

2025 中期報告

INTERIM REPORT

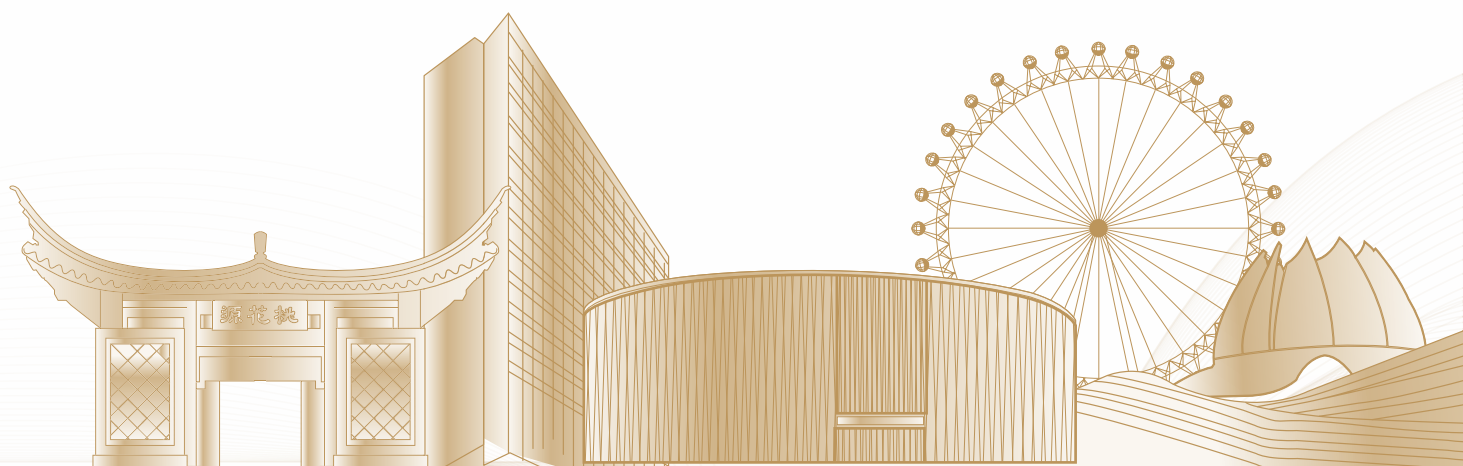
融創中國控股有限公司

SUNAC CHINA HOLDINGS LIMITED

STOCK CODE 股份代號: 01918.HK

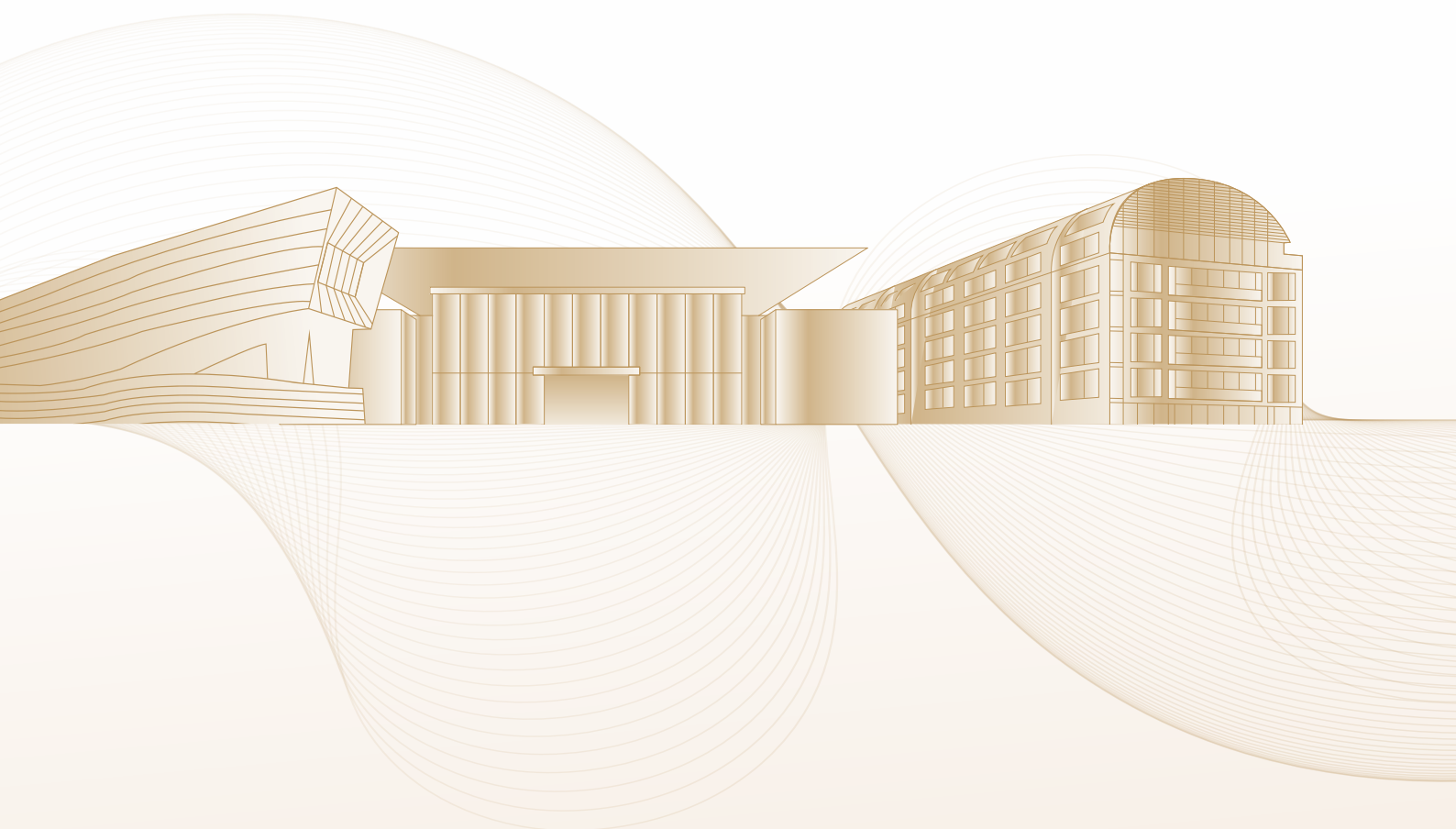
Sunac China Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) from 2010. With the brand philosophy of “passion for perfection”, the Group is committed to providing wonderful living environment and services for Chinese families through high-quality products and services and integration of high-quality resources. With a focus on its core business of real estate, the Group implements its strategic layout in real estate development, property management, ice & snow operation management, cultural tourism, culture and other business segments. After more than 20 years of development, the Group has become one of the most influential high-quality property development enterprise and property service enterprise in China’s real estate industry, a leading ice & snow industry operator and a leading cultural tourism industry operator and property owner in China.

融創中國控股有限公司(「本公司」，連同其附屬公司統稱為「本集團」)是一家於開曼群島註冊成立的有限公司，其股份於2010年在香港聯合交易所有限公司(「聯交所」)主板上市。本集團以「至臻•致遠」為品牌理念，致力於通過高品質的產品與服務，整合優質資源，為中國家庭提供美好生活場景與服務。本集團以地產為核心主業，佈局房地產開發、物業管理、冰雪運營管理、文旅、文化等業務板塊。經過20多年發展，本集團已是中國房地產行業最具影響力的高品質物業開發企業和物業服務企業之一，並成為中國領先的冰雪產業運營服務商、文旅產業運營商和物業持有者。



Relying on its high-quality land bank with an advantageous layout and leading product development capabilities, the Group's real estate development business is mainly located in the Yangtze River Delta, Bohai Rim, South China, Central regions and Western regions, and is divided into 10 regions or companies for management, namely the Beijing region (including Beijing, Jinan and Qingdao, etc.), North China region (including Tianjin, Harbin and Dalian, etc.), Shanghai region (including Shanghai, Nanjing and Suzhou, etc.), Southeastern China region (including Hangzhou, Fuzhou and Hefei, etc.), Central China region (including Wuhan, Changsha and Nanchang, etc.), South China region (including Guangzhou and Sanya, etc.), Northwestern China region (including Xi'an and Taiyuan, etc.), Cheng Yu region (including Chongqing and Chengdu, etc.), Yun Gui region (including Kunming, Guiyang and Xishuangbanna, etc.) and Henan Companies (including Zhengzhou and Luoyang, etc.).

本集團依託優勢佈局的高質量土地儲備以及領先的產品能力，房地產開發業務主要佈局於長三角、環渤海、華南、中部和西部地區，並劃分為十個區域或公司進行管理，即北京區域(含北京、濟南及青島等城市)、華北區域(含天津、哈爾濱及大連等城市)、上海區域(含上海、南京及蘇州等城市)、東南區域(含杭州、福州及合肥等城市)、華中區域(含武漢、長沙及南昌等城市)、華南區域(含廣州及三亞等城市)、西北區域(含西安及太原等城市)、成渝區域(含重慶及成都等城市)、雲貴區域(含昆明、貴陽及西雙版納等城市)及河南公司(含鄭州及洛陽等城市)。



**SUNAC
CHINA
HOLDINGS
LIMITED**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Sun Hongbin (*Chairman*)
Mr. Wang Mengde (*Chief Executive Officer*)
Ms. Ma Zhixia
Mr. Tian Qiang
Mr. Huang Shuping
Mr. Sun Kevin Zheyi

NON-EXECUTIVE DIRECTOR

Mr. Lam Wai Hon

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Chiu Kwok
Mr. Zhu Jia
Mr. Ma Lishan
Mr. Yuan Zhigang

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Gao Xi

AUTHORIZED REPRESENTATIVES

Mr. Wang Mengde
Mr. Gao Xi

AUDIT COMMITTEE

Mr. Poon Chiu Kwok (*Chairman*)
Mr. Zhu Jia
Mr. Ma Lishan
Mr. Yuan Zhigang

NOMINATION COMMITTEE

Mr. Sun Hongbin (*Chairman*)
Ms. Ma Zhixia (*appointed on 28 March 2025*)
Mr. Poon Chiu Kwok
Mr. Ma Lishan
Mr. Yuan Zhigang

REMUNERATION COMMITTEE

Mr. Zhu Jia (*Chairman*)
Mr. Sun Hongbin
Mr. Poon Chiu Kwok
Mr. Ma Lishan
Mr. Yuan Zhigang

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Wang Mengde (*Chairman*)
Mr. Poon Chiu Kwok
Mr. Zhu Jia
Mr. Ma Lishan
Mr. Yuan Zhigang

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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1 Matheson Street,
Causeway Bay, Hong Kong

HEADQUARTERS AND PRINCIPAL PLACES OF BUSINESS IN THE PRC

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Rongke Wangjing Center, Chaoyang District
Beijing, PRC

TIANJIN OFFICE

Building 1, East Side in Sunac Center
No. 278, Hongqi Road, Nankai District
Tianjin, PRC

REGISTERED OFFICE IN THE CAYMAN ISLANDS

One Nexus Way, Camana Bay
Grand Cayman, KY1-9005
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, KY1-1100, Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre
183 Queen's Road East,
Wanchai, Hong Kong

LEGAL ADVISER

As to Hong Kong law:
Sidley Austin

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Industrial and Commercial Bank of China
Bank of China
China Construction Bank
Bank of Communications
China CITIC Bank
China Minsheng Bank
SPD Bank
China Merchants Bank
CZBANK
Industrial Bank Co., Ltd.
China Everbright Bank
China Bohai Bank

STOCK CODE

HKEx: 01918

COMPANY'S WEBSITE

www.sunac.com.cn

CHAIRMAN'S STATEMENT

Dear Shareholders and Investors,

In the first half of 2025, the Political Bureau Meeting of the CPC Central Committee emphasized the need to sustain the stabilization of the real estate market and the relevant government departments rolled out a series of supportive measures, further refining existing policies. The Group continued to make every effort to implement various tasks such as guaranteed home delivery, asset revitalization and debt risk resolution, and continued to make various progress.

The Group has always made guaranteed home delivery as its primary operational objective, actively responding to the government's requirements for guaranteed home delivery, actively implementing its primary responsibilities, and actively utilising its financing resources such as special loans for guaranteed home delivery, ancillary financing and application for "whitelist" to support the development and construction of property projects and the smooth completion and delivery of property projects. In the first half of 2025, the Group completed the delivery of approximately 14,900 houses in 23 cities. Over the past three years or so, the Group has cumulatively delivered 683,000 houses. In the second half of 2025, we will continue to spare no effort to deliver 39,100 houses, substantially completing guaranteed home delivery tasks.

In the first half of 2025, the Group continued to proactively address debt risks with marked progress. Following the approval of the onshore public market debt restructuring plan at the relevant meetings of bondholders in January 2025, the Group has been fully focused on executing the restructuring plan. Currently, the cash tender offer option and the issuance of new shares under the equity economic income right option have been successfully concluded, while the remaining options under the onshore public market debt restructuring plan are scheduled to be fully implemented by the end of 2025.

In the first half of 2025, the Company reached a more comprehensive offshore debt restructuring plan with its offshore creditors, with a view to completely addressing the offshore debt risks and establishing a capital structure and stable environment essential for restoring sustainable operations, as well as maximizing value for creditors. On 17 April 2025, the Company officially announced the restructuring plan and entered into a restructuring support agreement with the initial consenting creditors. As of the date of this report, creditors holding over 75% of the total outstanding principal amount of the relevant offshore debt have submitted letters to accede to the restructuring support agreement. Furthermore, through the "Shareholding Structure Stability Arrangement" and "Employee Stock Ownership Plan" incorporated into the restructuring plan, the Company has ensured the stability of its shareholding structure and team, thereby bolstering stakeholder confidence and contributing to the Group's long-term business recovery. The Company will convene a hearing at the High Court of Hong Kong on 15 September 2025, to seek the court's order to arrange a scheme meeting for creditors to consider and, if thought fit, to approve the restructuring plan. The Company will strive to complete all court procedures related to the offshore debt restructuring by the end of 2025.

Amid substantial progress in mitigating public market debt exposure, the Company remains committed to resolving debt obligations tied to specific real estate projects affected by market contraction and constrained financing access. Concurrently, the Group is advancing collaborations with asset management companies and other financial institutions to formulate a more complete and comprehensive project revitalization and debt restructuring plan. In the first half of 2025 and up to the date of this report, all four phases of the Group's One Central Park Project in Shanghai* (上海壹號院項目), which were previously revitalized through capital injection, were sold out upon launch, with cumulative sales ranking No.1 in terms of single project sales nationally. Projects such as One Central Park Project in Shanghai* (上海壹號院項目), One Sino Park Project in Shanghai* (上海外灘壹號院項目), and One Sunac Opus Project in Beijing* (北京融創壹號院) exemplify the Group's collaboration with asset management companies to revitalize high-quality projects or jointly address project debt challenges, and reflect the market-leading product competitiveness and strong market reputation of the Group. In the second half of 2025, the Group will continue to intensify our collaboration with asset management companies and other financial institutions that can provide incremental funds to further resolve project debt exposures and revitalize high-quality projects, thereby supporting the gradual recovery of the Group's operation.

In the first half of 2025, the Group's revenue was approximately RMB19.99 billion, representing a decrease of approximately 41.7% as compared to the same period last year, while its gross loss was approximately RMB2.08 billion as compared to a gross loss of approximately RMB1.81 billion in the same period last year. The loss attributable to owners of the Company was approximately RMB12.81 billion, representing a decrease of approximately 14.4% as compared to the loss attributable to owners of the Company of approximately RMB14.96 billion in the same period last year. The total equity of the Group at the end of June 2025 was approximately RMB44.88 billion, of which the equity attributable to owners of the Company was approximately RMB30.85 billion, indicating that the asset base was stable.

As at the end of June 2025, the Group, together with its joint ventures and associates, had a total land bank of approximately 124 million sq.m. (attributable land bank was approximately 86.24 million sq.m.), of which the unsold land bank was approximately 92 million sq.m. (attributable land bank was approximately 63.06 million sq.m.). Adequate land bank is a solid foundation to support the Group's gradual resumption of normal operations in the future.

In the first half of 2025, the Group's property management sector, Sunac Services Holdings Limited ("Sunac Services", stock code: 01516.HK), achieved solid operations, enhancing management quality and efficiency, and successfully turned around from a loss to a net profit attributable to owners of the parent. Sunac Services achieved the revenue of approximately RMB3.55 billion, and the profit attributable to owners of Sunac Services was approximately RMB0.12 billion, representing a significant improvement as compared to the loss attributable to owners of Sunac Services of approximately RMB0.47 billion in the same period last year. The management scale of Sunac Services maintained steadily, with gross floor area under management of approximately 290 million sq.m., and the number of household under management is 1.74 million.

In the first half of 2025, the Group's cultural tourism sector (theme park, commercial, hotel and ice and snow) achieved revenue of approximately RMB2.17 billion, demonstrating sound operating results, while the Group actively pursued new breakthroughs and growth opportunities. The theme park sector continued its transformation from equipment-based theme park to an ecosystem platform based on content co-creation and experience-driven features, with newly-created entertainment content steadily establishing a content fortress characterized by distinctiveness and enduring appeal. Leveraging new consumption trends, the commercial sector has pioneered innovative consumer scenarios, achieving a year-on-year increase in both visitor traffic and sales volume during the first half of 2025. The ice and snow sector further solidified its industry-leadership influence, with the successful opening of the tenth indoor ski resort managed by it (Zhengding Ski Resort). Meanwhile, the Shenzhen project is set to commence operations, and projects in Hangzhou and Ji'nan have reached cooperation and are currently progressing.

Looking forward, with the Government's continuous introduction of supportive policies for the overall economy and the real estate sector, the Group anticipates that core cities and premium locations will gradually stabilize. However, the overall recovery of the real estate market may take a longer time and process. The Group will remain steadfast in its long-term confidence and make all-out efforts to complete delivery tasks and resolve onshore and offshore public market debt risks. Concurrently, taking the enhancement of net equity assets of each project as the basic purpose of daily management, the Group will orderly advance project debt risk resolution and asset revitalization initiatives, thereby establishing the foundation for the Group's gradual return to sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

1 REVENUE

For the six months ended 30 June 2025, most of the Group's revenue came from sales of residential and commercial properties business, and the other revenue came from cultural and tourism city construction and operation, property management and other businesses.

As at 30 June 2025, the Group's real estate development business is mainly located in core cities in the Yangtze River Delta, Bohai Rim, South China, Central regions and Western regions, which are divided into 10 regional groups or companies for management, namely the Beijing region (including Beijing, Qingdao and Ji'nan, etc.), North China region (including Tianjin, Harbin and Dalian, etc.), Shanghai region (including Shanghai, Nanjing and Suzhou, etc.), Southeastern China region (including Hangzhou, Fuzhou and Hefei, etc.), Central China region (including Wuhan, Changsha and Nanchang, etc.), South China region (including Guangzhou and Sanya, etc.), Northwestern China region (including Xi'an and Taiyuan, etc.), Chengdu-Chongqing region (including Chongqing and Chengdu, etc.), Yun Gui region (including Kunming, Guiyang and Xishuangbanna, etc.) and Henan companies (including Zhengzhou and Luoyang, etc.).

Total revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB19.99 billion, representing a decrease of 41.7% as compared with the total revenue of approximately RMB34.28 billion for the six months ended 30 June 2024.

The decrease in revenue was mainly due to the decline in revenue from sales of properties. In recent years, there have been notable changes in the real estate market environment, with the sales market experiencing a significant overall contraction. The debt issues emerging in several real estate companies have led to the lack of confidence of homebuyers for property under construction, further intensifying the difficulties in new houses sales. The Group is currently in the stage of concentrating resources to resolve guaranteed home delivery work and debt issues. The liquidity pressure from the contraction in new sales scale and the narrowing of external financing channels has temporarily restricted the delivery progress of sold properties and the pace of development and launch of new projects. The delivery area for the six months ended 30 June 2025 decreased as compared with the same period last year, resulting in a significant decrease in the sales revenue of the Group as compared with the same period last year.

The following table sets forth certain details of the revenue:

	Six months ended 30 June			
	2025		2024	
	RMB billion	%	RMB billion	%
Revenue from sales of properties	14.00	69.9	28.08	81.9
Cultural and tourism city construction and operation income	2.17	10.9	2.48	7.2
Property management income	3.47	17.4	3.39	9.9
Revenue from other business	0.35	1.8	0.33	1.0
Total	19.99	100.0	34.28	100.0
Total gross floor area delivered during the period (in million sq.m.)	1.695		2.785	

For the six months ended 30 June 2025, revenue from sales of properties decreased by approximately RMB14.08 billion (approximately 50.1%) as compared with that for the six months ended 30 June 2024. Total area of delivered properties decreased by 1.09 million square meters ("sq.m.") (approximately 39.1%) as compared with that for the six months ended 30 June 2024, the decrease in revenue from sales of properties was basically consistent with the decrease in the delivered area. As mentioned above, due to the changes in the real estate market environment, the contraction in new sales and the liquidity pressure faced by the Group, property delivery area of the Group for the six months ended 30 June 2025 decreased as compared to the same period last year with a corresponding reduction in property sales revenue.

2 COST OF SALES

Cost of sales mainly includes the costs incurred directly in the course of property development for the Group's properties sold, cost of cultural and tourism operations and cost of property management operations.

For the six months ended 30 June 2025, the Group's cost of sales was approximately RMB22.07 billion, representing a decrease of approximately RMB14.02 billion (approximately 38.8%) as compared to the cost of sales of approximately RMB36.09 billion for the six months ended 30 June 2024, mainly due to the decrease in the delivery area of the properties.

3 GROSS LOSS

For the six months ended 30 June 2025, the Group's gross loss was approximately RMB2.08 billion, representing an increase of approximately RMB0.27 billion as compared with the gross loss of approximately RMB1.81 billion for the six months ended 30 June 2024. For the six months ended 30 June 2025, the Group's gross profit margin was approximately minus 10.4%, representing a decrease as compared with minus 5.3% for the six months ended 30 June 2024. The increase in gross loss and the decrease in gross profit margin were mainly due to the decline in revenue from sales of properties of the Group for the six months ended 30 June 2025 and the lower gross profit margin of property sales products carried forward for the six months ended 30 June 2025.

4 SELLING AND MARKETING COSTS AND ADMINISTRATIVE EXPENSES

The Group's selling and marketing costs decreased by approximately RMB0.02 billion from approximately RMB1.11 billion for the six months ended 30 June 2024 to approximately RMB1.09 billion for the six months ended 30 June 2025. The selling and marketing costs remained largely consistent with that of the same period last year.

The Group's administrative expenses decreased by approximately RMB0.09 billion from approximately RMB1.78 billion for the six months ended 30 June 2024 to approximately RMB1.69 billion for the six months ended 30 June 2025. The reduction in administrative expenses was primarily attributable to the Group's proactive measures to consistently control management costs and expenditures under the current market conditions. Taking into account the entity's operational status and debt pressure, the Group actively optimized organizational structure, reduced headcount and reduced routine administrative expenses, thereby enhancing management efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

5 OTHER INCOME AND GAINS

For the six months ended 30 June 2025, the Group recognised other income and gains of approximately RMB5.61 billion, which mainly comprised gains from onshore debt restructuring of approximately RMB4.02 billion, gains from the disposal of subsidiaries, joint ventures and associates of approximately RMB0.63 billion, and interest income received from joint ventures and associates, etc. of approximately RMB0.33 billion. The Group recorded an increase in other income and gains of approximately RMB3.08 billion as compared with that for the six months ended 30 June 2024 of approximately RMB2.53 billion, mainly due to the gains from onshore debt restructuring recognised in six months ended 30 June 2025.

6 OTHER EXPENSES AND LOSSES

For the six months ended 30 June 2025, other expenses and losses recognised by the Group amounted to approximately RMB7.54 billion, mainly including the loss of approximately RMB2.99 billion from the disposal of subsidiaries, joint ventures and associates, the provision for litigations and other contingent liabilities of approximately RMB2.00 billion, losses from fair value changes of investment properties of approximately RMB0.79 billion, the loss of approximately RMB0.47 billion from the disposal of various assets and the fair value losses on financial assets at fair value through profit or loss ("FVPL") of approximately RMB0.31 billion. The Group recorded an increase in other expenses and losses of approximately RMB1.14 billion as compared with that for the six months ended 30 June 2024 of approximately RMB6.40 billion, mainly due to the increase of loss from the disposal of subsidiaries, joint ventures and associates for the six months ended 30 June 2025.

7 NET IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL

For the six months ended 30 June 2025, the Group made provisions for expected credit losses of approximately RMB1.25 billion on amounts due from related companies, amounts due from non-controlling interests and their related parties and other receivables, representing an increase of approximately RMB0.14 billion as compared with that of approximately RMB1.11 billion for the six months ended 30 June 2024.

8 OPERATING LOSS

Concluding from the above analysis, the Group's operating loss decreased by approximately RMB1.64 billion from approximately RMB9.68 billion for the six months ended 30 June 2024 to the operating loss of approximately RMB8.04 billion for the six months ended 30 June 2025, mainly due to the following reasons:

- (i) gross loss increased by approximately RMB0.27 billion;
- (ii) net impairment losses under expected credit loss model increased by approximately RMB0.14 billion; and
- (iii) other income and gains increased by approximately RMB3.08 billion and other expenses and losses increased by approximately RMB1.14 billion.

9 FINANCE INCOME AND EXPENSES

The Group's finance expenses decreased by approximately RMB1.20 billion from approximately RMB6.49 billion for the six months ended 30 June 2024 to approximately RMB5.29 billion for the six months ended 30 June 2025, and finance income decreased by approximately RMB0.05 billion from approximately RMB0.10 billion for the six months ended 30 June 2024 to approximately RMB0.05 billion for the six months ended 30 June 2025 at the same time, mainly due to the following reasons: (i) the reduction in the Group's overall borrowing scale and the lower average borrowing interest rate for the six months ended 30 June 2025, which led to a decrease of approximately RMB0.84 billion in expensed interest from approximately RMB6.18 billion for the six months ended 30 June 2024 to approximately RMB5.34 billion for the six months ended 30 June 2025; and (ii) due to the change in trend of foreign exchange rates fluctuations, the exchange gain or loss of the Group shifted from a net exchange loss of approximately RMB0.31 billion for the six months ended 30 June 2024 to a net exchange gain of approximately RMB0.05 billion for the six months ended 30 June 2025.

10 SHARE OF POST-TAX LOSSES OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

For the six months ended 30 June 2025, share of post-tax losses of investments accounted for using the equity method, net recognised by the Group decreased by approximately RMB1.01 billion from approximately RMB1.30 billion for the six months ended 30 June 2024 to approximately RMB0.29 billion for the six months ended 30 June 2025, mainly due to the decrease in operating losses of the Group's joint ventures and associates during the six months ended 30 June 2025.

11 LOSS

Loss of the Group attributable to owners of the Company decreased by approximately RMB2.15 billion from approximately RMB14.96 billion for the six months ended 30 June 2024 to approximately RMB12.81 billion for the six months ended 30 June 2025.

The table below sets out loss attributable to owners of the Company and non-controlling interests for the stated periods:

	Six months ended 30 June	
	2025 RMB billion	2024 RMB billion
Loss during the period	12.88	16.67
Attributable to:		
Owners of the Company	12.81	14.96
Non-controlling interests	0.07	1.71
	12.88	16.67

MANAGEMENT DISCUSSION AND ANALYSIS

12 CASH STATUS

The Group operates in a capital-intensive industry and the Group's liquidity requirements relate to meeting its working capital requirements, funding the development of its new property projects and servicing its debt. The funding sources of the Group mainly include proceeds from the pre-sale and sale of properties, and to a lesser extent, capital contributions from shareholders, share issuances and loans.

The Group's cash balances (including restricted cash) decreased to approximately RMB18.63 billion as at 30 June 2025 from approximately RMB19.75 billion as at 31 December 2024, of which non-restricted cash decreased to approximately RMB4.40 billion as at 30 June 2025 from approximately RMB7.73 billion as at 31 December 2024.

13 BORROWINGS AND SECURITIES

As at 30 June 2025, the total borrowings of the Group were approximately RMB254.82 billion, representing a decrease of approximately RMB4.85 billion as compared to approximately RMB259.67 billion as at 31 December 2024. Approximately RMB250.86 billion (as at 31 December 2024: approximately RMB256.32 billion) of the Group's total borrowings were secured or jointly secured by the Group's assets including properties under development, completed properties held for sale, etc. (total amount was approximately RMB354.40 billion (as at 31 December 2024: approximately RMB373.85 billion)), equities of certain subsidiaries and disposal gains of certain assets of the Group.

The Group will continue to secure additional financing through methods such as applications for special loans for guaranteed home delivery, ancillary bank financing, "whitelist project" financing and collaborations with financial institutions.

14 GEARING RATIO

The gearing ratio is calculated by dividing the net debt by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) and lease liabilities less cash balances (including restricted cash). Total capital is calculated by adding total equity and net debt. As at 30 June 2025, the Group's gearing ratio was approximately 84.1%, representing an increase as compared to approximately 81.3% as at 31 December 2024.

The Group's gearing ratio increased by 2.8%, mainly due to the significant reduction in the recognised revenue as a result of changes in the market environment, provision for impairment of assets and the provision for contingent liabilities at the same time.

15 INTEREST RATE RISK

As the Group has no material interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Long-term borrowings include borrowings issued at variable rates and borrowings issued at fixed rates, of which borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates while borrowings issued at fixed rates expose the Group to fair value interest-rate risk. Interest rate fluctuations may result in higher interest rates on the Group's floating-rate borrowings, thereby exposing the Group to the risk of increased financing costs.

The table below sets out the Group's exposure to interest rate risks. Included in the table are the liabilities stated at carrying amounts, categorised by maturity dates.

	As at 30 June 2025 RMB billion	As at 31 December 2024 RMB billion
Floating interests:		
Less than 12 months	44.95	48.10
1-5 years	4.56	5.41
Over 5 years	1.22	0.36
Subtotal	50.73	53.87
Fixed interests:		
Less than 12 months	172.15	137.99
1-5 years	26.41	56.91
Over 5 years	5.53	10.90
Subtotal	204.09	205.80
Total	254.82	259.67

The Group's interest rate risk management measures include optimizing the debt structure, reducing the interest rates, decreasing the debt size and using financial instruments related to interest rate. By constantly paying attention to interest rate risk and aligning closely with policy directions and maintaining proactive communication with financial institutions and other creditors, the Group leverages opportunities to negotiate interest rate reductions and exemptions on borrowings, thereby minimizing the impact of interest rate risks on its operations.

16 FOREIGN EXCHANGE RISKS

As most of the Group's operating entities are located in China, the Group operates its business mainly in RMB. Given that some of the Group's bank deposits, financial assets at FVPL, derivative financial instruments, senior notes, convertible bonds and other borrowings are denominated in US dollars or Hong Kong dollars, the Group is exposed to foreign exchange risks. The potential impacts of foreign exchange risks on the Group may include the following:

- (1) Increased direct repayment costs: The Group needs to purchase foreign exchange using RMB to repay foreign currency principal and interest. If foreign currencies appreciate against the RMB, the Group will incur higher RMB expenditures, leading to increased financial costs;
- (2) Cash flow pressure: Sharp exchange rate fluctuations may require the Group to raise additional RMB funds within a short period, resulting in liquidity strain; and
- (3) Translation risk: At the end of an accounting period, foreign currency liabilities must be converted into RMB at the spot exchange rate. If foreign currencies appreciate, the book value of liabilities will rise, potentially increasing the asset-liability ratio and reducing net assets, among other effects.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2025, the Group recorded exchange gains in the amount of approximately RMB0.05 billion due to fluctuations in foreign exchange rates. However, the Group's operating cash flow and liquidity were not significantly affected by fluctuations in foreign exchange rates.

The Group's measures to manage foreign exchange risks include monitoring exchange rate fluctuations, adjusting foreign currency deposits in a timely manner, using financial instruments for hedging and working with lenders to convert foreign currency debt into local currency debt, etc. The Group will prudently monitor foreign exchange risks, and control foreign exchange risks in line with its current operational realities according to the aforementioned measures in a timely manner to minimise their impact on the Group.

17 FINANCIAL GUARANTEES AND LITIGATION

(a) Financial guarantees

The Group provides guarantees to banks for the mortgage loans of certain property purchasers to ensure that the purchasers perform their obligations of mortgage loan repayment. The amount of such guarantees was approximately RMB59.90 billion as at 30 June 2025 as compared with approximately RMB61.08 billion as at 31 December 2024. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchasers which will generally occur within an average period of six months after the properties' delivery dates; or (ii) the satisfaction of mortgage loans by the purchasers of the properties. The period of guarantee provided by the Group starts from the date when the mortgage is granted.

(b) Litigation

Up to the date of approval of this interim condensed consolidated financial information, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of projects and other matters. Among them, there were about 455 cases with individual amounts exceeding RMB50 million, and the aggregated amounts of these cases amounted to approximately RMB166.38 billion, which mainly includes unpaid borrowings and outstanding construction payables. The Group has assessed the impact of the above litigation matters and accrued provision for litigations and interest payables on the interim condensed consolidated financial information for the six months ended 30 June 2025. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations.

BUSINESS HIGHLIGHTS

SUMMARY OF LAND BANK

As at 30 June 2025, the Group and its joint ventures and associates had a total land bank of approximately 124 million sq.m. and attributable land bank of approximately 86.24 million sq.m.. The breakdown of land bank by city is as follows:

Urban circle	City	Attributable land bank '0,000 sq.m.	Total land bank '0,000 sq.m.
Yangtze River Delta	Wenzhou	188.0	223.5
	Shanghai	157.1	216.0
	Hangzhou	133.6	233.9
	Shaoxing	118.8	156.2
	Xuzhou	113.5	128.1
	Wuxi	110.5	169.7
	Haiyan	65.0	67.2
	Changzhou	57.2	83.4
	Nantong	51.3	68.3
	Suzhou	48.7	83.5
	Ningbo	48.5	69.1
	Hefei	42.0	50.2
	Others	206.3	476.9
	Subtotal	1,340.5	2,026.0
Bohai Rim	Qingdao	594.8	699.0
	Tianjin	499.5	545.8
	Taiyuan	178.6	262.7
	Harbin	155.8	171.5
	Dalian	143.2	143.7
	Ji'nan	113.1	155.6
	Shenyang	92.2	160.0
	Tangshan	87.4	107.1
	Beijing	81.3	102.1
	Langfang	77.7	90.0
	Yantai	58.6	98.4
	Zhangjiakou	48.8	61.2
	Weihai	41.8	41.8
	Others	67.6	87.5
	Subtotal	2,240.4	2,726.4

BUSINESS HIGHLIGHTS

Urban circle	City	Attributable land bank '0,000 sq.m.	Total land bank '0,000 sq.m.
Southern China	Jiangmen	178.3	192.0
	Qingyuan	126.8	135.9
	Hainan Province	110.6	130.0
	Huizhou	68.1	71.6
	Zhongshan	60.0	60.6
	Zhaoqing	59.4	59.4
	Guangzhou	43.5	143.0
	Zhuhai	41.6	41.6
	Others	126.0	187.5
Subtotal		814.3	1,021.6
Western regions	Chongqing	738.0	1,153.6
	Meishan	677.2	982.7
	Xishuangbanna	213.7	254.0
	Guiyang	197.1	275.7
	Kunming	185.6	342.1
	Xi'an	146.3	246.4
	Chengdu	128.2	185.2
	Dali	101.2	168.7
	Guilin	97.8	101.8
	Nanning	93.9	136.3
	Yinchuan	82.3	92.6
	Others	335.3	734.7
Subtotal		2,996.6	4,673.8
Central regions	Wuhan	571.3	1,002.8
	Zhengzhou	158.6	242.0
	Changsha	157.3	211.9
	Xinxiang	121.3	121.3
	Xianning	56.9	81.3
	Ezhou	43.7	99.9
	Others	123.0	219.6
Subtotal		1,232.1	1,978.8
Total		8,623.9	12,426.6

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “Corporate Governance Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code on corporate governance and had, throughout the six months ended 30 June 2025, complied with all applicable code provisions as set out in the Corporate Governance Code.

The board (the “Board”) of directors (the “Directors”) of the Company recognizes the importance and benefits of good corporate governance and has adopted corporate governance and disclosure practices for achieving a higher standard of governance transparency and accountability. The Board has regular discussions about the business strategies and results performance of the Group. They, together with the relevant senior management of the Company, have also attended regular trainings on the Listing Rules and other regulatory requirements. The Company has established an internal reporting system within the Group in order to monitor the operation and business development of the Group.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules as the guidelines for the Directors’ dealings in the securities of the Company. Having made specific enquiry with all Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2025 in relation to their securities dealings, if any.

CHANGES IN INFORMATION OF DIRECTORS

Mr. Lam Wai Hon was appointed as the independent non-executive director of Evergrande Property Services Group Limited (stock code: 6666, whose shares are listed on the Main Board of the Stock Exchange) on 15 May 2025.

Mr. Poon Chiu Kwok was appointed as the independent non-executive director of Konka Group Co., Ltd. (stock code: 000016, whose shares are listed on the main board of the Shenzhen Stock Exchange) on 14 August 2025.

Save as disclosed in this report, there is no change in Directors’ information that is required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules since the publication of the annual report for the year ended 31 December 2024 by the Company.

SHARE AWARD SCHEME

The Board resolved to adopt a share award scheme (the “Share Award Scheme”) on 8 May 2018 (the “Adoption Date”), in order to:

- (i) provide incentives for the employees of the Group to continuously make greater contributions for the Company’s long-term growth in the future; and
- (ii) attract and retain talented employees who may be beneficial to the growth and development of the Group.

The Board may, from time to time, select employees to join the Share Award Scheme and determine the number of shares of the Company (“Share(s)”) to be awarded in accordance with the rules of the Share Award Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

According to the Share Award Scheme, the Company will entrust the trustee to purchase the Shares on the open market based on the overall remuneration incentive plan. The trustee will hold such Shares on behalf of the relevant selected employees on trust, until such Shares are vested with the relevant selected employees in accordance with the rules of the Share Award Scheme.

Unless early termination as determined by the Board, the Share Award Scheme shall be effective for ten years from the Adoption Date. As at the date of this report, the remaining term of the Share Award Scheme was approximately three years.

The aggregated maximum number of Shares that the trustee may purchase must not exceed 5% of the total Shares in issue of the Company on the Adoption Date, which is 220,113,960 Shares.

During the period from the Adoption Date to 30 June 2019, the trustee of the Share Award Scheme purchased on the open market a total of 94,653,000 Shares at a total consideration of approximately HK\$2.57 billion pursuant to the rules of the Share Award Scheme and the terms of the trust deed. Since 30 June 2019 and for the six months ended 30 June 2025, the trustee of the Share Award Scheme did not purchase any Shares.

Therefore, as of 30 June 2025, the trustee might further purchase 125,460,960 Shares on the open market for the purpose of the Share Award Scheme, representing approximately 1.09% of the Shares in issue as at the date of this report.

There is no provision on the minimum vesting period in the Share Award Scheme. Subject to the fulfilment of all the vesting conditions as designated by the Board at the time of grant of awards by a selected employee who is, therefore, entitled to the awarded Shares, the trustee shall transfer relevant vested Shares to the selected employee at nil consideration.

From the Adoption Date to 30 June 2025, there were 57,505,000 share awards initially granted to selected employees (the number of share awards actually granted amounts to 50,305,000 Shares in total excluding the number of share awards granted but lapsed due to reasons such as the resignation of certain selected employees) under the Share Award Scheme on a cumulative basis, and there was no granted share award in the first half of 2025.

The number of awards available for grant under the Share Award Scheme at the beginning and the end of the six months ended 30 June 2025 were 169,413,960 and 169,808,960 respectively, representing approximately 1.48% and 1.48% of the Shares in issue as of the date of this report.

Set out below were the details of the awards granted under the Share Award Scheme for the six months ended 30 June 2025:

Name of grantees	Number of awards granted as at 1 April 2019	Number of awards granted as at 1 April 2020	Number of awards granted as at 1 April 2021	Total number of awards granted ¹	Number of awards unvested as at 1 January 2025	Number of awards granted during the six months ended 30 June 2025	Number of awards vested during the six months ended 30 June 2025	Number of awards cancelled during the six months ended 30 June 2025	Number of awards lapsed during the six months ended 30 June 2025	Number of awards unvested as at 30 June 2025
Directors										
Mr. Sun Hongbin	-	-	-	-	-	-	-	-	-	-
Mr. Wang Mengde	1,000,000	800,000	900,000	2,700,000	1,860,000	-	-	-	-	1,860,000
Ms. Ma Zhixia	600,000	550,000	450,000	1,600,000	1,075,000	-	-	-	-	1,075,000
Mr. Tian Qiang	900,000	800,000	650,000	2,350,000	1,570,000	-	-	-	-	1,570,000
Mr. Huang Shuping	500,000	500,000	400,000	1,400,000	950,000	-	-	-	-	950,000
Mr. Sun Kevin Zheyi	300,000	270,000	300,000	870,000	609,000	-	-	-	-	609,000
Senior management and employees	17,740,000	16,855,000	13,990,000	48,585,000	26,307,500	-	-	-	395,000	25,912,500
All employees	21,040,000	19,775,000	16,690,000	57,505,000	32,371,500	-	-	-	395,000	31,976,500

Note 1: All granted share awards would be vested in three years, with 30%, 30% and 40% to be vested on the day before the first, the second and the third anniversary of the granting date of the Company's share awards respectively. Taking into account the current industry conditions and the Company's business situation, the Board has resolved to suspend the vesting of awarded Shares granted to Directors and employees from 2019 to 2021.

Pursuant to the terms of the Share Award Scheme of the Company, the Company will not issue new Shares in respect of the awards granted under the Share Award Scheme. Therefore, the number of new Shares that may be issued in respect of awards granted under all share award schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue for this period is not applicable.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

INTERESTS IN SHARES OF THE COMPANY (LONG POSITION)

Name of Director	Nature of interest	Number of ordinary Shares	Approximate percentage of interest in the Company ²
Mr. Sun Hongbin	Interest in controlled corporations ¹	2,721,826,987	25.40%
	Beneficial owner	19,930,000	0.19%
Mr. Wang Mengde	Beneficial owner	17,177,000	0.16%
Ms. Ma Zhixia	Beneficial owner	3,829,000	0.04%
Mr. Tian Qiang	Beneficial owner	6,982,000	0.07%
Mr. Huang Shuping	Beneficial owner	5,400,000	0.05%
Mr. Sun Kevin Zheyi	Beneficial owner	261,000	0.002%

Notes:

1. These 2,721,826,987 Shares were held as to 2,673,120,987 Shares by Sunac International Investment Holdings Ltd ("Sunac International") and the remaining 48,706,000 Shares by Tianjin Biaodi Enterprise Management Limited* (天津標的企業管理有限公司) ("Tianjin Biaodi"). 70% of the issued shares of Sunac International and all the shares of Tianjin Biaodi were held by Sunac Holdings LLC. All issued shares of Sunac Holdings LLC were held by HBS Family Trust (the "Family Trust"). South Dakota Trust Company LLC was the trustee of the Family Trust. The Family Trust was established by Mr. Sun Hongbin, and Mr. Sun Hongbin and some of his family members are the beneficiaries of the Family Trust. Mr. Sun Hongbin was deemed to be interested in all of the aforesaid Shares by virtue of the SFO.
2. Calculated on the basis of 10,715,374,600 Shares in issue as at 30 June 2025.

INTERESTS IN THE UNDERLYING SHARES OF THE COMPANY (LONG POSITION)

Name of Director	Number of conversion Shares under the Shareholder MCB ¹	Number of unvested Shares awarded under the Share Award Scheme	Approximate percentage of interest in the Company ²
Mr. Sun Hongbin	30,833,517	–	0.29%
Mr. Wang Mengde	–	1,860,000	0.02%
Ms. Ma Zhixia	–	1,075,000	0.01%
Mr. Tian Qiang	–	1,570,000	0.01%
Mr. Huang Shuping	–	950,000	0.01%
Mr. Sun Kevin Zheyi	–	609,000	0.01%

Notes:

- As of 30 June 2025, the outstanding Shareholder MCB (as defined in the section headed “ISSUE OF NEW SHARES UPON CONVERSION OF MANDATORY CONVERTIBLE BONDS” in this report) in aggregate principal amount of US\$15,812,060 was held by Sunac International. Based on the minimum conversion price of HK\$4.00 per Share and based on the agreed exchange rate of US\$1 = HK\$7.8, such Shareholder MCB can be converted into 30,833,517 Shares. 70% of the issued shares of Sunac International were held by Sunac Holdings LLC. All issued shares of Sunac Holdings LLC were held by the Family Trust. South Dakota Trust Company LLC was the trustee of the Family Trust. The Family Trust was established by Mr. Sun Hongbin, and Mr. Sun Hongbin and some of his family members are the beneficiaries of the Family Trust. Mr. Sun Hongbin was deemed to be interested in 30,833,517 underlying Shares by virtue of the SFO.
- Calculated on the basis of 10,715,374,600 Shares in issue as at 30 June 2025.

INTERESTS IN SHARES AND THE UNDERLYING SHARES OF SUNAC SERVICES, AN ASSOCIATED CORPORATION OF THE COMPANY (LONG POSITION)

Name of Director	Nature of interest	Number of ordinary shares of Sunac Services	Number of unvested shares awarded under the share award scheme of Sunac Services	Total	Approximate percentage of interest in the associated corporation ²
Mr. Sun Hongbin	Interest in controlled corporations ¹	67,288,606	–	67,288,606	2.20%
	Beneficial owner	1,466,472	–	1,466,472	0.05%
Mr. Wang Mengde	Beneficial owner	2,157,734	–	2,157,734	0.07%
Ms. Ma Zhixia	Beneficial owner	1,267,279	75,000	1,342,279	0.04%
Mr. Tian Qiang	Beneficial owner	1,750,321	100,000	1,850,321	0.06%
Mr. Huang Shuping	Beneficial owner	1,764,092	100,000	1,864,092	0.06%
Mr. Sun Kevin Zheyi	Beneficial owner	77,895	25,000	102,895	0.003%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- These 67,288,606 shares of Sunac Services were held as to:
 - 65,721,489 shares of Sunac Services by Sunac International; and
 - 1,567,117 shares of Sunac Services by Tianjin Biaodi.
- Calculated on the basis of 3,056,844,000 shares in issue of Sunac Services as at 30 June 2025.

Save as disclosed herein, as at 30 June 2025, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Company, as at 30 June 2025, the following persons (other than a Director or chief executive of the Company) had an interest in 5% or more in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

INTERESTS IN SHARES OF THE COMPANY (LONG POSITION)

Name of shareholder	Nature of interest/ capacity	Number of Shares	Approximate percentage of interest in the Company ²
Sunac International	Beneficial owner ¹	2,673,120,987	24.95%
South Dakota Trust Company LLC	Trustee ¹	2,721,826,987	25.40%

Notes:

- Of these 2,721,826,987 Shares, (a) 2,673,120,987 Shares were held by Sunac International and (b) 48,706,000 Shares were held by Tianjin Biaodi. 70% of the issued shares of Sunac International and all the shares of Tianjin Biaodi were held by Sunac Holdings LLC. All issued shares of Sunac Holdings LLC were held by the Family Trust. South Dakota Trust Company LLC was the trustee of the Family Trust. The Family Trust was established by Mr. Sun Hongbin and Mr. Sun Hongbin and some of his family members are the beneficiaries. Mr. Sun Hongbin was deemed to be interested in all those 2,721,826,987 Shares by virtue of the SFO.
- Calculated on the basis of 10,715,374,600 Shares in issue as at 30 June 2025.

INTERESTS IN UNDERLYING SHARES OF THE COMPANY (LONG POSITION)

Name of shareholder	Nature of interest/ capacity	Number of Underlying Shares	Approximate percentage of interest in the Company ²
Sunac International	Beneficial owner ¹	30,833,517	0.29%
South Dakota Trust Company LLC	Trustee ¹	30,833,517	0.29%

Notes:

1. As of 30 June 2025, the Shareholder MCB in aggregate outstanding principal amount of US\$15,812,060 was held by Sunac International. Based on the minimum conversion price of HK\$4.00 per Share and based on the agreed exchange rate of US\$1 = HK\$7.8, such Shareholder MCB can be converted into 30,833,517 Shares. 70% of the issued shares of Sunac International were held by Sunac Holdings LLC. All issued shares of Sunac Holdings LLC were held by the Family Trust. South Dakota Trust Company LLC was the trustee of the Family Trust. The Family Trust was established by Mr. Sun Hongbin and Mr. Sun Hongbin and some of his family members are the beneficiaries. Mr. Sun Hongbin was deemed to be interested in all those 30,833,517 underlying Shares by virtue of the SFO.
2. Calculated on the basis of 10,715,374,600 Shares in issue as at 30 June 2025.

Save as disclosed herein, as at 30 June 2025, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

The following sets forth the material cooperation with subsidiaries, joint ventures and associates undertaken by the Group during the six months ended 30 June 2025:

THE EXISTING DEBT RESTRUCTURING AND NEW FINANCING REVITALIZATION PROJECT IN RELATION TO THE CHONGQING BAY PROJECT

On 23 January 2025, the Group and Great Wall (Tianjin) Equity Investment Fund Management Co., Ltd.* (長城(天津)股權投資基金管理有限責任公司, "Great Wall Investment Fund"), Wuhu Great Wall Real Estate Risky Assets Revitalization Investment Center (Limited Partnership)* (蕪湖長城房地產風險資產盤活投資中心(有限合夥), "Great Wall Risky Assets Revitalization Investment Center"), CITIC Trust Co., Ltd.* (中信信託有限責任公司, "CITIC Trust"), China CITIC Financial Asset Management Co., Ltd.* (中國中信金融資產管理股份有限公司, "China CITIC Financial Asset") and Sunshine 100 Real Estate Group Co., Ltd.* (陽光壹佰置業集團有限公司, "Sunshine 100 Real Estate") entered into relevant agreements including a limited partnership agreement, pursuant to which (1) Great Wall Risky Assets Revitalization Investment Center as the senior limited partner proposed to make capital contribution to Wuhu Changzhen Investment Center (Limited Partnership)* (蕪湖長真投資中心(有限合夥)) of not exceeding RMB2.476 billion in cash, of which, in principle, ① not more than RMB1.326 billion would be mainly used for the development and construction of the Chongqing Bay Project (a project located in Chongqing, the PRC for the development of residential and commercial properties for sale) and other funding requirements that may affect the development of the Chongqing Bay Project, and ② not less than RMB1.15 billion (subject to the actual amount eventually purchased by Great Wall Risky Assets Revitalization Investment Center) will be used to purchase the intermediate limited partnership interest held by CITIC Trust; (2) CITIC Trust shall subscribe for the intermediate limited partnership interest with the debts owing by Chongqing Sunshine 100 Real Estate Development Co., Ltd.* (重慶陽光壹佰房地產開發有限公司) (the "Project Company") to the trust scheme managed by CITIC Trust of approximately RMB5.0 billion for a consideration of approximately RMB3.174 billion; (3) China CITIC Financial Asset shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it; (4) Sunshine 100 Real Estate shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it or in cash; and (5) the Group shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it and its certain equity interests in the Project Company. Upon completion of the transaction, the Project Company would no longer be a subsidiary of the Company. Please refer to the announcement of the Company dated 23 January 2025 for details.

CORPORATE GOVERNANCE AND OTHER INFORMATION

FUTURE PLANS FOR MATERIAL INVESTMENTS OR PURCHASE OF CAPITAL ASSETS

As of 30 June 2025, the Group had no definite plan authorised by the Board for material investments or purchase of capital assets.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

EQUITY LINKED AGREEMENTS

Save for the convertible bonds issued in connection with the offshore debt restructuring of the Company as set out in note 21 to the interim condensed consolidated financial information of the Group, for the six months ended 30 June 2025, the Company did not enter into any equity linked agreements.

ISSUE OF NEW SHARES UPON CONVERSION OF MANDATORY CONVERTIBLE BONDS

On 20 November 2023, the Company issued convertible bonds ("CB"), mandatory convertible bonds ("MCB") and shareholder mandatory convertible bond ("Shareholder MCB") as consideration for the restructuring of offshore debts. The conversion period of the CB expired on 20 November 2024. During the six months ended 30 June 2025, due to the conversion of MCB and Shareholder MCB into Shares, the Company issued a total of 1,409,125,021 new Shares. Among them, (1) US\$621,008,571 in principal amount of the MCB has been converted into 1,210,966,673 Shares, and (2) US\$101,619,666 in principal amount of the Shareholder MCB has been converted into 198,158,348 Shares.

DILUTIVE IMPACT OF THE CONVERSION OF THE MCB AND THE SHAREHOLDER MCB

Assuming there is full conversion of (i) the MCB in outstanding principal amount of US\$96,629,180 at the minimum conversion price of HK\$4.00 per Share, and (ii) the Shareholder MCB in outstanding principal amount of US\$15,812,060 at the minimum conversion price of HK\$4.00 per Share, in each case based on the agreed exchange rate of US\$1 = HK\$7.8, (x) such MCB can be converted into 188,426,901 Shares, and (y) such Shareholder MCB can be converted into 30,833,517 Shares. Such conversion shares in a total number of 219,260,418 represent approximately 2.05% of the total number of Shares in issue as at 30 June 2025 and approximately 2.01% of the total number of Shares in issue as enlarged by the allotment and issue of such conversion shares (assuming no other change in the issued share capital of the Company).

Set out below is the dilution effect on the equity interest of the substantial shareholders (within the meaning of the Listing Rules) of the Company if there had been full conversion of the outstanding MCB and Shareholder MCB as at 30 June 2025:

	As at 30 June 2025		Upon full conversion of the outstanding MCB and Shareholder MCB as at 30 June 2025	
	Number of Shares held	Approximate percentage of shareholding	Number of Shares held	Approximate percentage of shareholding
Sunac International ¹	2,673,120,987	24.95%	2,703,954,504	24.73%
South Dakota Trust Company LLC ¹	2,721,826,987	25.40%	2,752,660,504	25.17%

Note 1:

Sunac International is the holder of the Shareholder MCB. Upon full conversion of the Shareholder MCB, based on the minimum conversion price of HK\$4.00 per Share and based on the agreed exchange rate of US\$1 = HK\$7.8, such 30,833,517 Shares will be allotted and issued to Sunac International. 70% of the issued shares of Sunac International were held by Sunac Holdings LLC. All issued shares of Sunac Holdings LLC were held by the Family Trust. South Dakota Trust Company LLC was the trustee of the Family Trust. The Family Trust was established by Mr. Sun Hongbin and Mr. Sun Hongbin and some of his family members are the beneficiaries.

As calculation based on loss attributable to owners of the Company of approximately RMB12.81 billion for the six months ended 30 June 2025, basic loss per Share amounted to RMB1.26 and diluted loss per Share of the Company amounted to RMB1.26.

The MCB and Shareholder MCB are mandatorily convertible into Shares upon maturity and will not be redeemed by cash.

It would be equally financially advantageous for the holders of the MCB and Shareholder MCB to convert or redeem the MCB and Shareholder MCB thereunder based on the implied internal rate of return thereof, when the Company's share price approximates to the conversion price in the future. The Company is currently conducting an offshore debt restructuring, which includes the MCB and the Shareholder MCB. For details of the restructuring, please refer to the Company's announcements dated 17 April 2025 and 18 August 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the section headed "Share Award Scheme" of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 33,755 employees in the Mainland China and Hong Kong. For the six months ended 30 June 2025, the staff cost of the Group was approximately RMB2.73 billion (for the six months ended 30 June 2024: RMB2.70 billion).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The employees' remuneration policy of the Group is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and performance of the employees. The Group conducts performance appraisal twice every year for its employees, the results of which are applied in annual salary review and promotion assessment. Social insurance contributions are made by the Group for its Mainland China employees in accordance with the relevant PRC regulations. Insurance and mandatory provident fund schemes are also maintained by the Group for its Hong Kong staff. The Group also maintains social insurance or other retirement schemes for its overseas employees (if any) in accordance with local regulations overseas.

In order to attract and retain excellent talents, the Company adopted the Share Award Scheme on 8 May 2018 and awarded Shares were vested to selected employees in accordance with the rules of the Share Award Scheme and the terms of the trust deed, details of which are set out on pages 15 to 17 of this report. The Group also provides continuous learning and training programmes to its employees to enhance their skills and knowledge, so as to maintain their competitiveness. The Group did not experience any major difficulties in recruitment of employees for the six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the applicable Listing Rules and code provisions of the Corporate Governance Code. The Audit Committee currently consists of four independent non-executive Directors, namely, Mr. Poon Chiu Kwok, Mr. Zhu Jia, Mr. Ma Lishan and Mr. Yuan Zhigang, and is chaired by Mr. Poon Chiu Kwok who possesses the qualification of professional accountant. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure, internal control and risk management systems of the Company, to review the corporate governance policies and practices and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters concerning auditing, internal control and risk management systems and financial reporting, including the review of the unaudited interim results of the Group for the six months ended 30 June 2025.

The unaudited interim financial information for the six months ended 30 June 2025 has been reviewed by BDO Limited, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board
Sunac China Holdings Limited
Sun Hongbin
Chairman

Hong Kong, 26 August 2025

* For identification purpose only

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION



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To the Board of Directors of Sunac China Holdings Limited
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We were engaged to review the interim condensed consolidated financial information set out on pages 27 to 74, which comprises the interim condensed consolidated balance sheet of Sunac China Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2025 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended, and notes to the interim condensed consolidated financial information, including material accounting policy information (the “interim condensed consolidated financial information”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated 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 (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review. This report is made 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.

However, because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the interim condensed consolidated financial information described in the “Basis for Disclaimer of Conclusion” paragraphs, we were not able to express a conclusion on the interim condensed consolidated financial information.

BASIS FOR DISCLAIMER OF CONCLUSION

MULTIPLE UNCERTAINTIES RELATING TO GOING CONCERN

As disclosed in note 2(I) to the interim condensed consolidated financial information, the Group incurred a net loss of approximately RMB12.88 billion for the six months ended 30 June 2025 and, as at 30 June 2025, the Group had net current liabilities of approximately RMB94.10 billion. The Group’s current and non-current borrowings amounted to approximately RMB217.10 billion and RMB37.72 billion as at 30 June 2025 respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB18.63 billion. As at 30 June 2025, the Group had not repaid borrowings in principal amount of approximately RMB112.49 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totalling of approximately RMB85.38 billion might be demanded for early repayment. Up to the date of this report, the Group had not repaid borrowings in principal amount of approximately RMB117.86 billion in aggregate according to their scheduled repayment dates and as a result, borrowings in principal amount totalling of approximately RMB85.30 billion might be demanded for early repayment. In addition, the Group was involved in various litigation and arbitration cases for various reasons as disclosed in note 30(B) to the interim condensed consolidated financial information.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Nevertheless, the interim condensed consolidated financial information has been prepared on a going concern basis. The Company has been undertaking a number of plans and measures to improve the Group's liquidity and financial position, and have developed debt solutions which are set out in note 2(l) to the interim condensed consolidated financial information. The validity of going concern assumption on which the interim condensed consolidated financial information have been prepared depends upon the successful implementation of these plans and measures, which are subject to multiple uncertainties, including (i) successful advancement and completion of the aforementioned debt management measures, including the successful implementation of the offshore debt restructuring plan, successful negotiations with the remaining lenders for extension or deferral of repayment of certain borrowings of the Group, and the ability to secure additional or new financing when necessary; (ii) successful dealing with the litigations involving financial institutions to reach an amicable settlement which have not yet come to a definitive conclusion and have a substantial significant impact on the Group's overall operations; and (iii) successful implementation of plans and measures to achieve sales targets and collection of sales proceeds, thereby bolstering the Group's overall operational stability. The above conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

As a result of the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form a conclusion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 2(l) to the interim condensed consolidated financial information, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable 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 interim condensed consolidated financial information.

We disclaimed our opinion on the consolidated financial statements for the year ended 31 December 2024 relating to the going concern basis of preparing the consolidated financial statements. The balances as at 31 December 2024 are presented as comparative figures in the interim condensed consolidated balance sheet as at 30 June 2025.

DISCLAIMER OF CONCLUSION

Because of the potential interaction of the multiple uncertainties related to going concern and their possible cumulative effect on this interim condensed consolidated financial information described in the "Basis for Disclaimer of Conclusion" paragraphs above, we do not express a conclusion on the interim condensed consolidated financial information.

BDO Limited
Certified Public Accountants

Yau Shuk Yuen Amy
Practising Certificate Number: P06095

Hong Kong, 26 August 2025

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Note	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	50,677,386	52,861,880
Investment properties	8	18,451,921	19,237,181
Right-of-use assets	9	11,606,670	12,262,315
Intangible assets	10	2,979,009	3,084,591
Deferred tax assets		31,260,998	32,972,177
Investments accounted for using the equity method	11	61,044,126	62,848,123
Financial assets at fair value through profit or loss	12	9,765,064	10,068,514
Other receivables	15	45,312	47,015
Prepayments	16	34,966	34,289
		185,865,452	193,416,085
Current assets			
Properties under development	13	387,540,943	407,393,056
Completed properties held for sale	14	104,312,045	108,413,849
Inventories		563,860	541,455
Trade and other receivables	15	52,823,267	52,171,432
Contract costs	6	3,486,837	4,026,070
Amounts due from related companies	32(C)	73,502,730	72,238,795
Prepayments	16	12,324,170	13,102,047
Prepaid income tax		10,831,107	11,177,420
Financial assets at fair value through profit or loss	12	904,996	642,711
Restricted cash	17	14,230,359	12,014,562
Cash and cash equivalents	17	4,404,094	7,730,669
Other current assets		28,000	15,000
		664,952,408	689,467,066
Total assets		850,817,860	882,883,151
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	947,517	817,490
Other reserves	19	49,633,855	46,624,606
Accumulated losses		(19,729,648)	(6,920,988)
		30,851,724	40,521,108
Non-controlling interests		14,024,220	14,625,260
Total equity		44,875,944	55,146,368

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Note	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	21	37,723,900	73,581,837
Lease liabilities	9	348,152	344,611
Deferred tax liabilities		8,803,241	10,773,159
Other payables	20	18,931	50,124
		46,894,224	84,749,731
Current liabilities			
Trade and other payables	20	258,598,373	264,713,015
Contract liabilities	6	149,994,123	157,208,070
Amounts due to related companies	32(C)	50,055,580	51,028,240
Current income tax liabilities		72,876,807	72,512,109
Borrowings	21	217,096,871	186,085,847
Derivative financial instruments	22	425,646	3,430,262
Lease liabilities	9	76,353	100,443
Provisions		9,923,939	7,909,066
		759,047,692	742,987,052
Total liabilities		805,941,916	827,736,783
Total equity and liabilities		850,817,860	882,883,151

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial information on pages 27 to 74 was approved by the Board of Directors on 26 August 2025 and was signed on its behalf.

Sun Hongbin
Director

Wang Mengde
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Revenue	6	19,987,601	34,279,616
Cost of sales	23	(22,071,876)	(36,088,266)
Gross loss		(2,084,275)	(1,808,650)
Other income and gains	24	5,614,027	2,529,694
Selling and marketing costs	23	(1,086,906)	(1,113,005)
Administrative expenses	23	(1,687,102)	(1,780,002)
Other expenses and losses	25	(7,543,512)	(6,398,392)
Net impairment losses under expected credit loss model		(1,248,503)	(1,110,822)
Operating loss		(8,036,271)	(9,681,177)
Finance income	26	45,348	102,795
Finance expenses	26	(5,290,724)	(6,486,933)
Finance expenses – net		(5,245,376)	(6,384,138)
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net		(285,412)	(1,296,787)
Loss before income tax		(13,567,059)	(17,362,102)
Income tax credits	27	689,210	697,076
Loss and total comprehensive loss for the period		(12,877,849)	(16,665,026)
Loss and total comprehensive loss attributable to:			
– Owners of the Company		(12,808,660)	(14,957,186)
– Non-controlling interests		(69,189)	(1,707,840)
		(12,877,849)	(16,665,026)
Loss per share attributable to owners of the Company (expressed in RMB per share):	28		
– Basic		(1.26)	(1.79)
– Diluted		(1.26)	(1.79)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Note	Unaudited				
		Attributable to owners of the Company				Non-controlling interests RMB'000
		Share capital RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	
Balance at 1 January 2025		817,490	46,624,606	(6,920,988)	40,521,108	14,625,260
Loss and total comprehensive loss for the six months ended 30 June 2025		–	–	(12,808,660)	(12,808,660)	(69,189)
Transactions with owners, recognised directly in equity						
Dividends to non-controlling interests		–	–	–	–	(342,006)
Disposal of subsidiaries	31(A)	–	–	–	–	(124,802)
Transactions with non-controlling interests		–	168,969	–	168,969	(65,043)
Shares issued upon the conversion of mandatory convertible bonds and shareholder mandatory convertible bond	18(i)	130,027	2,831,861	–	2,961,888	–
Share award scheme:						
– Value of employee services		–	8,419	–	8,419	–
		130,027	3,009,249	–	3,139,276	(531,851)
Balance at 30 June 2025		947,517	49,633,855	(19,729,648)	30,851,724	14,024,220

	Unaudited					
	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	734,205	42,893,656	18,801,056	62,428,917	21,356,948	83,785,865
Loss and total comprehensive loss for the six months ended 30 June 2024	–	–	(14,957,186)	(14,957,186)	(1,707,840)	(16,665,026)
Transactions with owners, recognised directly in equity						
Capital deductions from non-controlling interests	–	–	–	–	(635,520)	(635,520)
Dividends to non-controlling interests	–	–	–	–	(390,290)	(390,290)
Disposal of subsidiaries	–	–	–	–	(360,112)	(360,112)
Transactions with non-controlling interests	–	(28,189)	–	(28,189)	32,149	3,960
Shares issued upon the conversion of convertible bonds, mandatory convertible bonds and shareholder mandatory convertible bond	20,440	493,666	–	514,106	–	514,106
Share award scheme:						
– Value of employee services	–	5,203	–	5,203	–	5,203
Statutory reserve	–	(9,474)	9,474	–	–	–
	20,440	461,206	9,474	491,120	(1,353,773)	(862,653)
Balance at 30 June 2024	754,645	43,354,862	3,853,344	47,962,851	18,295,335	66,258,186

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Cash (used in)/generated from operations	(1,006,813)	910,821
Income tax paid	(754,827)	(778,898)
Net cash (used in)/generated from operating activities	(1,761,640)	131,923
Cash flows from investing activities		
Net cash (outflow)/inflow on disposal of subsidiaries	(114,933)	184,459
Proceeds from disposal and capital reduction of joint ventures and associates	119,300	190,956
Proceeds from the considerations of equity transactions	1,158	253,751
Investments in joint ventures and associates	(3,250)	(2,000)
Dividend received from joint ventures and associates	4,596	6,091
Loans granted to joint ventures and associates	(20,554)	–
Repayments of loans from joint ventures and associates	13,638	83,809
Purchases of financial assets at fair value through profit or loss	(3,939,600)	(2,379,850)
Proceeds from redemption of financial assets at fair value through profit or loss	3,361,287	2,039,784
Purchases of property, plant and equipment, land use rights, intangible assets and investment properties	(116,602)	(364,065)
Proceeds from disposal of property, plant and equipment, land use rights, intangible assets and investment properties	60,246	75,309
Interest received	10,993	85,960
Deposit received from borrowings	825,916	887,955
Others	(13,000)	27,901
Net cash generated from investing activities	189,195	1,090,060

Unaudited
Six months ended 30 June

	2025 RMB'000	2024 RMB'000
Cash flows from financing activities		
Proceeds from borrowings	1,824,698	5,807,000
Repayments of borrowings	(1,533,650)	(5,308,747)
Dividends or deem distribution paid to non-controlling interests	(255,157)	(343,500)
Loans from non-controlling interests and equity investment partners	–	25,421
Repayments of loans from non-controlling interests and equity investment partners	(73,188)	(204,909)
Interest paid	(1,699,645)	(2,813,965)
Principal elements of lease payments	(21,017)	(54,008)
Net cash used in financing activities	(1,757,959)	(2,892,708)
Net decrease in cash and cash equivalents	(3,330,404)	(1,670,725)
Cash and cash equivalents at beginning of period	7,730,669	7,056,374
Effect of exchange difference	3,829	3,352
Cash and cash equivalents at end of period	4,404,094	5,389,001

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1 General information

Sunac China Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the businesses of property development and investment, cultural and tourism city construction and operation, property management services and other services in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim condensed consolidated financial information is presented in Renminbi (“RMB”), unless otherwise stated.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 *Interim Financial Reporting*. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcement made by the Company during the interim reporting period.

(I) GOING CONCERN BASIS

The Group incurred a net loss of approximately RMB12.88 billion for the six months ended 30 June 2025 and, as at 30 June 2025, the Group had net current liabilities of approximately RMB94.10 billion.

As at 30 June 2025, the Group’s current and non-current borrowings amounted to approximately RMB217.10 billion and RMB37.72 billion respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB18.63 billion. As at 30 June 2025, the Group had not repaid borrowings in principal amount of approximately RMB112.49 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totalling of approximately RMB85.38 billion might be demanded for early repayment. Up to the date of approval of this interim condensed consolidated financial information, the Group had not repaid borrowings in principal amount of approximately RMB117.86 billion in aggregate according to their scheduled repayment dates and as a result, borrowings in principal amount totaling of approximately RMB85.30 billion might be demanded for early repayment. In addition, the Group was involved in various litigation and arbitration cases for various reasons.

The above conditions indicate the existence of material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern.

2 Basis of preparation (Continued)

(I) GOING CONCERN BASIS (Continued)

In light of the above, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity of the Group. The Directors have reviewed the Group’s expected cash flow projections for the next 18 months from 30 June 2025 prepared by the management of the Company and have given due consideration to the future liquidity and performance of the Group and its available sources of financing, and accordingly, have proactively come up with debt solutions to alleviate the liquidity pressure. The Group has continued to implement the following plans and measures:

- During the period from December 2024 to January 2025, the restructuring plans in relation to the onshore corporate bonds and supply chain asset-backed plans (collectively, the “Onshore Bonds”) issued by Sunac Real Estate Group Co., Ltd.* (融創房地產集團有限公司) (“Sunac Real Estate”), a wholly-owned subsidiary of the Group, have all been considered and approved at the relevant meetings of bondholders (the “Onshore Debt Restructuring Plan”). The Onshore Debt Restructuring Plan provides creditors with three options, including bond repurchase (i.e. cash tender offer), payment via equity economic income right (the “Equity Option”), and debt settlement with assets. For Onshore Bonds in respect of which the above three options have not been chosen, they will be extended for 5 to 9.5 years, and the annual interest rate of historical accrued and unpaid interest and future interest will be reduced to 1%. This plan not only significantly reduced the scale of onshore public debts, but also alleviated the Group’s debt repayment pressure in the next five years. Since the launch of the Onshore Debt Restructuring Plan, Sunac Real Estate has been coordinating with the bondholders to select and allocate options under the Onshore Debt Restructuring Plan based on the amount of the Onshore Bonds they hold, in accordance with the relevant provisions of the bondholder meeting resolutions. In April 2025, Sunac Real Estate has repurchased Onshore Bonds in principal amount of approximately RMB4.00 billion pursuant to the arrangements of the bond repurchase option, at cash consideration of approximately RMB0.80 billion. In respect of the Equity Option, pursuant to the elections already made by the holders of the Onshore Bonds by 27 June 2025, the Company allotted and issued approximately 754 million shares on 9 July 2025. The consideration for the issue of such shares shall be that the holders of the Onshore Bonds under the Equity Option would agree to the cancellation or repayment of the Onshore Bonds in principal amount of approximately RMB5.59 billion in aggregate. As of the date of approval of this interim condensed consolidated financial information, the principal balance of Onshore Bonds for which no election or allocation has been made amounting to approximately RMB5.82 billion;

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

2 Basis of preparation (Continued)

(I) GOING CONCERN BASIS (Continued)

- On 10 January 2025, the Company received a winding-up petition (the “Petition”) filed by China Cinda (HK) Asset Management Co., Limited (the “Petitioner”) at the High Court of the Hong Kong Special Administrative Region (the “High Court”) in relation to the non-repayment of the loan to the Petitioner as lender by Shining Delight Investment Limited (an indirect wholly owned subsidiary of the Company) as borrower and the Company as guarantor, in the aggregate principal amount of US\$30,000,000 and accrued interests. Considering the impact of the Petition on the Company, and recognising that the current market conditions are significantly short of expectations set when the prior offshore debt restructuring plan was formulated, the Company has maintained constructive dialogue with offshore creditors. These discussions aim to formulate a viable holistic offshore debt solution to completely address the offshore debt risks, establishing a sustainable capital structure and stable operating environment to support its long-term business recovery. On 17 April 2025, the Company officially launched a restructuring support agreement (the “Offshore Debt Restructuring Plan”). The Offshore Debt Restructuring Plan aims to provide a fair and equitable solution that maximizes recovery for creditors, while preserving the Group’s ability to operate as a going concern and creating a win-win outcome for all stakeholders. Specifically, the restructuring plan will (a) provide participating creditors with the opportunity to convert their debt into equity, allowing them to benefit from near term liquidity and potential equity upside; (b) completely address the Group’s offshore debt risks and establish a sustainable capital structure. The implementation of the shareholding structure stability arrangement and the employee stock ownership plan (the “ESOP”) is expected to further reinforce stakeholder confidence, thereby supporting future project delivery, debt risk resolution, assets revitalization, and long-term business recovery. As of the date of approval of this interim condensed consolidated financial information, holders of more than 75% of the aggregate outstanding principal amount of the existing debt subject to the Offshore Debt Restructuring Plan have submitted letters to accede to the restructuring support agreement. Upon the occurrence of the debt restructuring effective date, the Company will distribute two series of mandatory convertible bonds (the “MCB”) to the scheme creditors as restructuring consideration. MCB 1 and MCB 2 together shall have an aggregate principal amount equal to the total amount of all scheme creditors’ claims. Subject to the terms of the restructuring and to the extent permitted by applicable laws and regulations, scheme creditors may elect for MCB 1, MCB 2, or a combination of MCB 1 and MCB 2. Meanwhile, the Group intends to adopt an ESOP. Under this plan, the Group intends to grant ordinary shares of the Company (the “Shares”) to its selected employees as a long-term supplementary form of remuneration and also to incentivize future continuous contribution of the grantees to the Group, by way of allotting and issuing new Shares in accordance with the Listing Rules. The convening hearing in respect of the Offshore Debt Restructuring Plan, at which an order will be sought from the High Court of the Hong Kong Special Administrative Region of the People’s Republic of China to convene the scheme meeting for the purpose of scheme creditors considering and, if thought fit, approving (with or without modification) the scheme, is scheduled to be heard before the aforementioned court at 10:00 a.m. (Hong Kong time) on 15 September 2025;
- The Group has been actively negotiating with other lenders on the extension of borrowings, and up to the date of approval of this interim condensed consolidated financial information, extension of loans of approximately RMB36.58 billion has been agreed. In addition, approximately RMB180.87 billion of the Group’s borrowings are secured by the Group’s assets. The Group is actively in discussions with other existing lenders to extend, refinance or restructure the Group’s borrowings and not to demand immediate repayment until the Group generates sufficient cash flows. Due to the diverse lender base and changing market environment, it takes time to finalise the extension plans case-by-case. Having considered the market environment, the successful extension of certain loans, the Group’s credit history and longstanding relationships with the relevant lenders, the Group is confident that it will have the extension agreements for relevant outstanding loans gradually signed or have the relevant issues gradually resolved in other comprehensive ways;

2 Basis of preparation (Continued)

(I) GOING CONCERN BASIS (Continued)

- The Group is actively seeking new financing or additional capital inflows through various channels, including but not limited to new financing from asset management companies or financial institutions, special loan for guaranteed home delivery and ancillary borrowings, business cooperation with partners, asset disposal, etc., and up to the date of approval of this interim condensed consolidated financial information, the Group and its joint ventures and associates have obtained special loans for guaranteed home delivery approved by local governments with an aggregate amount of approximately RMB22.80 billion, ancillary bank financing approvals of approximately RMB11.08 billion, and received “whitelist project” financing approvals of approximately RMB4.68 billion. Additionally, the Group secured funding approvals with an amount of approximately RMB5.20 billion through the implementation of collaborative development projects with asset management companies in 2025. The Group will actively respond to various supportive policies of the national and local governments, revitalise resources through all kinds of acquisition and reserve policies, and consider disposal of assets when necessary to generate more cash inflows;
- The Group has been actively communicating with creditors to resolve the pending onshore lawsuits. Up to the date of approval of this interim condensed consolidated financial information, the Group has completed the settlement arrangements with certain creditors. The Group will continue to pursue diligently to reach an amicable settlement as soon as possible, taking account of the availability of financial resources to the Group, so as to deal with the litigations which have not yet come to a definitive conclusion at this stage;
- The Group has adjusted its organizational structure to be more flat, reducing the management levels, reducing the headcount, enhancing management efficiency and effectively control costs and expenses;
- The Group will take measures to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group will continue to implement initiatives to expedite the collection of sales proceeds and recovery of other receivables. The Group believes that with the intensifying policy support from the central government, coupled with the stabilization and recovery of the overall economy and the restoration of market confidence, the long-term supply and demand dynamics in the real estate market will rebalance, leading to a gradual stabilization of the market. Therefore, the Group will proactively adjust its sales and pre-sale strategies to respond to market changes and seize emerging demand opportunities; and
- The Group will always actively assume the primary responsibility, respond to the government's call for guaranteed home delivery, and continue to strive to complete the guaranteed home delivery. The government has been constantly adjusting and optimising its real estate regulation and control policies and introducing supportive policies, with a view to stabilising market expectations and facilitating the gradual recovery of the market. The Group will proactively keep up with the current policy window and make full use of the industry support policies, resolutely complete the task of guaranteed home delivery, and proactively resolve debt risks in an orderly manner.

In the Directors' opinion, in view of the above plans and measures, the Group will be able to adequately fund its ordinary operations and meet its financial obligations as and when they fall due within the next 18 months from 30 June 2025. Accordingly, the Directors consider that the preparation of the interim condensed consolidated financial information for the six months ended 30 June 2025 on a going concern basis is appropriate.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

2 Basis of preparation (Continued)

(I) GOING CONCERN BASIS (Continued)

The management has formulated a number of plans and taken a number of measures, but the Group's ability to continue as a going concern still depends on:

- (i) successful advancement and completion of the aforementioned debt management measures, including the successful implementation of the Offshore Debt Restructuring Plan, successful negotiations with the remaining lenders for extension or deferral of repayment of certain borrowings of the Group, and the ability to secure additional or new financing when necessary;
- (ii) successful dealing with the litigations involving financial institutions to reach an amicable settlement which have not yet come to a definitive conclusion and have a substantial significant impact on the Group's overall operations;
- (iii) successful implementation of plans and measures to achieve sales targets and collection of sales proceeds, thereby bolstering the Group's overall operational stability.

Since 2022, the real estate market in Mainland China has gone through adjustment with duration and depth beyond previous expectations. There is uncertainty as to the stabilization and recovery of the Group's sales and the continued support from banks and the Group's lenders, hence, there is significant uncertainty as to the Group's ability to implement the above plans and measures.

If the Group is unable to achieve the above plans and measures and unable to continue as a going concern, adjustments must be made to reduce the carrying amount of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in this interim condensed consolidated financial information.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial years, except for the adoption of new standards, amendments and interpretation as set out below.

(I) NEW STANDARDS, AMENDMENTS AND INTERPRETATION ADOPTED BY THE GROUP

The Group has applied the following new standards, amendments and interpretation for the first time for annual reporting periods commencing on 1 January 2025:

- *Lack of Exchangeability* – Amendments to HKAS 21 and HKFRS 1

The new standards, amendments and interpretation listed above did not have any material impact on the amounts recognised in prior and current periods.

3 Accounting policies (Continued)

(II) NEW STANDARDS, AMENDMENTS AND INTERPRETATION NOT YET ADOPTED

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for reporting period of 2025 and have not been early adopted by the Group. The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretation to existing standards upon initial application.

	Effective for the financial year beginning on or after
<i>Contracts Referencing Nature – Dependent Electricity –</i> Amendments to HKFRS 9 and HKFRS 7	1 January 2026
<i>Amendments to the Classification and Measurement of Financial Instruments –</i> Amendments to HKFRS 9 and HKFRS 7	1 January 2026
<i>Annual Improvements to HKFRS – Volume 11</i>	1 January 2026
<i>Presentation and Disclosure in Financial Statements – HKFRS 18</i>	1 January 2027
<i>Classification by the Borrower of a Term Loan that Contains a Repayment on</i> <i>Demand Clause – Amendments to Hong Kong Interpretation 5</i>	1 January 2027
<i>Subsidiaries without Public Accountability: Disclosures – HKFRS 19</i>	1 January 2027
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures</i> – Amendments to HKFRS 10 and HKAS 28	To be determined

4 Estimates

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements and estimations made by management were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5 Financial risk management and financial instruments

5.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024.

There have been no significant changes in the risk or in any risk management policies since 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5 Financial risk management and financial instruments (Continued)

5.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(i) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2025 and 31 December 2024 on a recurring basis:

At 30 June 2025	Note	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets					
Financial assets at fair value through profit or loss ("FVPL")	12	3,926	–	10,666,134	10,670,060
Financial liabilities					
Derivative financial instruments	22	–	–	425,646	425,646
At 31 December 2024	Note	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets					
Financial assets at FVPL	12	3,694	–	10,707,531	10,711,225
Financial liabilities					
Derivative financial instruments	22	–	–	3,430,262	3,430,262

5 Financial risk management and financial instruments *(Continued)*

5.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(i) Fair value hierarchy *(Continued)*

During the six months ended 30 June 2025, there were no transfers between levels 1, 2 and 3 for recurring fair value measurements.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, debentures and derivative financial instruments.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- discounted cash flow method and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- market approach, equity allocation model, option pricing method and discounted cash flow model with observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, discount rate, market multiples rate, etc; and
- for option embedded in the mandatory convertible bonds and shareholder mandatory convertible bond (the “Mandatory Convertible Bonds”) contracts-option pricing method or Monte-Carlo Simulation method with prominent factors that will materially affect value of the options, including terms and conditions of the option of the Mandatory Convertible Bonds, expected volatility, discount rate, etc.

As at 30 June 2025 and 31 December 2024, the Group’s level 3 instruments included equity investments measured at FVPL, debt instruments, option embedded in the Mandatory Convertible Bonds and derivative component of the Onshore Bonds. For the investment in unlisted equity securities and debt instruments, as these instruments are not traded in an active market, their fair values were determined by using various applicable valuation techniques, including market approach etc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5 Financial risk management and financial instruments (Continued)

5.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) and valuation inputs and relationships to fair value

The following table presents the changes in level 3 items for the six months ended 30 June 2025:

	Financial assets at FVPL			Derivative financial instruments
	Equity investment RMB'000	Debt instruments RMB'000	Total RMB'000	
Opening balance at 1 January 2025	9,996,346	711,185	10,707,531	(3,430,262)
Additions	–	3,939,600	3,939,600	–
Deductions	–	(3,682,600)	(3,682,600)	–
Exercise of conversion of options attached to Mandatory Convertible Bonds	–	–	–	2,961,888
(Losses)/gains recognised in profit and loss*	(303,683)	5,286	(298,397)	42,728
Closing balance at 30 June 2025	9,692,663	973,471	10,666,134	(425,646)

* includes unrealised (losses)/gains recognised in profit or loss attributable to balances held at the end of the reporting period

	(318,700)	3,579	(315,121)	42,728
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The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Description	Fair value at		Valuation method	Significant unobservable inputs	Range of significant unobservable inputs	
	30 June 2025 RMB'000	31 December 2024 RMB'000			30 June 2025	31 December 2024
Unlisted equity instruments	9,692,663	9,996,346	Market approach, equity allocation model, option pricing method and discounted cash flow model	Discount rate for lack of marketability	11.0%-26.0%	9.7%-27.0%
				Expected volatility rate	39.0%-64.4%	39.1%-86.9%
				Discount rate	17.2%	27.0%
Other financial instruments	973,471	711,185	Discounted cash flow model and net assets value	Discount rate	3.0%	3.1%
Derivative financial instruments	(425,646)	(3,430,262)	Monte-Carlo Simulation method and discounted cash flow model	Expected volatility rate	86.3%	87.1%
				Discount rate	3.5%-14.3%	3.7%-14.4%

5 Financial risk management and financial instruments *(Continued)*

5.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(iii) Fair value measurements using significant unobservable inputs (level 3) and valuation inputs and relationships to fair value *(Continued)*

Relationships of unobservable inputs to fair value are as follows:

- The higher rate of discount rate, the lower fair value;
- The higher rate of discount for lack of marketability, the lower fair value;
- The higher rate of expected volatility, the lower fair value.

The management performs the valuation of financial instruments for financial reporting purposes. Unobservable inputs including discount for lack of marketability, expected volatility rate and discount rate are assessed by the independent valuers based on current market assessments of the time value of money and the risk specific to the asset being valued.

(iv) Fair values of other financial instruments (unrecognised)

The Group also has a number of financial instruments which are not measured at fair value in the consolidated balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since either the interest receivable/payable is close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at 30 June 2025:

	Carrying amount RMB'000	Fair value RMB'000
Non-current borrowings:		
– Senior notes (note 21)	31,903,654	4,941,617
– Convertible bonds (note 21)	651,357	143,998

6 Segment information

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources of the Group. The executive directors of the Company have determined the operating segments based on these reports.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6 Segment information (Continued)

The executive directors of the Company assess the performance of the Group organised as follows:

- Property development
- Cultural and tourism city construction and operation
- Property management
- All other segments

Other segments mainly include film and culture investment, office building rentals and other business. The results of these operations are included in the “all other segments” column.

The performance of above reportable segments is assessed based on a measure of profit before depreciation and amortisation, finance expenses and income tax expenses, which is defined as segment results. The segment results exclude the onshore and offshore debt restructuring gains, the fair value gains or losses on financial assets at FVPL and derivative financial instruments and disposal gains or losses on financial assets at FVPL, which are managed on a central basis.

Segment assets primarily consist of all assets excluding deferred tax assets, prepaid income tax and financial assets at FVPL, which are managed on a central basis. Segment liabilities primarily consist of all liabilities excluding derivative financial instruments, deferred tax liabilities and current income tax liabilities.

The Group's revenue is mainly attributable to the market in the PRC and over 90% of the Group's non-current assets are located in the PRC. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

6 Segment information (Continued)

The segment results are as follows:

	Six months ended 30 June 2025				
	Property development RMB'000	Cultural and tourism city construction and operation RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenue	13,996,462	2,168,522	3,546,605	352,372	20,063,961
Inter-segment revenue	–	–	(76,360)	–	(76,360)
Revenue from external customers	13,996,462	2,168,522	3,470,245	352,372	19,987,601
Net impairment losses under expected credit loss model	(982,640)	–	(265,863)	–	(1,248,503)
Net fair value losses on investment properties	–	(779,000)	(2,899)	(3,361)	(785,260)
Interest income	324,982	–	1,388	–	326,370
Finance income	30,208	1,003	14,098	39	45,348
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net	(252,630)	(5,622)	(6,054)	(21,106)	(285,412)
Segment results	(10,416,830)	(486,839)	276,642	101,423	(10,525,604)
Other information					
Capital expenditure	37,798	68,772	31,499	20,457	158,526

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6 Segment information (Continued)

	As at 30 June 2025				
	Property development RMB'000	Cultural and tourism city construction and operation RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Total segment assets	705,792,094	71,400,842	12,231,904	8,630,855	798,055,695
Investments accounted for using the equity method	58,011,217	1,302,128	25,402	1,705,379	61,044,126
Total segment liabilities	691,873,186	22,124,507	4,256,369	5,582,160	723,836,222

	Six months ended 30 June 2024				
	Property development RMB'000	Cultural and tourism city construction and operation RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenue	28,078,816	2,477,833	3,483,728	332,492	34,372,869
Inter-segment revenue	–	–	(93,253)	–	(93,253)
Revenue from external customers	28,078,816	2,477,833	3,390,475	332,492	34,279,616
Net impairment losses under expected credit loss model	(942,899)	–	(167,923)	–	(1,110,822)
Net fair value losses on investment properties	–	(48,000)	(6,666)	(3,949)	(58,615)
Interest income	332,336	–	3,365	–	335,701
Finance income	72,570	2,905	26,742	578	102,795
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net	(1,267,374)	(6,278)	(2,846)	(20,289)	(1,296,787)
Segment results	(9,161,385)	(72,873)	506,728	(40,796)	(8,768,326)
Other information					
Capital expenditure	194,255	309,848	25,155	20,329	549,587

6 Segment information (Continued)

	As at 31 December 2024				
	Property development RMB'000	Cultural and tourism city construction and operation RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Total segment assets	730,789,184	74,878,607	13,472,514	8,882,024	828,022,329
Investments accounted for using the equity method	59,781,070	1,307,500	33,464	1,726,089	62,848,123
Total segment liabilities	707,373,681	23,576,977	4,847,634	5,222,961	741,021,253

Reportable segment results are reconciled to loss for the period as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Total segment results	(10,525,604)	(8,768,326)
Depreciation and amortisation	(1,510,609)	(1,603,752)
Finance expenses	(5,290,724)	(6,486,933)
Other income and gains	4,074,767	–
Other expenses and losses	(314,889)	(503,091)
Income tax credits	689,210	697,076
Loss for the period	(12,877,849)	(16,665,026)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6 Segment information (Continued)

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Total segment assets	798,055,695	828,022,329
Deferred tax assets	31,260,998	32,972,177
Prepaid income tax	10,831,107	11,177,420
Financial assets at FVPL	10,670,060	10,711,225
Total assets	850,817,860	882,883,151
Total segment liabilities	723,836,222	741,021,253
Current income tax liabilities	72,876,807	72,512,109
Deferred tax liabilities	8,803,241	10,773,159
Derivative financial instruments	425,646	3,430,262
Total liabilities	805,941,916	827,736,783

ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contracts with customers:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contract liabilities	149,994,123	157,208,070

The Group had no material contract assets as at 30 June 2025 and 31 December 2024.

In addition to the contract balances disclosed above, the Group has also recognised the sales commissions directly attributable to obtaining a contract as contract costs as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contract costs	3,486,837	4,026,070

7 Property, plant and equipment

	Buildings and equipment RMB'000	Vehicles RMB'000	Furniture and office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2024						
Cost	75,366,828	121,524	802,808	896,845	8,398,567	85,586,572
Accumulated depreciation and impairment	(31,515,082)	(79,664)	(507,936)	(579,271)	(42,739)	(32,724,692)
Net book amount	43,851,746	41,860	294,872	317,574	8,355,828	52,861,880
Six months ended 30 June 2025						
Opening net book amount	43,851,746	41,860	294,872	317,574	8,355,828	52,861,880
Additions	75,890	3,765	10,397	30,034	21,352	141,438
Transfers from properties under development ("PUDs")	–	–	–	–	127,915	127,915
Transfers	286,765	–	–	–	(286,765)	–
Disposal of subsidiaries (note 31(B))	(42)	(124)	(379)	(4,086)	–	(4,631)
Transfers to PUDs	–	–	–	–	(58,006)	(58,006)
Disposals	(648,124)	(687)	(4,375)	(6,067)	(549,245)	(1,208,498)
Depreciation charges	(1,117,580)	(5,068)	(24,530)	(35,534)	–	(1,182,712)
Closing net book amount	42,448,655	39,746	275,985	301,921	7,611,079	50,677,386
At 30 June 2025						
Cost	75,007,827	117,704	797,408	913,124	7,653,818	84,489,881
Accumulated depreciation and impairment	(32,559,172)	(77,958)	(521,423)	(611,203)	(42,739)	(33,812,495)
Net book amount	42,448,655	39,746	275,985	301,921	7,611,079	50,677,386

For the six months ended 30 June 2025, depreciation expense of RMB1,027.28 million, RMB15.37 million and RMB140.06 million has been charged to "cost of sales", "selling and marketing costs" and "administrative expenses" respectively.

(I) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT ("PP&E") AND LAND USE RIGHTS

As at 30 June 2025, the management of the Group identified impairment indicators of certain cash generating units ("CGUs") in the cultural and tourism city construction and operation segment and carried out an impairment review on the CGUs' non-current assets, mainly PP&E and land use rights (note 9). The recoverable amounts of those CGUs, to which these assets were belonged, were determined at the higher of fair value less cost of disposal and its value-in-use. The valuation models used to estimate the fair values of relevant assets were with reference to recent prices of similar assets of similar conditions when such prices could be reliably obtained, where applicable. The fair values upon which recoverable amounts of these assets were based were within level 3 of fair value hierarchy. There were no significant changes to the valuation techniques and key assumptions for the six months ended 30 June 2025 as comparing with 31 December 2024. No further impairment losses were recognised in "Other expenses and losses" for the six months ended 30 June 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

8 Investment properties

Office buildings, shopping malls and commercial properties at fair value:

	Total RMB'000
At 31 December 2024	19,237,181
Fair value changes	(785,260)
At 30 June 2025	18,451,921

The Group's investment properties are all office building, shopping malls and commercial properties located in the PRC.

As at 30 June 2025, all the investment properties are within level 3 of the fair value hierarchy. Management obtains independent valuations for its investment properties. Cushman & Wakefield Limited, an independent professional valuer, performed the independent valuation of these buildings. There were no significant changes to the valuation techniques for the six months ended 30 June 2025.

9 Leases

	Land use rights RMB'000	Properties RMB'000	Vehicles RMB'000	Total RMB'000
Right-of-use assets				
31 December 2024	11,975,392	282,161	4,762	12,262,315
Transfer from PUDs	130,386	–	–	130,386
Additions	9,689	19,592	126	29,407
Transfer to PUDs	(83,216)	–	–	(83,216)
Disposals	(498,402)	(18,704)	(187)	(517,293)
Depreciation charges	(169,191)	(42,676)	(3,062)	(214,929)
30 June 2025	11,364,658	240,373	1,639	11,606,670

	30 June 2025 RMB'000	31 December 2024 RMB'000
Lease liabilities		
Current	76,353	100,443
Non-current	348,152	344,611
Total lease liabilities	424,505	445,054

For the six months ended 30 June 2025, depreciation expense of RMB169.63 million and RMB45.30 million has been charged to “cost of sales” and “administrative expenses” respectively.

10 Intangible assets

	Goodwill (A) RMB'000	Concession Right RMB'000	Customer relationships and others RMB'000	Total RMB'000
At 31 December 2024				
Cost	8,638,262	776,150	2,740,810	12,155,222
Accumulated amortisation and impairment	(6,959,236)	–	(2,111,395)	(9,070,631)
Net book amount	1,679,026	776,150	629,415	3,084,591
Six months ended 30 June 2025				
Opening net book amount	1,679,026	776,150	629,415	3,084,591
Additions	–	–	7,399	7,399
Disposals	–	–	(13)	(13)
Amortisation charges	–	(29,084)	(83,884)	(112,968)
Closing net book amount	1,679,026	747,066	552,917	2,979,009
At 30 June 2025				
Cost	8,638,262	776,150	2,748,169	12,162,581
Accumulated amortisation and impairment	(6,959,236)	(29,084)	(2,195,252)	(9,183,572)
Net book amount	1,679,026	747,066	552,917	2,979,009

(A) IMPAIRMENT ASSESSMENT FOR GOODWILL

Goodwill was generated from business combination and allocated to each project or a group of projects, which is expected to benefit from the synergies of the combination. Each project is identified as a CGU and the recoverable amount of a CGU or group of CGUs is determined based on value-in-use calculation.

A segment-level summary of the goodwill allocation is presented below:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Property management	1,173,752	1,173,752
Property development	396,857	396,857
All other segments	108,417	108,417
	1,679,026	1,679,026

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

10 Intangible assets (Continued)

(A) IMPAIRMENT ASSESSMENT FOR GOODWILL (Continued)

There have been no significant changes in goodwill allocation for the six months ended 30 June 2025. Except for the goodwill allocated to segment of property management, there is no individual CGU for which the carrying amount of goodwill is significant in comparison with the total carrying amount of goodwill.

Management reviews the business performance and monitors the goodwill on individual CGU or group of CGUs basis and have not identified any instances that would have resulted in a significant impairment against the goodwill of the Group as at 30 June 2025.

11 Investments accounted for using the equity method

The amounts recognised in the interim condensed consolidated balance sheet are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Joint ventures	45,300,017	47,334,307
Associates	15,744,109	15,513,816
	61,044,126	62,848,123

11.1 INVESTMENTS IN JOINT VENTURES

An analysis of the movement of equity investments in joint ventures is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At beginning of period	47,334,307	53,400,856
Increasing:		
– New investments in joint ventures	53,850	1,205,500
Decreasing:		
– Disposal and capital reduction of joint ventures	(1,407,441)	(2,035,073)
– Impact on asset acquisition transactions	(66,733)	(1,166,569)
Share of losses of joint ventures, net	(165,485)	(1,221,902)
Dividends from joint ventures	(448,481)	(41,160)
At end of period	45,300,017	50,141,652

11 Investments accounted for using the equity method (Continued)

11.2 INVESTMENTS IN ASSOCIATES

An analysis of the movement of equity investments in associates is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At beginning of period	15,513,816	15,850,233
Increasing:		
– New investments in associates	3,000	81,000
– Subsidiaries becoming associates	1,235,593	34,356
Decreasing:		
– Disposal and capital reduction of associates	(809,963)	(16,647)
Share of losses of associates, net	(119,927)	(74,885)
Dividends from associates	(78,410)	(1,096)
At end of period	15,744,109	15,872,961

12 Financial assets at fair value through profit or loss

	30 June 2025 RMB'000	31 December 2024 RMB'000
Listed equity securities	3,926	3,694
Unlisted equity securities	9,692,663	9,996,346
Debentures	973,471	711,185
	10,670,060	10,711,225

Information about the methods and assumptions used in determining the fair value of financial assets at FVPL is set out in note 5.2.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13 Properties under development

	30 June 2025 RMB'000	31 December 2024 RMB'000
Comprising:		
Land use rights costs	229,895,369	246,995,971
Construction costs and capitalised expenditures	91,776,888	98,043,733
Capitalised finance costs	95,354,628	93,760,441
	417,026,885	438,800,145
Less: provision for loss on net realisable value	(29,485,942)	(31,407,089)
	387,540,943	407,393,056
Including: To be completed within 12 months	105,874,638	97,124,419
To be completed after 12 months	281,666,305	310,268,637
	387,540,943	407,393,056

The PUDs are all located in the PRC.

14 Completed properties held for sale

	30 June 2025 RMB'000	31 December 2024 RMB'000
Completed properties held for sale	119,953,323	122,806,448
Less: provision for loss on net realisable value	(15,641,278)	(14,392,599)
	104,312,045	108,413,849

The completed properties held for sale ("CPHFS") are all located in the PRC.

15 Trade and other receivables

The amounts recognised in the interim condensed consolidated balance sheet are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current –		
Other receivables (iii)	46,718	48,461
Less: loss allowance	(1,406)	(1,446)
	45,312	47,015
Current –		
Trade receivables from contracts with customers (i)	5,244,262	4,645,881
Amounts due from non-controlling interests and their related parties (ii)	22,976,328	23,006,992
Note receivables	56,744	54,896
Deposit receivables	5,422,039	5,129,301
Other receivables (iii)	27,682,172	27,686,456
	61,381,545	60,523,526
Less: loss allowance	(8,558,278)	(8,352,094)
	52,823,267	52,171,432

As at 30 June 2025 and 31 December 2024, the carrying amounts of the Group's trade and other receivables were all denominated in RMB and the carrying amounts of trade and other receivables approximated their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

15 Trade and other receivables (Continued)

Notes:

- (i) Trade receivables mainly arise from sales of properties and rendering of property management services. The consideration in respect of sales of properties is paid by customers in accordance with the credit terms agreed in the property sale contracts. Property management services income is received in accordance with the term of the relevant property service agreements and is due for payment upon rendering of service. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 90 days	1,306,058	1,065,304
91–180 days	672,452	525,135
181–365 days	836,009	922,553
Over 365 days	2,429,743	2,132,889
	5,244,262	4,645,881

- (ii) The amounts due from non-controlling interests and their related parties were unsecured, interest free and had no fixed repayment terms.
- (iii) Other receivables mainly included the receivables from disposal of equity interests, receivables from project demolition, the cash advance for land use rights acquisition, payments on behalf of customers, interest receivables and amounts due from equity investment partners.

16 Prepayments

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current – Prepayments for purchase of PP&E	34,966	34,289
Current –		
Prepaid value-added taxes and other taxes	4,891,598	5,119,207
Prepayments for land use rights acquisitions	4,642,799	5,080,217
Prepayments for construction costs	1,367,974	1,353,509
Others	1,421,799	1,549,114
	12,324,170	13,102,047

17 Cash and cash equivalents and restricted cash

	30 June 2025 RMB'000	31 December 2024 RMB'000
Cash at banks and on hand	18,634,453	19,745,231
Less: restricted cash (i)	(14,230,359)	(12,014,562)
	4,404,094	7,730,669

- (i) Restricted cash mainly included the restricted cash from property pre-sale proceeds and guarantee deposits as reserve for bank loans. In certain subsidiaries of the Group, a portion of the proceeds from pre-sale of properties is saved as guarantee bank deposits in accordance with the municipal regulations and is released in line with certain development progress milestones. The deposits can be used for payments of constructions costs and other due debts of related property projects upon the approval of the relevant authorities.

18 Share capital

	Number of shares (thousands)	Share capital	
		HK\$'000	Equivalent to RMB'000
Authorised:			
As at 1 January 2025 and 30 June 2025, HK\$0.1 per share	15,000,000	1,500,000	
Issued and fully paid:			
As at 1 January 2025	9,306,249	930,627	817,490
Shares issued upon the conversion of the Mandatory Convertible Bonds (i)	1,409,125	140,913	130,027
As at 30 June 2025	10,715,374	1,071,540	947,517

- (i) During the six months ended 30 June 2025, 22.6% holders of the mandatory convertible bonds respectively have exercised the options attached to the bonds to convert the respective bonds into 1,210,966,673 Shares. In addition, the respective portion of shareholder mandatory convertible bond were converted into 198,158,348 Shares. The share capital and other reserves of the Group increased by RMB130.03 million and RMB2,831.86 million, respectively, which is calculated based on the fair value of the option embed in the Mandatory Convertible Bonds at conversion date, and the same amounts of financial liabilities of the Mandatory Convertible Bonds were derecognised.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

19 Reserves

	Share premium RMB'000	Share option reserve RMB'000	Other reserves RMB'000	Total RMB'000
Six months ended 30 June 2025				
At 1 January 2025	17,547,152	2,631,439	26,446,015	46,624,606
Transactions with non-controlling interests	–	–	168,969	168,969
Shares issued upon the conversion of the Mandatory Convertible Bonds (note 18(ii))	2,831,861	–	–	2,831,861
Share award scheme – Value of employee services (i)	–	8,419	–	8,419
At 30 June 2025	20,379,013	2,639,858	26,614,984	49,633,855
Six months ended 30 June 2024				
At 1 January 2024	15,077,556	2,620,834	25,195,266	42,893,656
Transactions with non-controlling interests	–	–	(28,189)	(28,189)
Shares issued upon the conversion of the convertible bonds and Mandatory Convertible Bonds	493,666	–	–	493,666
Share award scheme – Value of employee services	–	5,203	–	5,203
Statutory reserve	–	–	(9,474)	(9,474)
At 30 June 2024	15,571,222	2,626,037	25,157,603	43,354,862

- (i) On 8 May 2018, a share award scheme under which shares may be granted to eligible employees for no cash consideration was approved by the board of directors of the Company (the “Board”) (the “Share Award Scheme”). Pursuant to the rules relating to the Share Award Scheme, the Company entrusted a trustee to purchase existing ordinary shares in the open market based on this Share Award Scheme. The trustee will hold such shares on behalf of the relevant selected employees on trust, until such shares are vested with the relevant selected employees in accordance with the scheme rules. For the six months ended 30 June 2025, no additional share was purchased from open market pursuant to the Share Award Scheme and no additional shares in connection with the Share Award Scheme was granted to the eligible employees.

On 11 June 2021, the sole director of Sunac Shine (PTC) Limited (“Sunac Shine”), a wholly owned subsidiary of the Group, resolved to adopt a share award scheme (“Sunac Services Share Award Scheme”) in order to recognise the contributions to Sunac Services Holdings Limited (“Sunac Services”, a subsidiary of the Group), by certain eligible employees and to give incentives to retain them for the continuing development of the Group. As the date of 11 June 2021, Sunac Shine holds 462,000,000 shares on trust for Sunac Services Share Award Scheme, representing 14.89% of the issued shares of Sunac Services. For the six months ended 30 June 2025, the total expense recognised in the profit or loss for Sunac Services Share Award Scheme granted to employees was RMB8.42 million.

20 Trade and other payables

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current –		
Other payables (iii)	18,931	50,124
Current –		
Trade payables (i)	99,151,652	104,168,889
Interest payables	45,688,821	39,217,760
Note payables (iv)	22,464,172	22,985,100
Amounts due to non-controlling interests and their related parties (ii)	13,731,765	17,437,088
Other taxes payables	10,422,653	10,321,444
Consideration payables for acquisition of equity investments	3,781,467	4,506,566
Payroll and welfare payables	762,504	911,121
Consideration payable arising from non-controlling shareholders' put option	–	218,296
Other payables (iii)	62,595,339	64,946,751
	258,598,373	264,713,015

Notes:

- (i) At 30 June 2025, the ageing analysis of trade payables is performed based on the date of the liability recognition on accrual basis. The ageing analysis of the Group's trade payables is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 90 days	3,513,012	6,681,254
91-180 days	1,214,171	5,200,003
181-365 days	8,797,331	9,247,031
Over 365 days	85,627,138	83,040,601
	99,151,652	104,168,889

- (ii) The amounts due to non-controlling interests and their related parties are unsecured and have no fixed repayment date.
- (iii) As at 30 June 2025, other payables mainly included value-added tax relevant to pre-sale of properties amounted to RMB7.75 billion (as at 31 December 2024: RMB8.80 billion). The remaining balances mainly included deposits from customers, deposits on construction projects, deed tax and maintenance funds received on behalf of customers, amounts due to equity investment partners and accrued expenses.
- (iv) As at 30 June 2025, the amount of overdue note payables is RMB22.46 billion (31 December 2024: RMB22.99 billion).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

21 Borrowings

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current		
Secured,		
– Bank and other institution borrowings	210,335,747	214,151,765
– Senior notes (A)	31,903,654	29,894,385
– Corporate bonds (B)	2,520,602	4,807,288
– Private domestic corporate bonds (B)	1,738,815	3,055,432
– Convertible bonds (A)	651,357	500,812
	247,150,175	252,409,682
Unsecured,		
– Bank and other institution borrowings	2,668,802	2,074,617
	249,818,977	254,484,299
Less: current portion of non-current borrowings (C)	(212,095,077)	(180,902,462)
	37,723,900	73,581,837
Current		
Secured,		
– Bank and other institution borrowings	3,706,501	3,907,893
Unsecured,		
– Bank and other institution borrowings	1,295,293	1,275,492
	5,001,794	5,183,385
Add: current portion of non-current borrowings (C)	212,095,077	180,902,462
	217,096,871	186,085,847
Total borrowings	254,820,771	259,667,684

21 Borrowings (Continued)

(A) SENIOR NOTES AND CONVERTIBLE BONDS

Pursuant to the offshore debt restructuring which was effective on 20 November 2023, the Company issued new senior notes (the “Senior Notes”), the convertible bonds, the mandatory convertible bonds and the shareholder mandatory convertible bond with original principal amounts of USD5.70 billion, USD1.00 billion, USD2.75 billion and USD0.45 billion respectively. Subsequent to the initial recognition on the date of issuance (i.e. 20 November 2023), the carrying amounts of the debt component of the convertible bonds and the Senior Notes are measured at amortised cost; and the carrying amounts of the derivative components of the convertible bonds, the mandatory convertible bonds and the shareholder mandatory convertible bond are measured at fair values.

As at 30 June 2025, the outstanding principal and interest amount of the Senior Notes was USD6.30 billion (31 December 2024: USD6.07 billion), the principal and interest amount of the convertible bonds was USD0.25 billion (31 December 2024: USD0.25 billion).

(B) ONSHORE DEBT RESTRUCTURING

With effective from the approval of the Onshore Debt Restructuring Plan at the relevant meetings of bondholders in December 2024 to January 2025, the repayment schedule of corporate bonds (the “Corporate Bonds”), private domestic corporate bonds (the “Private Bonds”) and supply chain asset-backed special plan (the “ABS Plan”) have been adjusted and extended for 5 to 9.5 years, and the annual interest rate of historical accrued and unpaid interest and future interest will be reduced to 1%. The Onshore Debt Restructuring Plan provides three options to creditors, including bond repurchase (i.e. cash tender offer), Equity Option and debt settlement with assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

21 Borrowings (Continued)

(B) ONSHORE DEBT RESTRUCTURING (Continued)

Corporate Bonds and Private Bonds

Sunac Real Estate issued Corporate Bonds and Private Bonds on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The following table summarises the key terms with the effective of the Onshore Debt Restructuring Plan as at 30 June 2025:

Bond Number	Carrying amounts RMB'000	Interest rate	Remaining maturity
Corporate Bonds, including			
163377.SH	719,724	1.0%	9 years
163376.SH	582,810	1.0%	9 years
149436.SZ	493,707	1.0%	9 years
136624.SH	392,270	1.0%	9 years
149350.SZ	332,091	1.0%	9 years
	2,520,602		
Private Bonds, including			
Bond issued on 10 June 2020*	1,000,000	6.5%	1 year
114821.SZ	231,450	1.0%	9 years
135548.SH	214,928	1.0%	9 years
133033.SZ	167,515	1.0%	9 years
118470.SZ	124,922	1.0%	9 years
	1,738,815		

Note:

* This Private Bond does not fall within the Onshore Debt Restructuring Plan.

The onshore debt restructuring was regarded as a substantial modification under the relevant accounting standard. As the approval of the Onshore Debt Restructuring Plan for three of the Onshore Bonds are obtained at the relevant meetings of bondholders in January 2025, the carrying amounts of certain Corporate Bonds and Private Bonds together with the accrued interests were fully de-recognised in 2025. New financial liabilities including debt component and derivative component were recognised at their fair values at the effective date of the onshore debts restructuring.

21 Borrowings (Continued)

(B) ONSHORE DEBT RESTRUCTURING (Continued)

In April 2025, Sunac Real Estate has repurchased Onshore Bonds in principal amount of approximately RMB4.00 billion pursuant to the arrangements of the bond repurchase option, at cash consideration of approximately RMB0.80 billion.

As a result of the above mentioned, gain on onshore debt restructuring of RMB4.02 billion was recognised and included in “other income and gains” of the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2025.

Subsequent to the initial recognition, the carrying amounts of the debt component of the Corporate Bonds, Private Bonds and ABS Plan are measured at amortised cost and the carrying amounts of the derivative component are measured at fair value at the end of each of the reporting periods.

(C) LONG-TERM BORROWINGS

As at 30 June 2025, the Group had not repaid borrowings in principal amount of approximately RMB112.49 billion in aggregate according to their scheduled repayment dates, and as a result, non-current borrowings in principal amount of approximately RMB67.58 billion in aggregate might be demanded for early repayment. These borrowings have been reclassified as current liabilities as at 30 June 2025 accordingly. In addition, current portion of long-term borrowings classified as current borrowings of approximately RMB17.80 billion might be demand for early repayment.

Up to the date of approval of this interim condensed consolidated financial information, notwithstanding the Group has successfully renewed certain of the current and non-current borrowings of approximately RMB36.58 billion, the Group had not repaid borrowings in principal amount of approximately RMB117.86 billion in aggregate according to their scheduled repayment dates. As a result, borrowings in principal amount totalling of approximately RMB85.30 billion might be demanded for early repayment.

Approximately RMB250.86 billion (as at 31 December 2024: approximately RMB256.32 billion) of the Group's total borrowings were secured or jointly secured by the Group's assets including PUDs, CPHFS, etc. (total amount was approximately RMB354.40 billion (as at 31 December 2024: approximately RMB373.85 billion)), equities of certain subsidiaries and disposal gains of certain assets of the Group.

For the six months ended 30 June 2025, extension of certain bank and other institution borrowings of the Group was agreed, details of which are set out in note 2(I) to the interim condensed consolidated financial information. The impact of the debt modification was immaterial to the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

22 Derivative financial instruments

	30 June 2025 RMB'000	31 December 2024 RMB'000
Financial liabilities		
Derivative component of the Mandatory Convertible Bonds (i)	367,456	3,415,116
Derivative component of the Onshore Bonds	58,190	15,146
	425,646	3,430,262

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The change of fair value is recognised immediately in consolidated profit or loss. Refer to note 5.2 for information about the methods and assumptions used in determining the fair value of derivatives.

- (i) The Company issued the Mandatory Convertible Bonds pursuant to the offshore debt restructuring effective on 20 November 2023 and the derivative component of the Mandatory Convertible Bonds were recognised as derivative financial instruments at the effective date.

As at the conversion dates and at end of the reporting period, the Company remeasured the derivative components of the Mandatory Convertible Bonds at their fair values. As a result, the Group recognised gains from fair value changes of derivative financial instruments of approximately RMB85.77 million in “other income and gains” during the six months ended 30 June 2025.

As at 30 June 2025, the outstanding principal amounts of mandatory convertible bonds and shareholder mandatory convertible bond amounted to approximately USD96.63 million and USD15.81 million, respectively.

23 Expenses by nature

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Costs of properties sold	13,997,256	26,766,825
Value-added tax surcharges	72,392	146,389
Staff costs	2,624,742	2,489,865
Write-down of properties under development and completed properties held for sale	2,755,528	4,107,338
Advertisement and promotion costs	713,839	635,684
Depreciation and amortisation*	1,510,609	1,603,752

- * Depreciation and amortisation expense of RMB1.23 billion has been charged to “cost of sales” for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB1.27 billion).

24 Other income and gains

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Gains from onshore debt restructuring	4,015,315	–
Gains from disposal of subsidiaries	475,338	1,930,157
Interest income	326,370	335,701
Gains from disposal of joint ventures and associates	153,424	3,580
Net fair value gains on derivative financial instruments	42,728	–
Net gains on disposal of financial assets at FVPL	16,724	–
Others	584,128	260,256
	5,614,027	2,529,694

25 Other expenses and losses

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Provision for litigation and other contingent liabilities	2,002,472	3,251,128
Losses from disposal of subsidiaries	1,955,503	313,512
Losses from disposal of joint ventures and associates	1,037,586	362,782
Net fair value losses on investment properties	785,260	58,615
Losses from disposal of PP&E, right-of-use assets and intangible assets	466,323	447,798
Net fair value losses on financial assets at FVPL	314,889	119,273
Losses on project demolition	94,103	790,043
Net fair value losses on derivative financial instruments	–	302,447
Net losses on disposal of financial assets at FVPL	–	81,371
Impairment provision for intangible assets	–	294
Others	887,376	671,129
	7,543,512	6,398,392

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

26 Finance income and expenses

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Finance expenses:		
Interest expenses	13,482,720	15,838,370
Interest expenses for lease liabilities	39,757	27,170
Less: capitalised finance costs	(8,182,049)	(9,689,871)
	5,340,428	6,175,669
Net exchange (gains)/losses	(49,704)	311,264
	5,290,724	6,486,933
Finance income:		
Interest income on bank deposits	(45,348)	(102,795)
	5,245,376	6,384,138

27 Income tax (credits)/expenses

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Corporate income tax ("CIT")	(1,424,432)	(1,395,983)
Land appreciation tax ("LAT")	735,222	698,907
	(689,210)	(697,076)

(A) CIT

The income tax provision of the Group in respect of operations in the Mainland China has been calculated at the applicable tax rate of 25% and the estimated assessable profits for the six months ended 30 June 2025 based on existing legislations, interpretations and practices.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries or regions in which the Group operates.

Pursuant to the applicable rules and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

27 Income tax (credits)/expenses (Continued)

(A) CIT (Continued)

Income tax (credit)/expenses were recognised based on management's estimate of the weighted-average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2025 was 25% (2024: 25%).

In accordance with the Mainland China Corporate Income Tax Law, a 10% withholding income tax is levied on dividends declared to foreign investors from the enterprises with foreign investments established in Mainland China. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in Mainland China in respect of their earnings generated from 1 January 2008.

(B) LAT

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures. LAT is included in the condensed consolidated statement of comprehensive income as income tax expense.

28 Loss per share

(A) BASIC

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the period, excluding shares purchased for the Share Award Scheme (note 19).

	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	12,808,660	14,957,186
Weighted-average number of ordinary shares in issue (thousand)	10,227,322	8,423,015
Adjusted for shares repurchased for Share Award Scheme (thousand)	(76,325)	(76,325)
Weighted-average number of ordinary shares for basic earnings per share (thousand)	10,150,997	8,346,690

(B) DILUTED

For the six months ended 30 June 2025 and 2024, diluted loss per share was the same as the basic loss per share as potential ordinary shares arising from awarded shares and Mandatory Convertible Bonds were not treated as dilutive as the conversion to ordinary shares would not increase the loss per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

29 Commitments

Property development expenditures and capital expenditures at the balance sheet date but not yet incurred is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contracted but not provided for		
– PUDs and CPHFS	114,320,658	120,092,411
– PP&E	5,999,289	6,628,325
– Investment properties	656,454	656,510
– Right-of-use assets	82,330	82,342
	121,058,731	127,459,588

30 Financial guarantees and litigation

(A) FINANCIAL GUARANTEES

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	59,902,242	61,083,696

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which will generally occur within an average period of six months of the properties delivery dates; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of the mortgage. The Directors consider that the likelihood of default of payments by purchasers is minimal.

30 Financial guarantees and litigation (Continued)

(A) FINANCIAL GUARANTEES (Continued)

As at 30 June 2025, the Group had provided guarantees for certain joint ventures and associates for their borrowings amounted to RMB40.57 billion together with the business partners on pro rata basis. In addition, the Group previously provided guarantees for borrowings of certain companies which were disposed by the Group to third parties. Certain guarantees amounting to RMB10.26 billion provided by the Group have not been ceased as of 30 June 2025 and the corresponding borrowings are collateralised by the assets of the borrowing companies.

(B) LITIGATION

Up to the date of approval of this interim condensed consolidated financial information, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of projects and other matters. Among them, there were about 455 cases with individual amounts exceeding RMB50 million, and the aggregated amounts of these cases amounted to approximately RMB166.38 billion, which mainly includes unpaid borrowings and outstanding construction payables. The Group has assessed the impact of the above litigation matters and accrued provision for litigations and interest payables on the interim condensed consolidated financial information for the six months ended 30 June 2025. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations.

31 Disposal of subsidiaries

(A) The financial impacts arising from the disposals are summarised as follows:

	Total RMB'000
Consideration received or receivable	290,352
Fair value of the remaining equity interest held by the Group at disposal	1,235,593
Less: carrying values of assets and liabilities of the disposed subsidiaries	(3,130,912)
Add: non-controlling interest derecognised	124,802
Net losses from disposal of subsidiaries	(1,480,165)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

31 Disposal of subsidiaries (Continued)

- (B) The carrying values of the assets and liabilities of the disposed subsidiaries as at the disposal dates are summarised as follows:

	Total RMB'000
Non-current assets	
PP&E	4,631
Investments accounted for using the equity method	3,170
Deferred tax assets	1,101,796
Current assets	
PUDs	15,364,130
CPHFS	2,425,228
Restricted cash	70,772
Cash and cash equivalents	116,933
Other current assets	1,908,397
Non-current liabilities	
Borrowings	(3,120,180)
Deferred tax liabilities	(31,657)
Current liabilities	
Borrowings	(1,312,332)
Other current liabilities	(13,399,976)
Carrying values of the assets and liabilities of the disposed subsidiaries	3,130,912

- (C) The cash impact arising from the disposals in above transactions are summarised as follows:

	Total RMB'000
Cash considerations received as of 30 June 2025	2,000
Cash of the subsidiaries disposed	(116,933)
Net cash impact	(114,933)

31 Disposal of subsidiaries *(Continued)*

- (D) On 23 January 2025, the Group entered into agreements including limited partnership agreement with certain independent investors, pursuant to which the Group shall subscribe for the junior limited partnership interest of a limited partnership with senior, intermediate and junior limited partners, with the debts owing by a 70% owned subsidiary of the Group (the “Target Project”, principally engaged in property development), and the certain equity interest in the Target Project held by the Group. After completion of this transaction, the Group loss of control over the Target Project. Net assets of RMB3.05 billion (mainly consisted of PUDs and CPHFS of approximately RMB8.92 billion, borrowings of approximately RMB3.29 billion and trade and other payables of approximately RMB2.89 billion) and non-controlling interests of RMB0.38 billion were derecognised and an investment in an associate of RMB1.22 billion was recognised upon completion of the transaction. The loss on this transaction amounted to RMB1.45 billion for the six months ended 30 June 2025.

Except the above transaction, the Group had no individually material disposal for the six months ended 30 June 2025.

32 Related party transactions

(A) TRANSACTIONS WITH RELATED PARTIES

In addition to the related party information disclosed elsewhere in the interim condensed consolidated financial information, the Group had the following material transactions entered into the ordinary course of business between the Group and the related parties:

(i) Cash (paid to)/received from related parties

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cash paid to joint ventures and associates	(778,279)	(1,220,213)
Cash received from joint ventures and associates	530,375	1,587,453
	(247,904)	367,240

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

32 Related party transactions (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

(ii) Rendering of services and interest income

Nature of transaction	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Joint ventures:		
– Interest income	222,499	251,699
– Property management services	23,294	38,027
Associates:		
– Interest income	99,951	69,669
– Property management services	3,640	7,907

Interest income is charged at interest rates as specified in note 32(C) on the outstanding balances. Property management fee is charged at rates in accordance with respective contracts.

Except for above transactions, the Group provides fitting and decoration services to the related companies which the income is charged at rates in accordance with respective contracts.

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Salaries and other short-term benefits	13,385	11,563

32 Related party transactions (Continued)

(C) RELATED PARTIES BALANCES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amounts due from joint ventures		
– Interest free	60,861,759	54,960,054
– Interest bearing	4,733,204	5,045,302
– Interest receivable	4,713,754	4,492,434
– Trade receivables	1,383,835	1,357,773
	71,692,552	65,855,563
Less: loss allowance	(5,843,195)	(5,352,819)
	65,849,357	60,502,744
Amounts due from associates		
– Interest free	3,687,429	6,785,457
– Interest bearing	2,758,838	4,082,764
– Interest receivable	1,786,193	1,817,328
– Trade receivables	100,041	88,818
	8,332,501	12,774,367
Less: loss allowance	(679,128)	(1,038,316)
	7,653,373	11,736,051
Amounts due to joint ventures	39,769,064	40,706,554
Amounts due to associates	10,102,596	10,131,686
Amounts due to key management	183,920	190,000
	50,055,580	51,028,240
Shareholder mandatory convertible bond	51,708	477,714

Most of the amounts due from joint ventures and associates had no fixed repayment date, bearing interest rate at 4.0% to 13.0% per annum for the six months ended 30 June 2025.

The amounts due to joint ventures and associates were unsecured, interest-free and repayable on demand.

Loans from key management were unsecured, interest-free and repayable on demand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

33 Dividends

No interim dividend for the six months ended 30 June 2025 was proposed by the Board (for the six months ended 30 June 2024: Nil).

34 Events after the balance sheet date

(A) THE WINDING-UP PETITION AND ITS LATEST UPDATES

On 20 August 2025, the High Court has vacated the hearing of the Petition scheduled on 25 August 2025 and has adjourned the hearing for the Petition to 5 January 2026. Since the receipt of the Petition, the Company has been actively pursuing legal measures to resolutely oppose the Petition, and taking all necessary acts to safeguard legitimate rights of the Company.



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