank by location	**Total GFA** *('000 sq.m.)*	**Attributable GFA** *('000 sq.m.)*
Shaanxi	**712**	594
Fujian	**728**	671
Shanghai	**179**	179
Total	**1,619**	1,444

Property Investment

During the Reporting Period, the Group recognised rental income and property management and related fee income of approximately RMB53.2 million (Corresponding Period: approximately RMB50.5 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 2026:

Location	Existing/ Intended use(s)	Approximate GFA	Group's interest
		sq.m.	*%*
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
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

Location	Existing/ Intended use(s)	Approximate GFA	Group's interest
		sq.m.	*%*
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 2026. The global political and economic situation remains challenging.

The real estate market in China is still in a period of adjustment. In the first half of 2026, the saleable area of commercial real estate in China was approximately 401.4 million sq.m., a year-on-year decrease of approximately 11.6%, of which the saleable area of residential properties decreased by approximately 12.4%. 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 RMB47.2 million (Corresponding Period: approximately RMB40.1 million), which increased by approximately 17.7% as compared with the Corresponding Period. The Group is facing a significant decline in the rate of property sales in the first half of 2026, 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.

As such, in light of the current environment in the China's property sector as discussed above, the Group intends to conduct a review of the business operations and financial position of the Group for the purpose of developing a sustainable business or strategy for the Group in order to enhance long term shareholder's value. Based on the result of such review and should suitable investment or business opportunities arise, the Group may diversify the business of the Group with the objective of broadening its source of income.

In view of the emerging business opportunities, the Group is considering to enter into the digital innovation sector, such as the artificial intelligence and computing power center operations. This new business initiative is intended to position the Group at the forefront of innovative technology adoption and to explore new business models and revenue streams, ultimately aiming to enhance its competitive edge, fuelling its long term growth and maximising return to the shareholders. While the Group has not identified any such investment or business opportunities and there is no assurance that the new business initiatives will materialise, the Group will remain flexible and responsive to adapt to rapidly evolving market conditions.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The Group's revenue is primarily derived from property sales, which contributed approximately 62.7% 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 2026		For the six months ended 30 June 2025	
	RMB'000	***%***	*RMB'000*	*%*
Property sales	**89,265**	**62.7**	265,267	84.0
Property investment	**53,200**	**37.3**	50,457	16.0
	142,465	**100.0**	315,724	100.0

Revenue from property sales

The Group's revenue from property sales decreased to approximately RMB89.3 million for the Reporting Period (Corresponding Period: approximately RMB265.3 million).

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

		For the six months ended 30 June 2026			
Property projects	**Type**	**Sales revenue**	**GFA sold**	**Average price per sq.m.**	**Percentage of total amount**
		RMB'000	*sq.m*	*RMB/sq.m*	*%*
Shaanxi Province					
Sandi Yunding Fengdan	Residential	18,065	4,014	4,500	20.2
Sandi Qujiang Fengdan	Residential	59,478	5,559	10,700	66.6
Others	Residential/Commercial	11,722	1,062	11,042	13.1
Total		89,265	10,635	8,394	100.0

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 RMB53.2 million for the Reporting Period (Corresponding Period: approximately RMB50.5 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 decreased to approximately RMB51.5 million for the Reporting Period (Corresponding Period: approximately RMB252.8 million). The decrease was primarily attributable to the decrease 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 RMB89.6 million on its investment properties (Corresponding Period: net fair value loss of approximately RMB119.2 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 RMB0 (Corresponding Period: approximately RMB30.0 million).

No write-down of inventories of properties was recognised during the Reporting Period, as the expected net realisable value of the inventories of properties under development was higher than their carrying value.

Change in fair value of derivative components of convertible bonds

During the Reporting Period, the Group recognised a fair value gain of approximately RMB4.2 million (Corresponding Period: a fair value loss of approximately RMB2.3 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 or losses, net

The Group recognised net other losses of approximately RMB0.8 million for the Reporting Period (Corresponding Period: net other losses of approximately RMB4.5 million), which was mainly attributed to impairment loss on trade and other receivables of approximately RMB3.0 million (Corresponding Period: RMB5.7 million). Other gains or losses, net for the Reporting Period mainly represented net exchange gain of approximately RMB2.2 million (Corresponding Period: net exchange gain of approximately RMB1.2 million).

Selling and marketing expenses

The Group's selling and marketing expenses decreased by approximately RMB18.5 million from approximately RMB27.6 million for the Corresponding Period to approximately RMB9.1 million for the Reporting Period. The decrease was mainly due to the decrease in number of property sales personnel during the Reporting Period.

Administrative expenses

The Group's administrative expenses increased by approximately RMB1.9 million from approximately RMB9.4 million for the Corresponding Period to approximately RMB11.3 million for the Reporting Period. The increase was primarily attributable to the increase in intermediary agency fees.

Finance costs

Finance costs consist of interest expenses on bank and other borrowings, convertible bond and promissory note. The finance costs amounted to approximately RMB202.4 million for the Reporting Period (Corresponding Period: approximately RMB176.8 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

Income tax credit mainly comprises the PRC enterprise income tax and land appreciation tax amounted to approximately RMB14.2 million for the Reporting Period (Corresponding Period: income tax credit of approximately RMB22.9 million). The change was mainly attribute to the recognition of deferred tax for the loss in fair value of investment properties during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had bank and other borrowings of approximately RMB5,544.1 million denominated in RMB (31 December 2025: approximately RMB5,553.1 million denominated in RMB) and other debts comprising convertible bonds, promissory note and amount due to the ultimate controlling shareholder totaling approximately RMB1,048.1 million denominated in HK$ and RMB (31 December 2025: approximately RMB1,044.9 million denominated in HK$ and RMB). As at 30 June 2026 and 31 December 2025, 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 RMB5,544.1 million and nil, respectively (31 December 2025: approximately RMB5,553.1 million and nil, respectively).

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB58.2 million (31 December 2025: approximately RMB40.5 million) which were mainly denominated in HK$ and RMB. The increase of cash and cash equivalents was mainly due to receipt of property sale proceeds.

As at 30 June 2026, the gearing ratio for the Group is not presented because the Group had a deficit in equity (31 December 2025: approximately 20,859.7%), calculated based on the net debts (comprising bank and other borrowings and other debts comprising convertible bonds, promissory note and amount due to the ultimate controlling shareholder less cash and cash equivalent) of approximately RMB6,523.4 million (31 December 2025: approximately RMB6,598.0 million) over the total deficit of approximately RMB132.1 million (31 December 2025: total equity of approximately RMB31.4 million). The debt ratio was approximately 100.9% (31 December 2025: approximately 99.8%), calculated as total liabilities over total assets of the Group.

As at 30 June 2026, the Group's net current liabilities amounted to approximately RMB5,507.2 million (31 December 2025: approximately RMB5,415.8 million). The Group's current ratio, being percentage of its current assets and its current liabilities, amounted to approximately 62.1% (31 December 2025: approximately 62.1%).

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 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 2026, the Group had bank and other borrowings of approximately RMB5,544.1 million (31 December 2025: approximately RMB5,553.1 million), of which approximately RMB5,544.1 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% to 11% per annum. All the bank and other borrowings were denominated in RMB. As at 31 December 2025, borrowings of approximately RMB1,803.6 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 RMB1,488.2 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 2026, the Company had a promissory note (the "Promissory Note") with principal of HK$800 million issued to Mr. Guo, the chairman of the Board and an executive Director, with a current interest rate of 6% per annum payable annually in arrears and the principal will be repaid when the Promissory Note falls due on 30 January 2029. The Promissory Note is denominated in HK$. 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 2026, the Company had convertible bonds (the "CB") with principal amount of HK$300 million with interest of 2% per annum payable annually in arrears and carrying a conversion price of HK$0.09 per conversion Share with conversion rights to convert into a maximum of 3,333,333,333 Shares. The principal will be repaid when the CBs fall due on 30 January 2029 if no conversion happened on or before 30 January 2029. The CBs are denominated in HK$. 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, the Group did not have any significant investments held, or material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

At the request of the Company, trading in its shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2025. As all the conditions in the resumption guidance issued by the Stock Exchange have been fulfilled, trading of the Company's shares was resumed on 31 July 2026. Details of the resumption guidance set out by the Stock Exchange and resumption of trading are set out in the Company's announcements dated 27 June 2025, 30 September 2025, 8 January 2026, 14 January 2026, 28 January 2026, 6 March 2026, 11 March 2026, 31 March 2026 and 2 July 2026.

The Board proposes to implement the capital reorganisation, which will involve the share consolidation, capital reduction and share subdivision, and the change in board lot size.

(i) The Board proposes to implement the share consolidation on the basis that: (i) every two hundred (200) issued and unissued existing shares of par value of HK$0.01 each will be consolidated into one (1) consolidated share of par value of HK$2.00 each; and (ii) every two hundred (200) issued and unissued existing preference shares of par value of HK$0.01 each will be consolidated into one (1) consolidated preference share of par value of HK$2.00 each (the "Share Consolidation").

(ii) Immediately upon the Share Consolidation becoming effective, the capital reduction will involve a reduction of the par value of each issued consolidated share and consolidated preference share from HK$2.00 to HK$0.001 by (a) eliminating any fraction of a consolidated share and consolidated preference share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the consolidated shares and the consolidated preference shares to a whole number; and (b) cancelling HK$1.999 of the paid-up capital of the Company on each issued consolidated share and consolidated preference share (the "Capital Reduction"), such that the par value of each issued new consolidated share and new consolidated preference share will be reduced from HK$2.00 to HK$0.001 immediately following the Capital Reduction, and the credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

(iii) Immediately following the Share Consolidation and the Capital Reduction becoming effective, (a) each authorised but unissued consolidated share of par value of HK$2.00 each (including unissued consolidated shares resulting from the Capital Reduction) will be subdivided into two thousand (2,000) authorised but unissued new consolidated shares of par value of HK$0.001 each; and (b) each authorised but unissued consolidated preference share of par value of HK$2.00 each (including unissued consolidated preference shares resulting from the Capital Reduction) will be subdivided into two thousand (2,000) authorised but unissued new consolidated preference shares of par value of HK$0.001 each (the "Share Subdivision", together with the Share Consolidation and the Capital Reduction, the "Capital Reorganisation").

(iv) Conditional upon the Capital Reorganisation becoming effective, the Board proposes to change the board lot size of trading on the Stock Exchange from 6,000 shares to 2,000 new consolidated shares (the "Change in Board Lot Size").

Special resolutions will be proposed at the upcoming annual general meeting of the Company to consider and, if thought fit, passing the necessary resolutions for approval, among other things, the Capital Reorganisation. For details in relation to the Capital Reorganisation and the Change in Board Lot Size, please refer to the announcement of the Company dated 17 August 2026 (the "Announcement"). Capitalized terms herein shall have the same meanings as those defined in the Announcement.

Save as disclosed herein, 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 2026, the Group provided guarantees for mortgage loans in an amount of approximately RMB1,520.7 million (31 December 2025: approximately RMB1,644.6 million) to banks in respect of such agreements. In addition, certain subsidiaries of the Group had also provided corporate guarantees amounting to approximately RMB54.5 million (31 December 2025: approximately RMB55.9 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 2026, the Group had commitments in respect of investment properties, properties under development, properties for sales and land use rights totaling approximately RMB322.8 million (31 December 2025: approximately RMB284.8 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 2026, 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 2026, 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 2026, the Group employed a total of 67 employees (31 December 2025: 133 employees) of which 65 employees (31 December 2025: 131 employees) were hired in the PRC and 2 employees (31 December 2025: 2 employees) were hired in Hong Kong. Total remuneration paid to the employees for the Reporting Period amounted to approximately RMB7.1 million (Corresponding Period: approximately RMB10.8 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.

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") under Part 2 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 listed securities (including sale or transfer of treasury shares) of the Company.

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 chairperson of the Audit Committee is Ms. Yu Huaxiu.

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, 31 August, 2026

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