



Untitled I-654, partial screen | WU DAYU | painted approximately in 1970s-1980s | crayon on paper | 14.8 x 10 cm
BAO COLLECTION | Copyright © 2025 WU DAYU, All rights reserved

2026 Interim Report

FANTASIA
花樣年

花樣年控股集團有限公司
FANTASIA HOLDINGS GROUP CO., LIMITED
Stock Code: 01777.HK



有 趣 / 有 味 / 有 料

FANTASIA is committing to be the leading industry participant which provides a joyful, colourful and meaningful living space and experience and aims to deliver unique and inspiring living space and experience to value-oriented customers.

目錄

CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	6
Disclosure of Interests	13
Corporate Governance and Other Information	16
Report on Review of Condensed Consolidated Financial Statements	21
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Condensed Consolidated Statement of Financial Position	24
Condensed Consolidated Statement of Changes in Equity	26
Condensed Consolidated Statement of Cash Flows	27
Notes to the Condensed Consolidated Financial Statements	28

DIRECTORS

Executive Directors

Ms. Cheng Jianli (*Chairman*)
(resigned on 19 March 2026)
Mr. Timothy David Gildner
Mr. Lin Zhifeng

Non-Executive Directors

Ms. Huang Yueping (*Chairman*)
(appointed on 5 June 2026)
Ms. Zeng Jie, Baby
Mr. Su Boyu
Mr. Brock Louis Silvers
(appointed on 30 July 2026)

Independent Non-Executive Directors

Mr. Leung Yiu Cho
Mr. Guo Shaomu
Mr. Ma Yu-heng

COMPANY SECRETARY

Ms. Luo Shuyu

AUTHORIZED REPRESENTATIVES

Mr. Lin Zhifeng
(appointed on 10 April 2026)
Ms. Cheng Jianli
(resigned on 19 March 2026)
Ms. Luo Shuyu

AUDIT COMMITTEE

Mr. Leung Yiu Cho
(*Committee Chairman*)
Mr. Guo Shaomu
Mr. Ma Yu-heng

REMUNERATION COMMITTEE

Mr. Guo Shaomu
(*Committee chairman*)
Ms. Huang Yueping
(appointed on 5 June 2026)
Ms. Cheng Jianli
(resigned on 19 March 2026)
Mr. Ma Yu-heng

NOMINATION COMMITTEE

Ms. Huang Yueping
(*Committee chairman*)
(appointed on 5 June 2026)
Ms. Cheng Jianli
(*Committee Chairman*)
(resigned on 19 March 2026)
Ms. Zeng Jie, Baby
Mr. Guo Shaomu
Mr. Leung Yiu Cho
Mr. Ma Yu-heng

AUDITORS

CLA Prism Hong Kong Limited
(Formerly known as Prism Hong Kong Limited)
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

China Minsheng Bank Corp., Ltd.
Industrial and Commercial Bank of China Limited
Ping An Bank Co., Ltd.
China Everbright Bank Co., Ltd.

LEGAL ADVISORS

As to Hong Kong Law
P. C. Woo & Co.

As to PRC Law
Commerce & Finance Law Offices

As to Cayman Islands Law
Conyers Dill & Pearman

REGISTERED OFFICE

Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE HEAD OFFICE IN HONG KONG

21/F.
CMA Building
64 Connaught Road Central
Hong Kong

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

Postal Code: 518048
Block A, Funian Plaza
Interchange of Shihua Road
and Zijing Road
Futian Duty-free Zone
Shenzhen
Guangdong Province
China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A,
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING INFORMATION

The Company's Share Listing
Ordinary shares
The Stock Exchange of
Hong Kong Limited
Stock Code: 1777

WEBSITE

<http://www.cnfantasia.com>

Dear Shareholders and Investors,

On behalf of the Board of Directors (the “Board”) of Fantasia Holdings Group Co., Limited (“Fantasia” or “the Company”) and its subsidiaries (collectively, “the Group”), I hereby present the interim results of the Group for the six months ended 30 June 2026 (“the Reporting Period”).

During the Reporting Period, real estate policies continued to support the market, with first-tier and core second-tier cities showing the first signs of stabilization and recovery. The market exhibited significant structural divergence, while the macroeconomic environment remained fraught with multiple uncertainties. With “resolving existing risks and cultivating new growth areas” as the dual core of its transformation, the Group adhered to the bottom line of ensuring project delivery and stabilizing operations. On the one hand, it made every effort to advance onshore and offshore debt restructuring, revitalize existing assets, and resolve various historical risks associated with projects; on the other hand, it accelerated organizational reform and business innovation, established a diversified new business matrix centered on asset-light services, shifted its operational mindset, expanded customer acquisition efforts directly in frontline markets, continuously explored development opportunities, and steadily laid the foundation for the Group's long-term recovery.

1. DEBT RESTRUCTURING

In 2026, the Group continued to actively address debt risks, and all related efforts are proceeding smoothly. As at 30 June 2026, the Company, in accordance with the terms of the respective plans, had obtained the necessary approvals from a majority of the scheme creditors to further extend the original long stop date of 30 June 2026. The new long stop date is the earlier of the 10th business day following the fulfillment of the restructuring conditions or 31 August 2026.

On 30 July 2026, the Company is pleased to announce that the offshore restructuring has officially taken effect. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with the terms of the restructuring, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and mandatory convertible bonds. Pursuant to the terms and conditions of the mandatory convertible bonds, 50% of the principal amount as of the issuance date of the mandatory convertible bonds will be mandatorily converted into mandatory convertible bond conversion shares at the mandatory conversion price.

In terms of onshore public debts, Fantasia Group (China) Co., Ltd. published an announcement in late 2025 that it had successively convened the first bondholders' meeting for 2025 in respect of five onshore bonds, namely H18 Fantasia, 19 Fantasia, 19 Fantasia 02, 20 Fantasia 01 and 20 Fantasia 02, on 23 to 24 December. As of 17:00 on 26 December, all five bonds had been approved by vote, pursuant to which the payment dates for the principal and interest originally scheduled to be payable in December 2025, March 2026, June 2026 and September 2026 under the respective bonds were uniformly adjusted to 31 December 2026, providing ample time for the restructuring of subsequent onshore debts. Currently, the combined principal balance of the five onshore debts totals RMB6.42 billion. The Company is currently negotiating with relevant onshore debt institutions and creditors to seek a comprehensive resolution.

With the official implementation of the offshore debt restructuring and the substantial extension of the maturity of onshore public debts, the debt pressure on the Company will gradually ease, laying a more solid foundation for its future operations.

2. OPERATIONAL BUSINESS AND INNOVATIVE BUSINESS

During the Reporting Period, the Group continued to integrate internal and external resources and steadily advanced the value revitalization of its existing assets. In the operational business segment, the commercial, industrial, and hotel businesses under the Group continuously improved the quality and efficiency of asset operations through business model optimization and adjustments, themed event planning, and minor space upgrades.

In terms of innovative businesses, each business line is expanding into external markets based on its own capabilities. Various types of asset-light innovative businesses—centered on the Group’s planning capabilities, aesthetic framework, and service capabilities—are being continuously incubated and nurtured around community needs, lifestyle industries, and customer experience, gradually building new sources of sustainable growth for the Group.

3. SALES AND DELIVERIES OF EXISTING INVENTORY

Leveraging support from relevant central and local industry policies, the Group has implemented a “One City, One Policy” approach to vigorously promote inventory clearance of completed residential units, parking spaces, and commercial properties. Nine key projects currently on sale nationwide are being promoted through a combination of online and offline channels. The Group integrates online marketing with community engagement and leverages customer referral programs to optimize customer acquisition efficiency, shorten the sales cycle, ensure the quality of cash collections, and provide cash flow support for the daily operations of the Group. All projects awaiting delivery are progressing steadily according to schedule, ensuring that the delivery process proceeds in an orderly manner.

During the Reporting Period, the Group recorded cumulative contracted sales of approximately RMB625 million, with a contracted sales area of 107,614 sq.m.. Of this total, residences sales accounted for approximately 94.6%, while sales of urban complexes accounted for approximately 5.4%.

During the Reporting Period, the Group’s revenue was approximately RMB913 million, a decrease of 51.5% from the corresponding period in 2025; the loss attributable to the owners of the Company was approximately RMB4,250 million.

4. COST CONTROL

Continuing the “belt-tightening” requirements of the past three years, both headquarters and regional offices simultaneously reduced management tiers and streamlined staffing, resulting in improved productivity per employee and a flatter, more efficient organizational structure. During the Reporting Period, the Group continued to optimize its workforce structure, effectively reducing operating costs. Selling and administrative expenses during the Reporting Period decreased significantly compared to the same period last year.

5. OUTLOOK AND STRATEGIC PLANNING

The period from 2026 to 2028 marks the Group's three-year turnaround initiative. With a focus on shedding burdens, revitalizing existing assets, and incubating new ventures, the Company aims to steadily navigate the industry's adjustment cycle and pursue long-term, steady, and sustainable development.

(1) Debt Restructuring: Orderly Resolution of Historical Existing Liabilities

The offshore debt restructuring officially took effect on 30 July 2026, fundamentally resolving offshore debt risks. With regard to onshore debt, the Group will continue to maintain regular and open communication with all types of creditors, advance the implementation of a comprehensive restructuring plan during the year, and continue to mitigate debt risks in the open market.

(2) Sustained Operations: Revitalizing Existing Assets and Cultivating an Asset-light Second Growth Curve

With regard to existing operations, the Company is implementing refined management of its self-held operational properties—including commercial properties, industrial parks, and golf courses—to boost rental returns through business mix adjustments and space upgrades; accelerating the sale of existing housing units and parking spaces; and prudently advancing outstanding matters related to residents' well-being, such as property handover and title registration, to strengthen its cash flow foundation.

With regard to incremental business, leveraging years of experience the Group has accumulated across the entire real estate industry chain, we have expanded into diversified, asset-light market-oriented businesses. These include art space exhibitions and displays, real estate sales agency planning, renovation of existing properties, operation of specialty commercial properties, high-end property services, and collaborative construction management. At the same time, we participate in urban renewal projects through an asset-light model to continuously broaden our revenue channels.

(3) Organizational Transformation: Streamlining, Youthful Leadership, and Digitalization to Drive Comprehensive Efficiency Gains

Optimize the Group's management and control system, implement a flat management model, and coordinate internal and external resources to channel them to the front lines; continue to streamline the organization and optimize the workforce structure, while recruiting young talent to strengthen business teams. Comprehensively foster a results-oriented business mindset, establish mechanisms for cross-business collaboration, create internal business coordination and incentive systems, and break down departmental silos; leverage digital tools to simplify management processes and comprehensively enhance overall operational efficiency.

We sincerely thank governments at all levels, financial institutions, creditors, property owners, partners, and all shareholders for their continued understanding, patience, and strong support. The Group will steadily implement its various transformation strategies, resolutely seize opportunities presented by the economic cycle, and embrace a new phase of development.

BUSINESS REVIEW

Property Development

Contracted Sales Status

From January to June 2026, the Group achieved contracted sales of approximately RMB625 million and contracted sales area of 107,614 sq.m..

In the first half of 2026, faced with the social responsibility of “guaranteed delivery and stable operations” after the liquidity event, the Group has implemented combined policies to optimize the debt structure and promote project progress in order to ensure the steady progress in project delivery and steady sales launch. Good progress was made in delivery, sales and funding during the reporting period.

Contracted sales amount and area by product category from January to June 2026

During the reporting period, the contracted sales amount of the Group was mainly derived from Shenzhen, Chengdu, Guilin, Qingdao, Foshan and Chongqing, and from projects including Shenzhen Good Time Jiayuan, Chengdu Jiangshancheng, Chongqing Hockney's Good Time and Foshan Guangyayuan. The Group extended its presence across the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area in order to continuously expand its vertical strategic move in each metropolitan area and focus on key cities.

From January to June 2026				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	591	94.6%	102,125	94.9%
Urban Complexes	34	5.4%	5,489	5.1%
Total	625	100%	107,614	100%

Contracted sales amount and area in each region from January to June 2026

From January to June 2026				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Guangdong-Hong Kong - Macao Greater Bay Area	87	13.9%	4,257	4.0%
Chengdu-Chongqing Metropolitan Area	132	21.1%	28,397	26.4%
Central China Metropolitan Area	3	0.5%	771	0.7%
Yangtze River Delta Metropolitan Area	66	10.6%	10,128	9.4%
Bohai Rim Metropolitan Area	337	53.9%	64,061	59.5%
Total	625	100%	107,614	100%

Guangdong-Hong Kong-Macao Greater Bay Area

As one of the most open and economically dynamic regions in China, Guangdong-Hong Kong-Macao Greater Bay Area has an important strategic position in China's overall development. In the first half of 2026, the Group made active efforts to push forward the delivery and sales of projects in the Greater Bay Area.

During the reporting period, the Group achieved total contracted sales of RMB87 million and total contracted sales area of 4,257 sq.m. in Shenzhen, Foshan and Huizhou and other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, contributing to approximately 13.9% and 4.0% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2026.

Chengdu-Chongqing Metropolitan Area

As an important economic hub in South-western China, the Chengdu-Chongqing Metropolitan Area shows robust market demand for real estate and is one of the earliest important strategic markets entered by the Group. The Group has become one of the most influential brand developers in the region.

During the reporting period, the Group achieved total contracted sales of RMB132 million and total contracted sales area of 28,397 sq.m. in Chengdu, Chongqing, Guilin and other cities in the Chengdu-Chongqing Metropolitan Area, contributing to approximately 21.1% and 26.4% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2026.

Central China Metropolitan Area

As the geographical center of the country, Central China Metropolitan Area is increasingly becoming an important force for the rise of Central China with its advantages of convenient transportation and developed economy.

During the reporting period, the Group achieved total contracted sales of RMB3 million and total contracted sales area of 771 sq.m. in cities such as Wuhan and Zhengzhou in the Central China Metropolitan Area, contributing to approximately 0.5% and 0.7% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2026.

Yangtze River Delta Metropolitan Area

The Yangtze River Delta Metropolitan Area is one of the most economically dynamic hubs in China. The Group has paid close attention to the core cities with high growing potential in the region for a long time.

During the reporting period, the Group achieved total contracted sales of RMB66 million and total contracted sales area of 10,128 sq.m. in Nanjing, Shanghai and other cities in the Yangtze River Delta Metropolitan Area, contributing to approximately 10.6% and 9.4% of the total contracted sales and total contracted sales area of properties of the Group respectively in the interim period of 2026.

Bohai Rim Metropolitan Area

Bohai Rim Metropolitan Area is the most important economic hub in Northern China, playing an agglomeration, radiation, service and mobilization role in the national and regional economy and possessing great development potential. In the first half of 2026, the Group rapidly promoted the construction and sales of projects in the region.

During the reporting period, the Group achieved total contracted sales of RMB337 million and total contracted sales area of 64,061 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 53.9% and 59.5% of the total contracted sales and total contracted sales area of properties of the Group respectively in the interim period of 2026.

Completed Projects

The Group completed a total of one phase of projects with a total GFA of approximately 27,054 sq.m. during the reporting period.

Projects under construction

As at 30 June 2026, the Group had a total of 11 projects or phases of projects under construction with a total GFA of 926,952 sq.m..

Projects held for development

As at 30 June 2026, the Group had a total of 14 projects or phases of projects held for development with a total GFA of 5,921,908 sq.m..

Land Bank

As at 30 June 2026, after deducting projects sold, the GFA of the land bank for the Group's projects under construction and projects held for development amounted to approximately 6,848,860 sq.m..

Land Bank Summary			
City Company	Projects under construction	Projects held for development	Aggregate GFA of land bank
	(sq.m.)	(sq.m.)	(sq.m.)
South China	251,214	706,025	957,239
North China	117,668	3,708,163	3,825,831
Southwest China	378,623	1,117,600	1,496,223
East China	0	76,769	76,769
Central China	179,447	313,351	492,798

Community services

As communities constitute the most fundamental social units within a city, the services provided by the property management are essential in creating a stable and convenient living environment for the residents of the communities and promoting the development of the society. The Group strives to meet the basic living needs of the property owners through providing Four Basic Guarantees services (which are cleaning, greening, security and maintenance services), which constitute the solid cornerstone of community services system.

The abovementioned community services were provided by Colour Life Services Group Co., Limited, which ceased to be a subsidiary of the Company on 12 March 2026.

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from (i) property development, (ii) lease of investment properties, (iii) provision of property operation services, and (iv) other related services. For the six months ended 30 June 2026, revenue of the Group amounted to approximately RMB913 million, representing a decrease of 51.5% from approximately RMB1,883 million for the corresponding period of 2025.

Property Development

The Company recognizes revenue from property development when the customer obtains control of the completed property, and the Group has present right to payment and the collection of consideration is probable. Revenue from property development represents proceeds from the sales of the Group's properties held for sale. Revenue derived from property development decreased by 60.1% to approximately RMB151 million for the six months ended 30 June 2026 from approximately RMB380 million for the corresponding period in 2025, which was due to the GFA of delivered properties decreased during the period.

The table below sets forth the total revenue derived from each of the projects and the aggregate GFA of properties sold during the periods ended 30 June 2026 and 2025.

Project	From January to June 2026			From January to June 2025		
	Total Revenue	GFA Sold	Average Selling Price	Total Revenue	GFA Sold	Average Selling Price
	RMB' 000	sq.m.	RMB/sq.m.	RMB' 000	sq.m.	RMB/sq.m.
Shenzhen Good Time Jiayuan	67,946	3,296	20,615	95,518	3,932	24,292
Chongqing Hockney's Good Time	51,015	4,764	10,708	64,403	4,369	14,741
Guilin Lakeside Eden	5,402	1,328	4,068	11,668	2,898	4,026
Tianjin Meinian International Plaza	5,130	1,138	4,508	—	—	—
Hangzhou Duiyuetian	3,945	116	34,009	—	—	—
Huizhou Kangcheng Four Seasons Garden	3,229	659	4,900	—	—	—
Tianjin Jiatianxia	—	—	—	84,873	9,893	8,579
Zhengzhou Good Time	—	—	—	19,546	1,602	12,201
Wuhan Biyuntian	—	—	—	18,732	1,851	10,120
Others	14,676			84,970		
Total	151,343			379,710		

Property Investment

Revenue generated from property investment decreased by 31.9% to approximately RMB75 million for the six months ended 30 June 2026 from approximately RMB110 million for the corresponding period in 2025. The decrease was primarily due to the reduction in the area of investment properties leased to external parties, resulting in a decline in the occupancy rate.

Property Operation Services

Revenue derived from property operation services decreased by 51.8% to approximately RMB668 million for the six months ended 30 June 2026 from approximately RMB1,385 million for the corresponding period in 2025, primarily due to the disposal of subsidiaries in 2026.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by 56.9% to approximately RMB142 million for the six months ended 30 June 2026 from approximately RMB329 million for the corresponding period in 2025, while the Group's gross profit margin was approximately 15.5% for the six months ended 30 June 2026 as compared to a gross profit margin of approximately 17.5% for the corresponding period in 2025. The decline in gross profit margin was mainly due to a further decline in gross profit from the property development segment.

Other Income, Gains and Losses

The Group recorded net other losses in the period of approximately RMB364 million (net gain for the same period in 2025: approximately RMB201 million). The change was mainly due to the disposal of subsidiaries and the net exchange gains or losses arising from the senior notes denominated in USD.

Administrative Expenses

The Group's administrative expenses decreased by 41.8% to approximately RMB171 million for the six months ended 30 June 2026 from approximately RMB294 million for the corresponding period in 2025. The change was primarily due to the disposal of subsidiaries, the adoption of cost control policy and the decrease in the staff cost of the Group.

Finance Costs

The Group's finance costs increased by 6.0% to approximately RMB2,352 million for the six months ended 30 June 2026 from approximately RMB2,218 million for the corresponding period in 2025. The increase in finance costs was primarily due to the decrease in the amount of capitalized interests.

Income Tax Expense

The Group's income tax expense decreased by 32.1% to approximately RMB63 million for the six months ended 30 June 2026 from approximately RMB93 million for the corresponding period in 2025.

Liquidity, Financial Resources and Capital Structure

Cash Position

As at 30 June 2026, the Group's total bank balances and cash were approximately RMB290 million (31 December 2025: approximately RMB1,531 million), representing a decrease of 81.1% as compared to that as at 31 December 2025. Approximately RMB230 million (31 December 2025: approximately RMB324 million) of the Group's cash is restricted bank deposits that are mainly restricted for use of property development.

Borrowings and Charges on the Group's Assets

As at 30 June 2026, the Group had aggregate borrowings, senior notes and bonds and asset-backed securities issued of approximately RMB18,410 million (31 December 2025: approximately RMB18,613 million), approximately RMB50,104 million (31 December 2025: approximately RMB49,677 million) and approximately RMB316 million (31 December 2025: RMB307 million), respectively. Amongst the borrowings, approximately RMB18,315 million (31 December 2025: approximately RMB18,613 million) will be repayable within one year, and approximately RMB95 million will be repayable after one year. Amongst the senior notes and bonds, approximately RMB44,070 million (31 December 2025: approximately RMB42,601 million) will be repayable within one year and approximately RMB6,034 million (31 December 2025: approximately RMB7,076 million) will be repayable after one year.

As at 30 June 2026, approximately RMB14,562 million (31 December 2025: approximately RMB14,716 million) of the borrowings was secured by land use rights, properties and bank deposits of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group through pledging their shares.

As at 30 June 2026, the gearing ratio of the Group calculated on the basis of total liabilities / total assets was 147.1% (31 December 2025: 130.9%).

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank balances and borrowings, the Group does not have any other material direct exposure to foreign exchange fluctuations.

Commitments

As at 30 June 2026, the Group had committed payment for the construction and property development amounting to approximately RMB289 million (31 December 2025: RMB295 million).

Contingent Liabilities

- (a) As of 30 June 2026, the Group had provided guarantees amounting to approximately RMB1,045 million (31 December 2025: approximately RMB1,621 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate.
- (b) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2026, the Group's guarantees related to loans borrowed by these joint ventures and associates amounted to approximately RMB6,084 million (31 December 2025: approximately RMB6,192 million).

Employees and Remuneration Policies

As at 30 June 2026, excluding the employees of communities managed on a commission basis, the Group had approximately 3,514 employees (31 December 2025: approximately 17,382 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and according to the prevailing market practice. Besides salary payments, other staff benefits include contribution to the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for Chinese employees).

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION

As at 30 June 2026, 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 or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) of the Company, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Long positions in the shares and underlying shares of the Company:

Director	Nature of interest	Interest in ordinary shares of the Company	Interest in underlying Shares of the Company	Approximate percentage of interest in the Company as at 30 June 2026
Ms. Zeng Jie, Baby	Interest of controlled corporation	3,314,090,500 ⁽¹⁾	–	57.41%

Notes:

- (1) Fantasy Pearl International Limited ("Fantasy Pearl") is owned as to 80% by Ice Apex Limited ("Ice Apex") and 20% by Graceful Star Overseas Limited ("Graceful Star"). Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie, Baby is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) As at 30 June 2026, the number of issued shares of the Company was 5,772,597,864.

(ii) Long positions in the debentures of the Company:

Name of Director	Nature of interest	Debentures that are interested in	Principal amount of the debentures held	Approximate percentage of the interest in the debentures as at 30 June 2026
Ms. Zeng Jie, Baby	Interest of controlled corporation	9.25% senior notes due 2023 issued by the Company	US\$3,000,000 ⁽¹⁾	0.94%
	Interest of controlled corporation	10.875% senior notes due 2024 issued by the Company	US\$4,500,000 ⁽²⁾	1.6%
Mr. Guo Shaomu	Beneficial owner	7.95% senior notes due 2022 issued by the Company	US\$200,000	0.067%

Notes:

- (1) The debentures are held by Fantasy Pearl, which is indirectly owned as to 80% by Ms. Zeng Jie, Baby.
- (2) These comprise: (i) US\$2,000,000 held by Fantasy Pearl; and (ii) US\$2,500,000 held by Baocollection Limited, a company wholly owned by Ms. Zeng Jie, Baby.

(iii) Long positions in associated corporations:

A. Fantasy Pearl

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2026
Ms. Zeng Jie, Baby	Interest of controlled corporation	80 ⁽¹⁾	Ordinary	80%

Notes:

(1) These shares are held by Ice Apex, which is wholly owned by Ms. Zeng Jie, Baby.

B. Colour Life Services Group Co., Limited (“Colour Life”)

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2026
Ms. Zeng Jie, Baby	Interest of controlled corporation ⁽¹⁾⁽²⁾⁽³⁾	1,115,526,677	Ordinary	59.99%

Note:

- (1) The interests are held as to 185,568,838 shares by the Company, as to 927,655,042 shares by Splendid Fortune Enterprise Limited (“Splendid Fortune”) and as to 2,302,796 shares by Fantasy Pearl.
- (2) The Company is owned as to 57.41% by Fantasy Pearl, which is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by the Company for the purpose of Part XV of the SFO.
- (3) Splendid Fortune is 67.36% owned by Link Gold Holdings Limited and 32.64% owned by Shenyang International Investment Co., Ltd. Link Gold Holdings Limited is indirectly wholly owned by Ms. Zeng Jie, Baby. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by Splendid Fortune for the purpose of Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company had an interest or short position in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Nature of interest	Number of shares	Approximate percentage of interest in our Company as at 30 June 2026
Fantasy Pearl	Beneficial owner	3,314,090,500 (L)	57.41%
Ice Apex ⁽¹⁾	Interest of controlled corporation	3,314,090,500 (L)	57.41%
TCL Industries Holdings Co., Ltd. ⁽²⁾ (formerly known as TCL Industrial Holdings (Guangdong) Co., Ltd.)	Interest of controlled corporation	1,012,740,000 (L)	17.54%

(L) denotes long position

Notes:

- (1) Fantasy Pearl is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) As at 30 June 2026, Li Rong Development Limited held 1,012,740,000 shares of the Company representing 17.54% interest in the Company. Li Rong Development Limited is wholly owned by TCL Industries Holdings (H.K.) Limited which is in turn wholly owned by TCL Industries Holdings Co., Ltd.. TCL Industries Holdings Co., Ltd. is deemed to be interested in the shares held by Li Rong Development Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as of 30 June 2026, no other shareholder, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to assuring the conduct of management of the Company as well as protecting and enhancing the interest of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

For the six months ended 30 June 2026, the Company has adopted and complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules, save for the deviation as disclosed below.

Code provision C.1.7 of the CG Code requires that an issuer should arrange appropriate insurance cover in respect of legal proceedings against its directors. During the six months ended 30 June 2026, due to the continuous downward trend in the real estate industry market, the Company was unable to identify a suitable insurance company for liability coverage. As a result, the Company was unable to arrange appropriate liability insurance for Directors and senior management in relation to legal proceedings against Directors and senior management arising from the activities of the Company. As of 30 July 2026, the Company has identified a suitable insurance company to provide liability insurance for the Directors and is once again in compliance with the aforementioned requirements.

With effect from 19 March 2026, Ms. Cheng Jianli resigned as authorized representative, Chairman of the Board, executive Director, chairman of Nomination Committee, and member of Remuneration Committee. Following Ms. Cheng's resignation, (i) the Company failed to comply with Rule 3.05 of the Listing Rules, which requires an issuer to appoint two authorized representatives; (ii) the position of chairman of Nomination Committee became vacant, resulting in non-compliance with Rule 3.27A of the Listing Rules, which requires an issuer to establish a Nomination Committee chaired by the Chairman of the Board or an independent non-executive Director; and (iii) the number of members of Remuneration Committee fell below the minimum number specified in the terms of reference of Remuneration Committee. On 10 April 2026, Mr. Lin Zhifeng was appointed as the authorized representative of the Company pursuant to Rule 3.05 of the Listing Rules. On 5 June 2026, Ms. Huang Yueping ("Ms. Huang") was appointed as chairman of the Board and chairman of Nomination Committee. The Nomination Committee comprises Ms. Huang Yueping (Chairman), Ms. Zeng Jie, Baby, Mr. Guo Shaomu, Mr. Ma Yu-heng, and Mr. Leung Yiu Cho. The Board believes that the Company has once again complied with Rule 3.27A of the Listing Rules, which requires issuers to establish a Nomination Committee chaired by the Chairman of the Board or an independent non-executive Director. Following Ms. Huang's appointment as a member of Remuneration Committee effective from 5 June 2026, the Remuneration Committee comprises Mr. Guo Shaomu (chairman), Mr. Ma Yu-heng and Ms. Huang Yueping. The Board believes that the Company has once again complied with the minimum number of members required under the terms of reference of Remuneration Committee. Since Ms. Huang's appointment on 5 June 2026, the Company has once again been in compliance with the above requirements.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors, including Mr. Leung Yiu Cho (chairman of Audit Committee), Mr. Guo Shaomu and Mr. Ma Yu-heng. The Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, the internal controls and financial reporting matters including a review of the unaudited interim results for the Reporting Period. The external auditors of the Company have also reviewed the unaudited interim results for the Reporting Period.

REMUNERATION COMMITTEE

The Company has established the remuneration committee (the “Remuneration Committee”) in compliance with the Listing Rules 3.25 and 3.26. In order to comply with the CG Code, the Board adopted a revised terms of reference of the Remuneration Committee on 12 March 2012. The revised terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee currently comprises one non-executive director Ms. Huang Yueping (who was appointed on 5 June 2026) and two independent non-executive Directors, including Mr. Guo Shaomu (chairman of the Remuneration Committee) and Mr. Ma Yu-heng. Ms. Cheng Jianli ceased to be a member of the Remuneration Committee upon her resignation on 19 March 2026. The Remuneration Committee is responsible for making recommendations to the Board on the Company’s remuneration policy and structure for all Directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

NOMINATION COMMITTEE

The Company has established the nomination committee (the “Nomination Committee”) in compliance with the Listing Rules to fulfill the functions of reviewing the structure of and nominating suitable candidates to the Board. In order to comply with the CG Code, the Board adopted a revised terms of reference of the Nomination Committee on 30 August 2013 and 27 March 2019. The revised terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The Nomination Committee currently comprises two non-executive directors, including Ms. Zeng Jie, Baby and Ms. Huang Yueping (chairman of Nomination Committee, who was appointed on 5 June 2026); and three independent non-executive Directors, including Mr. Guo Shaomu, Mr. Leung Yiu Cho and Mr. Ma Yu-heng. Ms. Cheng Jianli ceased to be the chairman of the Nomination Committee upon her resignation on 19 March 2026. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment and reappointment of Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding directors’ securities transactions. The Company has made specific enquiry with all the Directors and all the Directors confirmed that they have complied with the Model Code throughout the Reporting Period.

SHARE OPTION SCHEME

As at 30 June 2026, the Company does not have a share option scheme that is in operation and there are no outstanding share options.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Senior Notes and Bonds

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

For the six months ended 30 June 2026 and as at 30 June 2026, the Company did not have any treasury shares (as defined in the Listing Rules).

LATEST PROGRESS OF THE DEBT RESTRUCTURING

(i) Offshore debts

The Company has been working closely with its legal and financial advisors to formulate a viable offshore debt restructuring plan aimed at addressing current liquidity pressure of the Company, enhancing the credit profile of the Group and protecting the interests of all stakeholders.

In 2026, the Group continued to actively address debt risks, and all related efforts are proceeding smoothly. As at 30 June 2026, the Company, in accordance with the terms of the respective plans, had obtained the necessary approvals from a majority of the scheme creditors to further extend the original long stop date of 30 June 2026. The new long stop date is the earlier of the 10th business day following the fulfillment of the restructuring conditions or 31 August 2026.

On 30 July 2026, the Company is pleased to announce that the offshore restructuring has officially taken effect. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with the terms of the restructuring, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and mandatory convertible bonds. Pursuant to the terms and conditions of the mandatory convertible bonds, 50% of the principal amount as of the issuance date of the mandatory convertible bonds will be mandatorily converted into mandatory convertible bond conversion shares at the mandatory conversion price.

(ii) Onshore debts

In terms of onshore public debts, Fantasia Group (China) Co., Ltd. published an announcement in late 2025 that it had successively convened the first bondholders' meeting for 2025 in respect of five onshore bonds, namely H18 Fantasia, 19 Fantasia, 19 Fantasia 02, 20 Fantasia 01 and 20 Fantasia 02, on 23 to 24 December. As of 17:00 on 26 December, all five bonds had been approved by vote, pursuant to which the payment dates for the principal and interest originally scheduled to be payable in December 2025, March 2026, June 2026 and September 2026 under the respective bonds were uniformly adjusted to 31 December 2026, providing ample time for the restructuring of subsequent onshore debts. Currently, the combined principal balance of the five onshore debts totals RMB6.42 billion. The Company is currently negotiating with relevant onshore debt institutions and creditors to seek a comprehensive resolution.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Company did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS

On 2 January 2026, the Company, TFI Securities and Futures Limited (“TFISF”), and Splendid Fortune Enterprise Limited (“Splendid Fortune”) entered into a restructuring agreement (the “Restructuring Agreement”), pursuant to which the parties conditionally agreed to conduct a series of parallel transactions in connection with the dispute regarding a series of financial transactions involving shares of Colour Life that took place between June and September 2021 between the Company and TFISF (the “Dispute”): Splendid Fortune acquired 21.97% of the shares of Colour Life Services Group Co., Limited (“Colour Life”), with 10% of the shares transferred to an entity designated by TFISF (as security), while the Company retains 9.98% of the shares in Colour Life (unsecured/claim-free). The Restructuring Agreement provides the Company with a unique opportunity to resolve the Dispute that has persisted for many years. The transaction offsets the value/consideration of the relevant shares against the Company’s alleged debt to TFISF, and its subsidiary, Sky Ease Global Limited, has incurred a new non-recourse debt in connection thereof (secured by a pledge of onshore shares). On 12 March 2026, the transactions contemplated under the Restructuring Agreement were completed. Colour Life is no longer a subsidiary of the Company, and Ms. Zeng Jie, Baby, who indirectly holds 59.99% of the shares of Colour Life, remains its substantial shareholder. For further details, please refer to the Company’s announcements dated 12 November 2025, 2 January 2026, 6 February 2026, 16 February 2026, 11 March 2026, and 13 March 2026, as well as the circular dated 24 February 2026.

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

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The offshore restructuring took effect on 30 July 2026. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with regulations, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and MCBs. Pursuant to the terms and conditions of the MCBs, 50% of the principal amount as of the issuance date of the MCBs will be mandatorily converted into MCB conversion shares at the mandatory conversion price.

On 12 August 2026, the relevant new share issuance and the issuance of shares in connection with the MCBs were completed, and all conditions for the share consolidation were met. The share consolidation took effect on Friday, 14 August 2026, and trading in the consolidated shares commenced at 9:00 a.m. on Friday, 14 August 2026. The trading board lot size on the Stock Exchange has taken effect at 9:00 a.m. on Friday, 28 August 2026, changing from the original 1,500 existing shares to 5,000 consolidated shares. The conversion price of the MCBs was adjusted simultaneously on 14 August 2026, the effective date of the share consolidation, from the original conversion price of HK\$1.52 per existing share to HK\$7.60 per consolidated share. For details, please refer to the Company’s circular dated 29 April 2026 (the “Circular”), the Company’s announcements dated 28 July 2026, and 12 August 2026, and the Company’s announcement dated 30 July 2026 in relation to the occurrence of the effective date of the restructuring.

Save as disclosed above, there are no important events affecting the Group which have occurred since the end of the Reporting Period.

GOING CONCERN AND MITIGATION MEASURES

The Directors are provided with a review of the key financial information of the Group periodically.

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2025 and the condensed consolidated financial statements of the Group for the period ended 30 June 2026 which give a true and fair view of the financial position of the Group and of the operating results and cash flow for the year/period then ended. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and disclosure requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the management, and the management have prepared the consolidated financial statements of the Group on a going concern basis.

Details of the disclaimer of opinion by the auditor of the Company are set out on page 59 of the 2025 Annual Report. A statement by the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is included in the Independent Auditor's Report set out on page 60 of the 2025 Annual Report. The Company's independent auditor did not express an opinion on (i) the consolidated financial statements of the Group for the year ended 31 December 2025, as described in the section headed "Basis for Disclaimer of Opinion – Multiple uncertainties relating to going concern" in the "Independent Auditor's Report" on pages 59 to 60 of the 2025 Annual Report; or (ii) the condensed consolidated financial statements of the Group for the period ended 30 June 2026, as set out in the "Report on Review of Condensed Consolidated Financial Statements" in this Interim Report. The Directors have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, among others, have proactively come up with measures to improve the Group's liquidity and financial position, details of which are set out in pages 47 to 50 of the 2025 Annual Report and pages 3 to 5 of this interim report.

The Directors are of the opinion that, assuming the aforesaid plans and measures can be successfully implemented as scheduled, the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due within the following twelve months from the end of the reporting periods. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis. The Audit Committee has discussed with the Board and the management regarding the going concern issue, and on the basis of the successful implementation of the measures, agreed with the position taken by the management and the Board regarding the accounting treatment adopted by the Company. The Audit Committee also discussed and understood the concerns of the Auditor that uncertainties exist as to whether the Group's management will be able to achieve its plans and measures. There is no disagreement by the Board, the management nor the Audit Committee with the position taken by the Auditor regarding the going concern issue. Further details on the material uncertainties relating to the Group's going concern and the mitigation measures are set out in note 2 to the consolidated financial statements in the 2025 Annual Report and this interim report.


TO THE BOARD OF DIRECTORS OF FANTASIA HOLDINGS GROUP CO., LIMITED
(Incorporated in the Cayman Islands with limited liability)
INTRODUCTION

We have reviewed the condensed consolidated financial statements of Fantasia Holdings Group Co., Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 23 to 51, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Because of the multiple uncertainties and its possible effect on the interim condensed consolidated financial information described in the “Basis for Disclaimer of Conclusion” section of our report, we do not express a conclusion on the interim financial information.

BASIS FOR DISCLAIMER OF CONCLUSION
Multiple Uncertainties Relating to Going Concern

As set out in Note 2 to the condensed consolidated financial statements, the Group incurred net loss of RMB4,408,637,000 for the period ended 30 June 2026. As at 30 June 2026, the Group’s net current liabilities amounted to RMB32,391,896,000 and net liabilities amounted to RMB27,787,203,000.

As at 30 June 2026, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB42,916,551,000 according to their scheduled repayment dates. As a result, as at 30 June 2026, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 30 June 2026, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These conditions, together with other matters disclosed in note 2 to the condensed consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group’s liquidity and financial position, which are set out in note 2 to the condensed consolidated financial statements. The validity of the going concern assumptions on which the condensed consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the offshore debt restructuring; (ii) successfully carrying out the Group’s business strategy plan including the acceleration of the sales of properties; (iii) successfully obtaining of additional new sources of financing as and when needed; (iv) successfully disposing of the Group’s equity interest in project development companies when suitable; and (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses.

Should the Group be unable to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

Disclaimer of Conclusion

Because of the multiple uncertainties related to going concern and its possible cumulative effect on these interim condensed consolidated financial statements described in the "Basis for Disclaimer of Conclusion" section of our report, we do not express a conclusion on the interim financial information.

CLA Prism Hong Kong Limited

Certified Public Accountants

Yip Chi Chiu

Practising Certificate Number: P06934

Hong Kong

31 August 2026

For the six months ended 30 June 2026

	NOTES	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue			
Contracts with customers	4	838,107	1,772,979
Leases		75,179	110,453
Total revenue	5	913,286	1,883,432
Cost of sales and services		(771,492)	(1,554,381)
Gross profit		141,794	329,051
Other income		2,279	11,101
Other gains and losses		(365,925)	190,002
Impairment losses under expected credit loss model, net of reversal	18	(237,520)	(179,421)
Net change in fair value of investment properties	12	(201,488)	(99,107)
Write-down on properties for sales	15	(824,589)	(643,431)
Selling and distribution expenses		(14,306)	(28,353)
Administrative expenses		(171,104)	(293,753)
Finance costs		(2,352,088)	(2,217,949)
Share of results of associates		(166,036)	(152,508)
Share of results of joint ventures		(156,377)	(165,062)
Loss before tax		(4,345,360)	(3,249,430)
Income taxation	6	(63,277)	(93,148)
Loss for the period	7	(4,408,637)	(3,342,578)
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss:			
Fair value change on equity instruments designated at fair value through other comprehensive income ("FVTOCI")		–	518
Deferred taxation effect		–	(130)
Other comprehensive income for the period, net of income tax		–	388
Total comprehensive expense for the period		(4,408,637)	(3,342,190)
Loss for the period attributable to:			
Owners of the Company		(4,249,584)	(3,171,041)
Other non-controlling interests		(159,053)	(171,537)
		(4,408,637)	(3,342,578)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(4,249,584)	(3,170,878)
Other non-controlling interests		(159,053)	(171,312)
		(4,408,637)	(3,342,190)
Loss per share – basic (RMB cents)	9	(73.62)	(54.93)
Loss per share – diluted (RMB cents)	9	(73.62)	(54.93)

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	261,615	349,777
Right-of-use assets	11	37,834	219,489
Investment properties	12	5,409,982	5,634,816
Interests in associates		1,421,039	1,443,872
Interests in joint ventures		2,501,697	2,600,363
Equity instruments designated at FVTOCI		-	14,256
Goodwill	13	16,107	895,152
Intangible assets	14	1,433	4,085
Other receivables	17	-	4,935
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	17	717,946	1,158,671
Deferred tax assets		395,541	571,118
		10,763,194	12,896,534
CURRENT ASSETS			
Properties for sale	15	35,870,362	36,332,144
Contract assets	16	-	17,492
Contract costs		29,243	30,402
Trade and other receivables	17	6,416,436	10,090,103
Tax recoverable		467,854	599,183
Amounts due from related parties	28(b)	5,132,700	5,231,858
Financial assets at fair value through profit or loss ("FVTPL")		24,176	-
Restricted/pledged bank deposits		229,718	324,114
Bank balances and cash		59,930	1,206,842
		48,230,419	53,832,138
		58,993,613	66,728,672

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	19	11,001,934	11,084,031
Contract liabilities		862,746	1,260,730
Amounts due to related parties	28(b)	284,290	285,917
Tax liabilities		5,768,320	6,030,911
Borrowings due within one year	20	18,314,831	18,612,904
Lease liabilities due within one year		4,321	9,330
Senior notes and bonds due within one year	21	44,069,961	42,601,185
Asset-backed securities issued due within one year	22	315,912	306,808
		80,622,315	80,191,816
NET CURRENT LIABILITIES		(32,391,896)	(26,359,678)
TOTAL ASSETS LESS CURRENT LIABILITIES		(21,628,702)	(13,463,144)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		–	6,744
Borrowings due after one year	20	95,500	–
Lease liabilities due after one year		28,574	43,698
Senior notes and bonds due after one year	21	6,034,427	7,075,511
		6,158,501	7,125,953
NET LIABILITIES		(27,787,203)	(20,589,097)
EQUITY			
Share capital	23	498,787	498,787
Deficit		(28,026,765)	(23,777,181)
Capital and deficit attributable to owners of the Company		(27,527,978)	(23,278,394)
Non-controlling interests		(259,225)	2,689,297
TOTAL EQUITY		(27,787,203)	(20,589,097)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company									Attributable to non-controlling interests			
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 (note a)	Share-based payments reserve RMB'000 (note b)	Contribution reserve RMB'000 (note c)	Statutory reserve and discretionary reserve RMB'000 (note d)	Revaluation reserve RMB'000 (note e)	Accumulated losses RMB'000	Sub-total RMB'000	Share-based payments reserve of Colour Life RMB'000	Other non-controlling interests RMB'000	Subtotal RMB'000	Total RMB'000
At 1 January 2026 (Audited)	498,787	550,006	1,836,996	13,860	40,600	414,513	(6,316)	(26,626,840)	(23,278,394)	243,034	2,446,263	2,689,297	(20,589,097)
Loss for the period	-	-	-	-	-	-	-	(4,249,584)	(4,249,584)	-	(159,053)	(159,053)	(4,408,637)
Total comprehensive expense for the period	-	-	-	-	-	-	-	(4,249,584)	(4,249,584)	-	(159,053)	(159,053)	(4,408,637)
Disposal of subsidiaries (note 24)	-	-	-	-	-	-	-	-	-	(243,034)	(2,546,435)	(2,789,469)	(2,789,469)
At 30 June 2026 (Unaudited)	498,787	550,006	1,836,996	13,860	40,600	414,513	(6,316)	(30,876,424)	(27,527,978)	-	(259,225)	(259,225)	(27,787,203)
At 1 January 2025 (Audited)	498,787	550,006	2,174,959	13,860	40,600	397,727	(1,226)	(17,423,966)	(13,749,253)	243,034	2,473,112	2,716,146	(11,033,107)
Loss for the period	-	-	-	-	-	-	-	(3,171,041)	(3,171,041)	-	(171,537)	(171,537)	(3,342,578)
Fair value change on equity instruments designated at FVTOCI	-	-	-	-	-	-	217	-	217	-	301	301	518
Deferred taxation effect	-	-	-	-	-	-	(54)	-	(54)	-	(76)	(76)	(130)
Other comprehensive income for the period	-	-	-	-	-	-	163	-	163	-	225	225	388
Total comprehensive income (expense) for the period	-	-	-	-	-	-	163	(3,171,041)	(3,170,878)	-	(171,312)	(171,312)	(3,342,190)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(4,686)	(4,686)	(4,686)
Acquisition of additional interests in subsidiaries from non-controlling shareholders	-	-	47	-	-	-	-	-	47	-	(167)	(167)	(120)
Share issues of Colour Life Services Group Co., Ltd.	-	-	-	-	-	-	-	-	-	-	55,785	55,785	55,785
Capital reduction in a subsidiary by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(7,869)	(7,869)	(7,869)
Transfer	-	-	-	-	-	10,044	-	(10,044)	-	-	-	-	-
At 30 June 2025 (Unaudited)	498,787	550,006	2,175,006	13,860	40,600	407,771	(1,063)	(20,605,051)	(16,920,084)	243,034	2,344,863	2,587,897	(14,332,187)

Notes:

- Special reserve arising from the acquisition or disposal of equity interests in subsidiaries without loss of control. It represented the difference between the consideration paid or received and the adjustment to the non-controlling interests in subsidiaries after re-attribution.
- Share-based payments reserve represented the share-based payments under share option schemes of the Company and Colour Life Service Group Co., Limited ("Colour Life"), which is a formerly non-wholly owned subsidiary of the Company.
- Contribution reserve represented (a) the contribution/distribution to shareholders during the group reorganisation in 2009; (b) the difference between consideration paid and fair value of net assets acquired from related parties; (c) the difference between the consideration received and carrying amount of net assets disposed to related parties during the Group reorganisation in 2009; and (d) the waiver of shareholder loans in 2009.
- The statutory reserve and discretionary reserve attributable to subsidiaries in the People's Republic of China (the "PRC") are non-distributable. Transfers to these reserves are determined by the board of directors or the shareholders' meeting of the PRC subsidiaries in accordance with the relevant laws and regulations of the PRC until the reserve reaches 50% of the registered capital. These reserves can be used to offset accumulated losses, expand the scale of production and business and transfer to capital upon approval from relevant authorities.
- Revaluation reserve mainly represented surplus arose from (a) the transfer of owner-occupied property to investment properties at the date of change in use; and (b) the accumulated changes in fair value of the equity instruments designated at FVTOCI, net of income tax effect.

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Cash used in operations	(376,548)	(291,709)
Income tax refund received (paid)	30,628	(46,015)
Interest paid	(17,641)	(5,313)
NET CASH USED IN OPERATING ACTIVITIES	(363,561)	(343,037)
INVESTING ACTIVITIES		
Placement of restricted/pledged bank deposits	(23,013)	(150,390)
Withdrawal of restricted/pledged bank deposits	89,145	289,818
Purchases of property, plant and equipment	(1,821)	(23,581)
Disposal of associates and joint ventures	–	4,075
Payment refundable deposit	–	(4,406)
Capital injection to associates and joint ventures	–	(490)
Joint venture company dividends	–	843
Disposal of subsidiaries (net of cash and cash equivalent disposed of)	(821,069)	–
Proceeds received from disposal of subsidiary in prior year	68,172	–
Interest received	2,085	8,394
Advances to related parties	–	(245)
Repayment from related parties	29,243	52,357
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(657,258)	176,375
FINANCING ACTIVITIES		
New borrowings raised	–	7,669
Repayment of borrowings	(118,535)	(209,598)
Repayment of lease liabilities	(5,379)	(17,621)
Repayment of senior notes and bonds	(8,816)	–
Payment of interest of senior notes and bonds	(433)	–
Dividend paid to non-controlling shareholders of the subsidiaries	–	(4,686)
Advances from related parties	7,446	344
Repayments to related parties	–	(869)
Share issues by Colour Life	–	55,785
NET CASH USED IN FINANCING ACTIVITIES	(125,717)	(168,976)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,146,536)	(335,638)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,206,842	1,156,153
Effect of foreign exchange rate changes	(376)	(201)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	59,930	820,314

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. GOING CONCERN BASIS

For the period ended 30 June 2026, the Group incurred net loss of RMB4,408,637,000. As at 30 June 2026, the Group’s net current liabilities amounted to RMB32,391,896,000 and net liabilities amounted to RMB27,787,203,000.

As at 30 June 2026, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB42,916,551,000 according to their scheduled repayment dates. As a result, as at 30 June 2026, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 30 June 2026, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity and performance of the Group and the Group’s available sources of financing and have considered the Group’s cash flow projections prepared by the management for a period of not less than 12 months from the date of reporting period. The following plans and measures have been formulated with the objective to mitigate the liquidity pressure of the Group:

- The conditions of restructuring of the Group’s proposed offshore debt restructuring plan have been satisfied, and the effective date of the restructuring was finalized on 30 July 2026. The Group is actively in discussions with the existing lenders on the renewal of certain of the Group’s borrowings. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to the ongoing changes in market conditions. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales to address upcoming financial obligations and future operating cash flow requirements whilst engaging with existing lenders;
- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and trade receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to the changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows; and
- The Group has already taken measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

For the six months ended 30 June 2026

2. GOING CONCERN BASIS (continued)

The Directors, taking into account the above plans and measures, are of the opinion that, they are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the period ended 30 June 2026 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain support from the Group's creditors, material uncertainties exist as to whether or not the Group will be able to achieve its plans and measures as described above.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements of the Group for the period ended 30 June 2026.

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

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 HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>

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.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

Segment	For the period ended 30 June 2026			
	Property development	Property operation services	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of goods and services				
<i>Property development</i>				
Sales of completed properties	151,343	–	–	151,343
<i>Property operation services</i>				
Provision of property management services	–	653,547	–	653,547
Provision of value-added service	–	13,951	–	13,951
Provision of engineering services	–	273	–	273
<i>Others</i>				
Hotel operation, property project management, property agency services and other related services	–	–	18,993	18,993
	151,343	667,771	18,993	838,107
Timing of revenue recognition				
A point in time	151,343	14,224	12,733	178,300
Over time	–	653,547	6,260	659,807
	151,343	667,771	18,993	838,107

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

Segment	Property development	Property investment	Property operations services	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue disclosed in segment information	151,343	75,179	669,535	18,993	915,050
Elimination	–	–	(1,764)	–	(1,764)
Leases	–	(75,179)	–	–	(75,179)
Revenue from contracts with customers	151,343	–	667,771	18,993	838,107

For the six months ended 30 June 2026

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Disaggregation of revenue from contracts with customers (continued)

Segment	For the period ended 30 June 2025			
	Property development	Property operation services	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of goods and services				
<i>Property development</i>				
Sales of completed properties	379,710	–	–	379,710
<i>Property operation services</i>				
Provision of property management services	–	1,339,579	–	1,339,579
Provision of value-added service	–	43,460	–	43,460
Provision of engineering services	–	1,947	–	1,947
<i>Others</i>				
Hotel operation, property project management, property agency services and other related services	–	–	8,283	8,283
	379,710	1,384,986	8,283	1,772,979
Timing of revenue recognition				
A point in time	379,710	2,958	244	382,912
Over time	–	1,382,028	8,039	1,390,067
	379,710	1,384,986	8,283	1,772,979

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

Segment	Property development	Property investment	Property operations services	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue disclosed in segment information	379,710	110,453	1,387,084	8,283	1,885,530
Elimination	–	–	(2,098)	–	(2,098)
Leases	–	(110,453)	–	–	(110,453)
Revenue from contracts with customers	379,710	–	1,384,986	8,283	1,772,979

5. SEGMENT INFORMATION

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

Six months ended 30 June 2026

Segment revenue and results (Unaudited)	Property development RMB'000	Property investment RMB'000	Property operations services RMB'000	Others RMB'000	Total RMB'000
Segment revenues	151,343	75,179	669,535	18,993	915,050
Segment results	(1,118,498)	(170,350)	97,968	(18,392)	(1,209,272)

Six months ended 30 June 2025

Segment revenue and results (Unaudited)	Property development RMB'000	Property investment RMB'000	Property operations services RMB'000	Others RMB'000	Total RMB'000
Segment revenues	379,710	110,453	1,387,084	8,283	1,885,530
Segment results	(881,505)	(96,560)	127,146	(6,516)	(857,435)

Segment results represents the profit earned or loss incurred by each segment without allocation of exchange gain or loss, interest income, share of results of associates and joint ventures, gain or loss on disposal of subsidiaries, associates and joint ventures, certain other income, gains and losses, finance costs, central administration costs and directors' salaries. This is the measure reported to the directors of the Company, chief operating decision makers for the purposes of resources allocation and assessment of segment performance.

For the six months ended 30 June 2026

5. SEGMENT INFORMATION (continued)

Reconciliation:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue:		
Total revenue for operating and reportable segments	915,050	1,885,530
Elimination of inter-segment revenues	(1,764)	(2,098)
Group's total revenue	913,286	1,883,432
Total segment results	(1,209,272)	(857,435)
Unallocated amounts:		
Interest income	2,085	8,394
Net exchange gain	1,344,422	185,127
Finance costs	(2,352,088)	(2,217,949)
Share of results of associates and joint ventures	(322,413)	(317,570)
Net loss on disposal of subsidiaries	(1,680,023)	–
(Loss)/gain on debt restructuring	(22,968)	8,186
Change in fair value of financial assets at FVTPL	(11,817)	–
Other unallocated expenses	(93,286)	(58,183)
Loss before tax	(4,345,360)	(3,249,430)

5. SEGMENT INFORMATION (continued)

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property development	42,141,566	44,498,536
Property investment	5,409,982	5,634,816
Property operation services	1,320,261	4,523,553
Others	34,598	91,791
Total segment assets	48,906,407	54,748,696
Total unallocated assets	10,087,206	11,979,976
Group's total assets	58,993,613	66,728,672

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers also review the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, financial assets at FVTPL, deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures, amounts due from related parties, restricted/pledged bank deposits, bank balances and cash and other corporate assets.

For the six months ended 30 June 2026

6. INCOME TAXATION

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax in the PRC		
Enterprise income tax	33,050	55,040
Land appreciation tax, net of over-provision in the prior periods	(6,347)	(4,502)
	26,703	50,538
Deferred tax		
Charge to profit and loss	36,574	42,610
	63,277	93,148

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after (crediting)/charging:		
Government grant and partial exemption of PRC value-added tax (included in other income)	(194)	(2,707)
Interest income (included in other income)	(2,085)	(8,394)
Net exchange gain	(1,344,422)	(185,127)
Loss on disposal of subsidiaries, net (included in other gains and losses)	1,680,023	–
Provisions for financial guarantee contracts, litigations and other contingent liabilities	52,736	–
(Gain)/loss on disposal of property, plant and equipment and early termination of lease contracts (included in other gains and losses)	(66,837)	1,499
Write-down of properties for sales	824,589	643,431
Change in fair value of financial assets at FVTPL	11,817	–
Loss/(gain) on debt restructuring	22,968	(8,186)

8. DIVIDEND

During the six months ended 30 June 2026, no dividend in respect of the year ended 31 December 2025 was declared.

The directors of the Company do not recommend the payment of an interim dividend for both the six months ended 30 June 2026 and 2025.

9. LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period:		
Loss for the purposes of basic and diluted loss per share		
(loss for the period attributable to owners of the Company)	(4,249,584)	(3,171,041)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of		
basic and diluted loss per share	5,772,598	5,772,598

For the six months ended 30 June 2026 and 2025, the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

10. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the six months ended 30 June 2026 are summarized as follows:

	RMB'000
At 1 January 2026 (Audited)	349,777
Additions	1,821
Disposals	(3,322)
Disposals of subsidiaries (note 24)	(71,005)
Depreciation for the period	(15,656)
At 30 June 2026 (Unaudited)	261,615

For the six months ended 30 June 2026

11. RIGHT-OF-USE ASSETS

The movements in right-of-use assets during the six months ended 30 June 2026 are summarised as follows:

	RMB'000
At 1 January 2026 (Audited)	219,489
Additions	6,756
Depreciation for the period	(9,194)
Disposals of subsidiaries (note 24)	(179,217)
At 30 June 2026 (Unaudited)	37,834

12. INVESTMENT PROPERTIES

The movements in investment properties during the six months ended 30 June 2026 are summarised as follows:

	RMB'000
At 1 January 2026 (Audited)	5,634,816
Net change in fair value recognised in profit or loss	(201,488)
Disposal of subsidiaries (note 24)	(16,486)
Disposals	(6,860)
At 30 June 2026 (Unaudited)	5,409,982

As at 30 June 2026, the fair value of the Group's completed investment properties was amounting to RMB4,211,562,000 (31 December 2025: RMB4,400,426,000) and investment properties under development was amounting to RMB1,198,420,000 (31 December 2025: RMB1,234,390,000).

13. GOODWILL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property Operation CGU	16,107	895,152

During the period ended 30 June 2026, the Group has disposed the goodwill through disposal of subsidiaries, with the carrying amount of RMB879,045,000. Details are set out in note 24.

For the purpose of impairment testing, goodwill above has comprised a group of subsidiaries in property operation services collectively as the property operation cash-generating units ("Property Operation CGU").

During the period ended 30 June 2026, the management of the Group determined that there is no impairment of any of these groups of CGU containing goodwill arising from the acquisition of businesses and/or business combination under non-common control.

13. GOODWILL (continued)

The recoverable amounts of Property Operation CGU have been determined based on a value in use calculation. The calculation uses cash flow projection based on financial budgets approved by the management covering a five-year period, including the growth rates, the discount rates, estimated revenue, estimated gross profit, estimated operating expenses as at 30 June 2026 and 31 December 2025.

The discount rates reflect specific risks relating to Property Operation CGU. The growth rates within the five-year period have been based on past experience and management's expectation of market development. The cash flows beyond the five-year period are extrapolated using the growth rate of 2%.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Discount rates	13.6%	13.6%
Growth rate within the five-year period	2% – 5%	2% – 6%

The management of the Group believes that any reasonably possible change in the key estimation of the value-in-use calculation would not cause the carrying amounts of Property Operation CGU to exceed its recoverable amounts.

14. INTANGIBLE ASSETS

The movements in intangible assets during the six months ended 30 June 2026 are summarised as follows:

	RMB'000
At 1 January 2026 (Audited)	4,085
Amortisation of intangible assets	(2,652)
At 30 June 2026 (Unaudited)	1,433

The intangible assets represent the property management contracts and customers' relationship were acquired from third parties through business combination.

For the six months ended 30 June 2026

15. PROPERTIES FOR SALE

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Completed properties for sale	10,119,167	10,292,873
Properties under development for sale	41,293,356	40,989,309
	51,412,523	51,282,182
Less: Provisions for net realisable value	(15,542,161)	(14,950,038)
	35,870,362	36,332,144

For the six months ended 30 June 2026, a provision for impairment loss on properties for sales of RMB824,589,000 was recognised to reflect the change in relevant net realisable value (six months ended 30 June 2025: RMB643,431,000).

16. CONTRACT ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Unbilled revenue of engineering services	–	57,492
Less: allowance for impairment losses	–	(40,000)
	–	17,492

During the period ended 30 June 2026, the Group has disposed the contract assets through disposal of subsidiaries, with the carrying amount of RMB17,416,000. Details are set out in note 24.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional upon the satisfaction by engineering services rendered by the Group. The amounts are transferred out of contract assets to trade receivables when the rights become unconditional.

17. TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables		
– contracts with customers	501,269	1,483,826
– leasing	39,051	12,104
Other receivables	3,832,339	4,269,000
Loan receivables	–	55,302
Prepayments and other deposits	1,418,972	3,594,063
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	717,946	1,158,671
Other tax prepayments	624,805	680,743
	7,134,382	11,253,709
Less: Amounts shown under non-current assets	(717,946)	(1,163,606)
Amounts shown under current assets	6,416,436	10,090,103

Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements, normally within 90 days from the date of agreement.

Property operation service fee is received in accordance with the terms of the relevant service agreements, normally within 30 days to 1 year after the issuance of demand note. Each customer from property operation services has a designated credit limit.

Hotel operation and travel agency service income are mainly in form of settlement in cash and credit cards.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

For the six months ended 30 June 2026

17. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade receivables of the Group net of allowance for impairment losses presented based on the date of delivery of the properties to the customers for property sale or the invoice date or date of demand note for rendering of services at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 to 30 days	50,159	279,103
31 to 90 days	47,768	209,646
91 to 180 days	44,908	239,137
181 to 365 days	92,794	416,772
Over 1 year	304,691	351,272
	540,320	1,495,930

Details of the impairment assessment are set out in note 18.

18. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Impairment loss recognised on		
– trade and other receivables	(226,667)	(163,909)
– amount due from related parties	(10,853)	(11,115)
– contract assets	–	(4,397)
	(237,520)	(179,421)

The balances of other receivables (excluding payments on behalf of residents), amounts due from non-controlling shareholders of the subsidiaries of the Company, joint ventures, associates and related parties are all not past due. In the opinion of the directors of the Company, the risk of default by these counterparties is not significant and thus the Group assessed that the ECL on these balances at 30 June 2026 and 2025 are insignificant.

19. TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	3,295,228	3,749,488
Deposit received	110,483	258,732
Other tax payables	845,692	900,308
Accrued staff costs	51,283	180,925
Other payables and accruals	6,699,248	5,994,578
	11,001,934	11,084,031

Trade payables principally comprise amounts outstanding for purchase of materials and subcontracting fee for the construction of properties for sale. The average credit period for purchase of construction materials and settlement of subcontracting fee ranged from two months to one year.

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	102,336	811,018
Over 1 year	3,192,892	2,938,470
	3,295,228	3,749,488

For the six months ended 30 June 2026

20. BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Secured	14,561,759	14,715,700
Unsecured	3,848,572	3,897,204
	18,410,331	18,612,904
Less: Amounts shown under current liabilities	(18,314,831)	(18,612,904)
Amounts shown under non-current liabilities	95,500	–

The borrowings represented loans from bank, other facilities and related companies. Certain borrowings were secured by properties for sale, investment properties, pledged bank deposits and property, plant and equipment. Details are set out in note 27.

21. SENIOR NOTES AND BONDS

Senior notes and bonds	Maturity	Principal '000	Nominal interest rate	Effective interest rate	Carrying amount at	
					30 June 2026	31 December 2025
					RMB'000 (Unaudited)	RMB'000 (Audited)
Senior notes:						
2016 USD500 million senior notes due 2021	5 years	USD500,000	7.38%	7.70%	1,941,889	1,951,008
2017 USD300 million senior notes due 2022	5 years	USD300,000	7.95%	8.26%	2,841,325	2,849,222
2018 USD200 million senior notes due 2021	3 years	USD200,000	15.00%	15.64%	2,378,664	2,350,442
2019 USD100 million senior notes due 2021	2 years	USD100,000	15.00%	15.51%	1,195,313	1,181,131
2019 USD300 million senior notes due 2022	3 years	USD300,000	11.75%	13.20%	3,264,938	3,247,225
2019 USD350 million senior notes due 2022	3 years	USD350,000	12.25%	13.83%	3,902,305	3,877,308
2020 USD450 million senior notes due 2023	3 years	USD450,000	10.88%	11.31%	4,684,805	4,665,042
2020 USD300 million senior notes due 2023	3 years	USD300,000	11.88%	12.20%	3,188,647	3,169,476
2020 USD200 million senior notes due 2022	2 years	USD200,000	7.95%	7.55%	1,902,142	1,907,429
2020 USD350 million senior notes due 2023	3 years	USD350,000	9.25%	9.46%	3,404,752	3,402,634
2020 USD320 million senior notes due 2023	3 years	USD320,000	9.88%	10.18%	3,138,308	3,133,622
2020 USD250 million senior notes due 2021	1 year	USD250,000	6.95%	7.32%	2,294,098	2,306,891
2021 USD150 million senior notes due 2023	2 years	USD150,000	11.88%	10.96%	1,638,004	1,628,156
2021 USD250 million senior notes due 2024	3 years	USD250,000	10.88%	11.72%	2,395,188	2,384,173
2021 USD50 million senior notes due 2022	1 year	USD50,000	14.50%	15.45%	576,878	569,997
2021 USD100 million senior notes due 2023	2 years	USD100,000	11.88%	14.08%	1,051,563	1,043,704
2021 USD200 million senior notes due 2024	3 years	USD200,000	14.50%	15.24%	1,352,690	1,337,688
					41,151,509	41,005,148
Corporate bonds:						
2018 RMB1,000 million bonds originally due 2021	5 years	RMB1,000,000	7.50%	6.59%	1,337,928	1,297,690
2019 RMB800 million bonds originally due 2022	5 years	RMB800,000	8.20%	7.40%	1,005,907	971,859
2019 RMB730 million bonds originally due 2022	5 years	RMB730,000	7.80%	6.82%	1,044,933	1,012,300
2020 RMB2,500 million bonds originally due 2023	5 years	RMB2,500,000	7.50%	7.15%	3,377,337	3,267,326
2020 RMB1,543 million bonds originally due 2023	5 years	RMB1,543,000	7.50%	7.17%	2,186,774	2,122,373
					8,952,879	8,671,548
					50,104,388	49,676,696
Carrying amounts repayable:						
Within one year or on demand					44,069,961	42,601,185
More than one year, but not exceeding two years					6,034,427	3,006,966
More than two years, but not exceeding five years					–	4,068,545
					50,104,388	49,676,696
Less: Amounts shown under current liabilities					(44,069,961)	(42,601,185)
Amounts shown under non-current liabilities					6,034,427	7,075,511

Senior notes were issued on the Singapore Exchange Securities Trading Limited and guaranteed by certain subsidiaries of the Company. Corporate bonds were issued by Fantasia Group (China) Co., Ltd. ("Fantasia Group China"), a wholly owned subsidiary of the Company, on Shanghai Stock Exchange ("SSE").

For the six months ended 30 June 2026

21. SENIOR NOTES AND BONDS (continued)

Pursuant to the approval obtained at the bondholders' meeting in 2023, the terms of all corporate bonds were amended to provide for scheduled repayments of principal and interest over the period from 2023 to 2028 in accordance with the agreed repayment schedule.

As at 30 June 2026, the Group has not repaid the senior notes amounting to RMB41,151,509,000 (31 December 2025: 41,005,148,000) according to their scheduled repayment dates. As a result, all note holders have right to demand immediate repayment of the principal. As at 30 June 2026, all senior notes are classified as current liabilities.

The movements of the senior notes and bonds during the six months ended 30 June 2026 are set out below:

	RMB'000
At 1 January 2026 (Audited)	49,676,696
Exchange gains	(1,293,878)
Interest expenses	1,730,819
Payment of interest	(433)
Repayment of senior notes and bonds	(8,816)
At 30 June 2026 (Unaudited)	50,104,388

22. ASSET-BACKED SECURITIES ISSUED

In 2021, a subsidiary of the Company issued asset-backed securities ("2021 ABS") under securitisation arrangements collateralised by the future earnings relating to the operation of car parks and guaranteed by Fantasia Group China.

The aggregate nominal value of 2021 ABS were RMB255,000,000 and the interest rate of 2021 ABS were ranging from 7% to 7.5% per annum.

The movement of the assets backed securities during the period is set out below:

	RMB'000
At 1 January 2026 (Audited)	306,808
Effective interest recognised	9,104
At 30 June 2026 (Unaudited)	315,912

23. SHARE CAPITAL

	Number of shares	Amount HK\$	Equivalent to RMB'000
Ordinary Shares of HK0.1 each			
Authorised:			
At 1 January 2026 (Audited)	8,000,000,000	800,000,000	704,008
Increase in June 2026	22,000,000,000	2,200,000,000	1,901,642
At 30 June 2026 (Unaudited)	30,000,000,000	3,000,000,000	2,605,650
Issued and fully paid:			
At 1 January 2026 (Audited) and 30 June 2026 (Unaudited)	5,772,597,864	577,259,786	498,787

24. DISPOSAL OF SUBSIDIARIES

During the period ended 30 June 2026, the Group entered into equity transfer agreements with independent third parties and a related company controlled by the ultimate controlling shareholder, resulting in the Group's loss of control over Colour Life at a total consideration of RMB47,082,000. Details of the net assets disposed of in respect of these transactions are summarised below:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	71,005
Right-of-use assets	179,217
Investment properties	16,486
Interests in associates	36,797
Interests in joint ventures	82,289
Equity instruments designated at FVTOCI	14,256
Goodwill	879,045
Other receivables	4,921
Deferred tax assets	132,793
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	120,725
Contract assets	17,416
Trade and other receivables	3,333,409
Amounts due from related parties	69,918
Restricted/pledged bank deposits	28,264
Bank balances and cash	821,069
Trade and other payables	(607,005)
Contract liabilities	(371,708)
Lease liabilities	(16,468)
Amounts due to related parties	(39,149)
Tax liabilities	(220,179)
Deferred tax liabilities	(534)
Net assets disposed of	4,552,567

For the six months ended 30 June 2026

24. DISPOSAL OF SUBSIDIARIES (continued)

	RMB'000
Loss on disposal of subsidiaries:	
Other payables	47,082
Financial assets at FVTPL	35,993
Non-controlling interests	2,789,469
Less: Net assets disposed of	(4,552,567)
	(1,680,023)
Net cash outflow arising on disposal:	
Cash consideration received	—
Bank balances and cash disposed of	(821,069)
	(821,069)

25. CAPITAL AND OTHER COMMITMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted but not provided for:		
Investment properties under construction and properties under development	289,358	295,020

26. CONTINGENT LIABILITIES

- (a) The Group provided guarantees amounting to RMB1,045 million (31 December 2025: RMB1,621 million) given to banks for mortgage facilities granted to purchasers of the Group's properties for sales as at 30 June 2026.
- (b) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2026, the Group's aggregate shares of such guarantees provided in respect of loans borrowed by these joint ventures amounted to RMB2,227 million (31 December 2025: RMB2,228 million) and associates amounted to RMB3,857 million (31 December 2025: RMB3,964 million).

For guarantees provided to banks in respect of bank loans granted to joint ventures and associates engaged in property development projects, the Group assessed the expected losses with reference to their financial performance. For the six months ended 30 June 2026, the Group recognised a provision of RMB52,736,000 in respect of such guarantees (six months ended 30 June 2025: nil). For other guarantees, the probability of default by the counterparties is remote and the fair value of the guarantee contracts is insignificant both at initial recognition and at the end of each reporting period.

27. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Properties for sale	34,770,529	31,769,608
Investment properties	4,991,302	5,199,650
Pledged bank deposits	38,587	99,573
Property, plant and equipment	240,301	242,703
	40,040,719	37,311,534

28. RELATED PARTY DISCLOSURES

In addition to those disclosed in elsewhere in the condensed consolidated financial statements, the Group had following significant transactions with related parties:

(a) Related party transactions

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Pre-delivery expense		
Related companies controlled by the ultimate controlling shareholder	3,527	–
Disposal of equity interest of subsidiary		
Related company controlled by the ultimate controlling shareholder	31,340	–

For the six months ended 30 June 2026

28. RELATED PARTY DISCLOSURES (continued)

(b) Related party balances

The Group had the following significant balances due from related parties at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-controlling shareholders of the subsidiaries of the Company	453,960	453,960
Joint ventures	2,070,532	2,150,108
Associates	2,517,954	2,524,960
Related parties	90,254	102,830
	5,132,700	5,231,858

Amounts due from non-controlling shareholders of the Company's subsidiaries, joint ventures, associates and related parties are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The subsidiaries, joint ventures, associates and related parties are principally engaged in property development, property management and property leasing business. The Group determines the current or non-current portion of the advances based on the expected date of recovery with reference to the status of the property projects and the financial position of the subsidiaries, joint ventures, associates and related parties.

Details of the impairment assessment are set out in note 18.

The Group had the following significant balances due to related parties at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Joint ventures	236,536	242,761
Associates	25,980	42,859
Related parties	21,774	297
	284,290	285,917

Amounts due to related parties are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

28. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term benefit	4,639	4,035
Post-employment benefit	464	352
	5,103	4,387

29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table gives information about the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value at			
	30 June	31 December	Fair value	Valuation technique
	2026	2025	hierarchy	and key input
	RMB'000	RMB'000		
	(Unaudited)	(Audited)		
Equity instruments designated at FVTOCI	–	14,256	Level 3	Discounted cash flow – Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return.
Equity instruments classified as financial assets at FVTPL-listed on Hong Kong	24,176	–	Level 1	Quoted bid prices in an active market

For the six months ended 30 June 2026

29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate to their fair values.

	Fair value hierarchy	30 June 2026	Fair value RMB'000	31 December 2025	
		Carrying amount RMB'000 (Unaudited)		Carrying amount RMB'000 (Audited)	Fair value RMB'000
Senior notes	Level 1	41,151,509	377,687	41,005,148	370,670

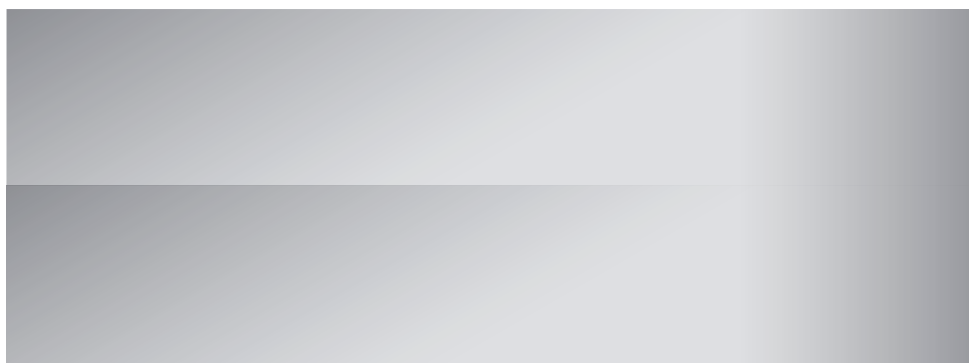
The management of the Group estimates the fair value of other financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

30. EVENTS AFTER REPORTING PERIOD

Subsequent to 30 June 2026 and up to the date of the condensed consolidated financial statements, the Group has certain litigations with its business partners regarding the settlement of the outstanding/overdue operational payables and banks and other borrowings. The Group has been proactive in seeking ways to settle the outstanding litigation of the Group, however, the outcome of the claims and disputes is not certain at current stage.

The offshore restructuring took effect on 30 July 2026. On the effective date of the restructuring, the Company completed the issuance and distribution of various types of restructuring consideration in accordance with regulations, including the simultaneous issuance of short-term notes, long-term notes, consideration shares, and MCBs. Pursuant to the terms and conditions of the MCBs, 50% of the principal amount as of the issuance date of the MCBs will be mandatorily converted into MCB conversion shares at the mandatory conversion price. Further details are set out in the Company's circular dated 29 April 2026 and the Company's announcement dated 30 July 2026 in relation to the occurrence of the effective date of the restructuring.

FANTASIA
花样年



花样创造价值。
CREATING VALUE WITH ASPIRATIONS.



Untitled 1-654, partial screen | WU DAYU | painted approximately in 1970s-1980s | crayon on paper | 14.8 × 10 cm
BAO COLLECTION | Copyright © 2025 WU DAYU. All rights reserved

**CAYMAN ISLANDS PRINCIPAL
SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

**HONG KONG BRANCH
SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 01777

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE HEAD OFFICE IN HONG KONG

21 Floor
CMA Building
64 Connaught Road Central
Hong Kong

**CORPORATE HEADQUARTERS
IN PEOPLE'S REPUBLIC OF CHINA**

Block A, Funian Plaza
Shihua Road and Zijing Road
Interchange in Futian Duty-free Zone
Shenzhen 518048
Guangdong Province, China