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越秀地產股份有限公司 YUEXIU PROPERTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

Announcement of 2025 Interim Results

Results Summary

- The revenue was approximately RMB47.57 billion, representing a period-to-period increase of 34.6%.
- The gross profit margin was approximately 10.6%, representing a period-to-period decrease of 3.1 percentage points.
- Profit attributable to equity holders was approximately RMB1.37 billion, representing a period-to-period decrease of 25.2%.
- Core net profit* was approximately RMB1.52 billion, representing a period-to-period decrease of 12.7%.
- The value of the aggregate contracted sales (including contracted sales of projects of joint ventures and associates) during the period amounted to approximately RMB61.50 billion, representing a period-to-period increase of 11.0%, and achieving 51.0% of the full-year contracted sales target of RMB120.5 billion. The Group maintained its position among the top 8 players in China in terms of sales value in the first half of 2025 according to CRIC.
- Newly acquired 13 land parcels located in 6 cities with a total GFA of approximately 1.48 million sq.m. during the period, all of which are located in tier-1 and tier-2 cities. As of 30 June, the total landbank was approximately 20.43 million sq.m., 94% of which are located in tier-1 and tier-2 cities.

- As of 30 June, the “Three Red Lines” indicators of the Group were all in “green lights”, with total liabilities/total assets ratio (excluding unearned revenue) of 64.6%, net gearing ratio of 53.2% and cash to short-term debt ratio of 1.7 times. The financial position was healthy and sound. The Group maintained its Fitch BBB- investment-grade credit rating with the outlook upgraded to stable, and obtained an S&P BBB- investment-grade credit rating in August with stable outlook.
- As of 30 June, total cash and bank balances, time deposits, time deposits and other restricted deposits amounted to approximately RMB44.64 billion. The Group achieved net cash inflows from operating activities during the period, with sufficient and secure liquidity.
- The weighted average borrowing interest rate for the period was 3.16%, representing a period-to-period decrease of 41 basis points. The average borrowing interest rate further decreased to below 3% at the end of period.
- The Board has resolved to declare an interim dividend for 2025 of HKD0.166 per share (equivalent to RMB0.151 per share). The payout ratio was approximately 40% of the core net profit*.

• Revenue	RMB47.57 billion (+34.6%)
• Gross profit margin	10.6% (-3.1 percentage points)
• Profit attributable to equity holders	RMB1.37 billion (-25.2%)
• Core net profit*	RMB1.52 billion (-12.7%)
• Contracted sales value	RMB61.50 billion (+11.0%)
• Unrecognised sales value	RMB149.03 billion (-12.4%)
• Total assets	RMB383.67 billion (-6.5%)
• Cash and bank balances, time deposits, time deposits and other restricted deposits	RMB44.64 billion (-10.8%)
• Net gearing ratio**	53.2% (+1.5 percentage points)
• Weighted average borrowing interest rate	3.16% (-41 basis points)

* Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) in the consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year/period) and the related tax effect, and impairment of intangible assets.

** Net gearing ratio represents net debt (i.e., total borrowings less cash and bank balances, time deposits, time deposits and other restricted deposits) divided by total equity.

UNAUDITED RESULTS

The board of directors (“Directors” or “Board”) of Yuexiu Property Company Limited (“Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) prepared under Hong Kong Accounting Standard 34 “Interim Financial Reporting” for the six months ended 30 June 2025, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited	
		Six months ended 30 June	
	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	47,573,703	35,340,264
Cost of sales		<u>(42,510,795)</u>	<u>(30,492,905)</u>
Gross profit		5,062,908	4,847,359
Other gains and losses	5	135,710	91,216
Selling and marketing expenses		(1,479,049)	(1,091,707)
Administrative expenses		<u>(618,862)</u>	<u>(578,900)</u>
Operating profit		3,100,707	3,267,968
Finance income	6	269,997	336,622
Finance costs	7	(480,552)	(241,832)
Share of (losses)/profits of			
– joint ventures		(83,566)	69,576
– associates		<u>1,347,611</u>	<u>391,407</u>
Profit before taxation		4,154,197	3,823,741
Taxation	9	<u>(1,178,581)</u>	<u>(1,261,510)</u>
Profit for the period		<u><u>2,975,616</u></u>	<u><u>2,562,231</u></u>

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Attributable to			
Equity holders of the Company		1,369,652	1,831,427
Non-controlling interests		<u>1,605,964</u>	<u>730,804</u>
		<u><u>2,975,616</u></u>	<u><u>2,562,231</u></u>
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted	11	<u><u>0.3403</u></u>	<u><u>0.4550</u></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	<u>2,975,616</u>	<u>2,562,231</u>
Other comprehensive income:		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(45,092)	7,689
Cash flow hedges	49,341	25,137
Share of other comprehensive income/(loss) of an associate accounted for using the equity method	<u>38,057</u>	<u>(43,946)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	42,306	(11,120)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	<u>864</u>	<u>2,116</u>
Other comprehensive income/(loss) for the period, net of tax	<u>43,170</u>	<u>(9,004)</u>
Total comprehensive income for the period	<u>3,018,786</u>	<u>2,553,227</u>
Attributable to		
Equity holders of the Company	1,412,536	1,822,267
Non-controlling interests	<u>1,606,250</u>	<u>730,960</u>
	<u>3,018,786</u>	<u>2,553,227</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
30 JUNE 2025**

		As at	
	<i>Note</i>	30 June 2025	31 December 2024
		<i>Unaudited</i>	<i>Audited</i>
		<i>RMB '000</i>	<i>RMB '000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,028,248	3,159,869
Right-of-use assets		1,984,522	1,829,855
Investment properties	13	17,182,214	17,029,312
Intangible assets		343,370	339,265
Properties under development		7,881,746	7,855,936
Interests in joint ventures		6,217,184	5,183,730
Interests in associates		32,178,185	26,251,482
Financial assets at fair value through other comprehensive income		968,237	967,085
Derivative financial instruments		—	121,037
Other receivables, prepayments and deposits		196,044	165,478
Time deposits and other restricted deposits		2,272,625	2,293,280
Deferred tax assets		4,690,016	4,464,790
Total non-current assets		<u>76,942,391</u>	<u>69,661,119</u>
CURRENT ASSETS			
Properties under development		149,275,823	179,813,083
Properties held for sale		51,691,121	45,139,394
Contract costs		1,141,168	1,445,157
Prepayments for land use rights		140,791	5,207,807
Trade and notes receivables	14	1,841,268	1,307,480
Other receivables, prepayments and deposits		51,497,215	52,904,540
Derivative financial instruments		30,732	—
Prepaid taxation		8,742,390	7,218,435
Time deposits		117,859	467,260
Cash and bank balances		42,253,342	47,288,709
Total current assets		<u>306,731,709</u>	<u>340,791,865</u>

		As at	
	Note	30 June 2025 <i>Unaudited</i> RMB'000	31 December 2024 <i>Audited</i> RMB'000
CURRENT LIABILITIES			
Trade and notes payables	15	2,269,377	1,559,766
Contract liabilities		69,799,333	83,841,916
Other payables and accruals		86,728,854	106,075,477
Borrowings	16	25,389,533	23,268,833
Lease liabilities		206,654	225,687
Derivative financial instruments		14,543	—
Taxation payable		4,498,550	5,542,978
Total current liabilities		188,906,844	220,514,657
NET CURRENT ASSETS		117,824,865	120,277,208
TOTAL ASSETS LESS CURRENT LIABILITIES			
		194,767,256	189,938,327
NON-CURRENT LIABILITIES			
Borrowings	16	78,472,151	80,619,909
Lease liabilities		572,728	562,024
Deferred tax liabilities		3,994,154	4,006,453
Deferred income		54,651	54,584
Derivative financial instruments		39,720	9,038
Other payables and accruals		397,515	607,151
Total non-current liabilities		83,530,919	85,859,159
Net assets		111,236,337	104,079,168
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		25,545,008	25,545,008
Shares held under share award scheme		(54,337)	(54,337)
Other reserves		2,720,522	2,619,419
Retained earnings		28,462,409	27,150,976
		56,673,602	55,261,066
Non-controlling interests		54,562,735	48,818,102
Total equity		111,236,337	104,079,168

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Operating activities		
Net cash generated from operations	9,695,313	11,960,105
Interest received	246,329	263,591
Interest paid	(1,850,179)	(2,254,380)
Chinese Mainland taxation paid	(3,989,753)	(3,839,063)
Net cash generated from operating activities	<u>4,101,710</u>	<u>6,130,253</u>
Investing activities		
Acquisition of subsidiaries, net cash received	1,597,128	1,331,562
Disposal of subsidiaries, net cash paid	(452,471)	—
Purchases of property, plant and equipment, investment properties and intangible assets	(59,259)	(159,784)
Proceeds from sale of property, plant and equipment	2,753	672
Dividends received from associates	52,548	128,280
Decrease/(increase) in charged bank deposits	4,837,040	(3,535,670)
Decrease/(increase) in current portion of time deposits	349,401	(753,001)
Increase in non-current portion of time deposits	—	(1,380,000)
Decrease/(increase) in other restricted deposits	20,655	(55,530)
Capital injection in joint ventures and associates	(1,884,270)	(2,036,531)
Capital reduction from joint ventures and associates	—	321,188
Receipt from joint ventures and associates	581,238	463,613
Net cash generated from/(used in) investing activities	<u>5,044,763</u>	<u>(5,675,201)</u>

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB '000</i>	<i>RMB '000</i>
Financing activities		
Capital contribution from non-controlling interests	4,024,101	1,940,016
Dividends paid to non-controlling interests	(49,872)	(66,482)
Decrease/(increase) in balances with joint ventures and associates	(2,096,860)	8,294,617
Decrease/(increase) in balances with other related parties	(510,676)	1,406,236
Decrease in balances with non-controlling interests and related parties of non-controlling interests	(2,675,382)	(3,119,530)
Proceeds from bank borrowings	16,789,511	6,822,810
Repayment of bank borrowings	(20,660,138)	(14,850,317)
Proceeds from other borrowings	1,500,000	698,180
Repayment of other borrowings	(2,500,000)	(630,000)
Repayment to external finance providers under supplier settlement scheme	(3,039,499)	(4,516,183)
Payments for derivative financial instruments	(106)	—
Repayment of lease liabilities	(112,420)	(126,692)
Net cash used in financing activities	<u>(9,331,341)</u>	<u>(4,147,345)</u>
Decrease in cash and cash equivalents	(184,868)	(3,692,293)
Cash and cash equivalents at the beginning of period	29,728,316	29,265,250
Exchange (losses)/gains on cash and cash equivalents	(13,459)	9,086
Cash and cash equivalents at the end of period	<u>29,529,989</u>	<u>25,582,043</u>
Add: Charged bank deposits	<u>12,723,353</u>	<u>20,368,280</u>
Cash and bank balances	<u>42,253,342</u>	<u>45,950,323</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

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

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

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

The Company’s auditors have reported on the financial statements for the year ended 31 December 2024. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The Group has assessed the impact of the adoption of these amended standards that are effective for the first time for this interim period. The adoption of these amended standards did not result in any significant impact on the results and financial position of the Group.

3 SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of property development, property management, property investment and others.

The Group's operating and reportable segments under HKFRS 8 and the types of turnover are as follows:

Property development	sales of property development units
Property management	revenue from provision of property management services
Property investment	property rental income
Others	revenue from real estate agency and decoration services, etc.

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the interim condensed consolidated financial information.

Total reportable segment assets excluded deferred tax assets, prepaid taxation and corporate assets. Corporate assets are not directly attributable to segments.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss.

The following table presents revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2025 and 30 June 2024 respectively.

	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2025					
Revenue	44,027,345	1,980,135	295,275	4,967,149	51,269,904
Inter-segment revenue	—	(372,606)	(27,281)	(3,296,314)	(3,696,201)
Revenue from external customers	<u>44,027,345</u>	<u>1,607,529</u>	<u>267,994</u>	<u>1,670,835</u>	<u>47,573,703</u>
Segment results	<u>2,569,962</u>	<u>212,952</u>	<u>247,267</u>	<u>60,333</u>	<u>3,090,514</u>
Depreciation and amortisation	<u>(84,934)</u>	<u>(49,442)</u>	<u>—</u>	<u>(113,040)</u>	<u>(247,416)</u>
Gains on revaluation of investment properties, net	<u>—</u>	<u>—</u>	<u>99,049</u>	<u>—</u>	<u>99,049</u>
Share of (losses)/profits of:					
– joint ventures	(75,592)	837	—	(8,811)	(83,566)
– associates	<u>1,430,325</u>	<u>—</u>	<u>(64,830)</u>	<u>(17,884)</u>	<u>1,347,611</u>

	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2024					
Revenue	32,796,336	1,960,175	338,611	2,783,961	37,879,083
Inter-segment revenue	—	(531,768)	(41,749)	(1,965,302)	(2,538,819)
Revenue from external customers	<u>32,796,336</u>	<u>1,428,407</u>	<u>296,862</u>	<u>818,659</u>	<u>35,340,264</u>
Segment results	<u>2,697,809</u>	<u>186,208</u>	<u>128,411</u>	<u>91,112</u>	<u>3,103,540</u>
Depreciation and amortisation	<u>(107,434)</u>	<u>(53,575)</u>	<u>—</u>	<u>(92,653)</u>	<u>(253,662)</u>
Losses on revaluation of investment properties, net	<u>—</u>	<u>—</u>	<u>(99,026)</u>	<u>—</u>	<u>(99,026)</u>
Share of profits/(losses) of:					
– joint ventures	90,148	469	—	(21,041)	69,576
– associates	<u>363,614</u>	<u>—</u>	<u>17,829</u>	<u>9,964</u>	<u>391,407</u>
	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 30 June 2025					
Total reportable segments' assets	<u>333,016,713</u>	<u>6,691,452</u>	<u>23,131,227</u>	<u>6,408,388</u>	<u>369,247,780</u>
As at 31 December 2024					
Total reportable segments' assets	<u>361,895,119</u>	<u>6,231,019</u>	<u>23,095,523</u>	<u>6,845,712</u>	<u>398,067,373</u>

A reconciliation of total segment results to total profit before taxation is provided as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Segment results	3,090,514	3,103,540
Unallocated operating costs (<i>note</i>)	(26,468)	(25,814)
Other gains and losses, net (excluding gains/(losses) on revaluation of investment properties, net) (<i>note 5</i>)	36,661	190,242
Operating profit	3,100,707	3,267,968
Finance income (<i>note 6</i>)	269,997	336,622
Finance costs (<i>note 7</i>)	(480,552)	(241,832)
Share of (losses)/profits of:		
– joint ventures	(83,566)	69,576
– associates	1,347,611	391,407
Profit before taxation	<u>4,154,197</u>	<u>3,823,741</u>

Note: Unallocated operating costs include mainly staff salaries and other operating expenses of the Company.

A reconciliation of total segment assets to total assets is provided as follows:

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Total reportable segments' assets	369,247,780	398,067,373
Deferred tax assets	4,690,016	4,464,790
Prepaid taxation	8,742,390	7,218,435
Corporate assets (<i>note</i>)	993,914	702,386
Total assets	<u>383,674,100</u>	<u>410,452,984</u>

Note: Corporate assets represent property, plant and equipment, intangible assets, right-of-use assets, other receivables and cash and bank balances of the Company.

No geographical segment analysis is shown as more than 90% of the Group's revenue are derived from activities in and from customers located in Chinese Mainland and more than 90% of the carrying values of the Group's non-current assets excluding deferred income tax are situated in Chinese Mainland.

For the six months ended 30 June 2025, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales (six months ended 30 June 2024: none).

4 REVENUE

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
<i>Revenue from contracts with customers</i>			
Property development		44,027,345	32,796,336
Property management		1,607,529	1,428,407
Others		1,670,835	818,659
		<u>47,305,709</u>	<u>35,043,402</u>
<i>Revenue from other sources</i>			
Property investment		267,994	296,862
		<u>47,573,703</u>	<u>35,340,264</u>

Revenue from contracts with customers:

For the six months ended 30 June 2025

Segments	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
Types of goods or services				
Sale of property development	44,027,345	—	—	44,027,345
Property management service	—	1,607,529	—	1,607,529
Others	—	—	1,670,835	1,670,835
Total revenue from contracts with customers:	<u>44,027,345</u>	<u>1,607,529</u>	<u>1,670,835</u>	<u>47,305,709</u>
Timing of revenue recognition				
Recognised at a point in time	44,027,345	288,871	1,124,748	45,440,964
Recognised over time	—	1,318,658	546,087	1,864,745
Total revenue from contracts with customers:	<u>44,027,345</u>	<u>1,607,529</u>	<u>1,670,835</u>	<u>47,305,709</u>

For the six months ended 30 June 2024

Segments	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
Types of goods or services				
Sale of property development	32,796,336	—	—	32,796,336
Property management service	—	1,428,407	—	1,428,407
Others	—	—	818,659	818,659
Total revenue from contracts with customers:	<u>32,796,336</u>	<u>1,428,407</u>	<u>818,659</u>	<u>35,043,402</u>
Timing of revenue recognition				
Recognised at a point in time	32,796,336	328,468	533,623	33,658,427
Recognised over time	—	1,099,939	285,036	1,384,975
Total revenue from contracts with customers:	<u>32,796,336</u>	<u>1,428,407</u>	<u>818,659</u>	<u>35,043,402</u>

5 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Gains/(losses) on revaluation of investment properties, net	99,049	(99,026)
Penalty income	28,056	81,506
Dividend income from equity investments at fair value through other comprehensive income	—	65,590
Other gains	8,605	43,146
	<u>135,710</u>	<u>91,216</u>

6 FINANCE INCOME

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from bank deposits	179,598	255,453
Interest income on amounts due from related parties (excluding bank deposits) (<i>note 19(b)(I)</i>)	85,632	75,450
Interest income on amounts due from non-controlling interests (“NCI”)	4,256	2,663
Other interest income	511	3,056
	<u>269,997</u>	<u>336,622</u>

7 FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest on bank borrowings and bank overdrafts	840,532	1,153,891
Interest on other borrowings	799,594	939,524
Interest on amounts due to related parties (<i>note 19(b)(II)</i>)	138,408	188,102
Interest on amounts due to NCI and related parties of NCI (<i>note</i>)	57,937	71,935
Interest expense on lease liabilities	11,047	15,048
Net fair value losses/(gains) on derivative financial instruments	16,838	(92,635)
Net foreign exchange losses/(gains)	92,590	(60,481)
	<hr/>	<hr/>
Total borrowing costs incurred	1,956,946	2,215,384
Less: amount capitalised as properties under development and property, plant and equipment	(1,476,394)	(1,973,552)
	<hr/>	<hr/>
	<u>480,552</u>	<u>241,832</u>

Note:

The amount represents interest on the amounts of subsidiaries of the Group due to NCI and related parties of NCI. Out of the total amount of approximately RMB4,111 million (31 December 2024: RMB7,775 million), the interest bearing balance is approximately RMB567 million as at 30 June 2025 (31 December 2024: RMB3,288 million) and bears interest at a weighted average rate of 6.99% per annum (2024: 6.23% per annum). The balance which is included in other payables and accruals is repayable on demand and denominated in RMB.

8 EXPENSES BY NATURE

Cost of sales, selling and marketing expenses and administrative expenses include the following:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cost of properties sold included in cost of sales	37,779,870	26,681,606
Other tax and surcharges	176,748	153,013
Depreciation of right-of-use assets	114,044	134,118
Depreciation of property, plant and equipment (<i>note 12</i>)	108,827	73,745
Amortisation of intangible assets	24,545	45,799
Provision for impairment of properties under development and properties held for sale	<u>532,109</u>	<u>1,073,432</u>

9 TAXATION

- (a) Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the period.
- (b) Chinese Mainland enterprise income taxation is provided on the profit of the Group's principal subsidiaries, joint ventures and associates in Chinese Mainland at 25% (2024: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates of 5% or 10%.

- (c) Chinese Mainland land appreciation tax 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 expenditure including costs of land, development and construction.

- (d) The amount of taxation charged to the interim condensed consolidated statement of profit or loss comprises:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation		
– China enterprise income tax and corporate withholding income tax	1,212,307	739,443
– Chinese Mainland land appreciation tax	203,799	522,141
	<u>1,416,106</u>	<u>1,261,584</u>
Deferred taxation	(237,525)	(74)
	<u>1,178,581</u>	<u>1,261,510</u>

10 DIVIDENDS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash dividends		
2024 final, of Nil (2023 final: HKD0.148 equivalent to RMB0.134) per ordinary share	—	543,540
2025 interim, resolved, of HKD0.166 equivalent to RMB0.151 (2024 interim: HKD0.189 equivalent to RMB0.173) per ordinary share	607,834	696,393

The interim dividend resolved after the balance sheet date has not been recognised as a liability at the balance sheet date. It will be recognised in the shareholders' equity during the year ending 31 December 2025.

11 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding during the period.

	Six months ended 30 June	
	2025	2024
Profit attributable to equity holders of the Company (RMB'000)	<u>1,369,652</u>	<u>1,831,427</u>
Weighted average number of ordinary shares outstanding ('000)	<u>4,025,393</u>	<u>4,025,393</u>
Basic earnings per share (RMB)	<u>0.3403</u>	<u>0.4550</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since there was no dilutive potential ordinary shares during the six months ended 30 June 2025, diluted earnings per share is equal to basic earnings per share (six months ended 30 June 2024: same).

12 PROPERTY, PLANT AND EQUIPMENT

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	3,159,869	2,802,071
Additions	30,352	55,504
Disposals	(49,647)	(169)
Depreciation (<i>note 8</i>)	(108,827)	(73,745)
Transfer	(3,028)	(7,991)
Exchange differences	(471)	443
	<hr/>	<hr/>
At 30 June	<u>3,028,248</u>	<u>2,776,113</u>

13 INVESTMENT PROPERTIES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	17,029,312	16,785,640
Additions	113,321	70,546
Transfer	(48,700)	—
Fair value gains/(losses), net	99,049	(99,026)
Exchange differences	(10,768)	5,292
	<hr/>	<hr/>
At 30 June	<u>17,182,214</u>	<u>16,762,452</u>

14 TRADE AND NOTES RECEIVABLES

The ageing analysis of trade and notes receivables based on invoice date is as follows:

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1,452,225	1,065,620
1 to 2 years	287,051	198,450
2 to 3 years	97,108	70,909
Over 3 years	52,441	18,168
	<hr/>	<hr/>
	1,888,825	1,353,147
Less: provision for impairment	(47,557)	(45,667)
	<hr/>	<hr/>
	<u>1,841,268</u>	<u>1,307,480</u>

15 TRADE AND NOTES PAYABLES

The ageing analysis of trade and notes payables based on invoice date is as follows:

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	1,236,296	871,845
91 to 180 days	485,878	159,880
181 to 365 days	157,847	437,228
1 to 2 years	336,136	71,650
Over 2 years	53,220	19,163
	<hr/>	<hr/>
	<u>2,269,377</u>	<u>1,559,766</u>

16 BORROWINGS

	As at	
	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current		
Long-term bank borrowings		
– Secured	18,409,471	18,694,314
– Unsecured	28,484,965	22,153,146
Other borrowings		
– Unsecured	31,577,715	39,772,449
	<u>78,472,151</u>	<u>80,619,909</u>
Current		
Short-term bank borrowings		
– Unsecured	2,826,515	2,361,731
Current portion of long-term bank borrowings		
– Secured	5,428,078	10,432,974
– Unsecured	5,596,971	6,075,912
Other borrowings		
– Unsecured	11,537,969	4,398,216
	<u>25,389,533</u>	<u>23,268,833</u>
Total borrowings	<u>103,861,684</u>	<u>103,888,742</u>

The maturity of borrowings is as follows:

	Bank borrowings		Other borrowings	
	As at		As at	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	13,851,564	18,870,617	11,537,969	4,398,216
In the second year	16,308,208	18,316,417	11,448,421	15,961,229
In the third to fifth year	22,045,096	13,807,960	16,159,711	19,837,403
Over five years	8,541,132	8,723,083	3,969,583	3,973,817
	<u>60,746,000</u>	<u>59,718,077</u>	<u>43,115,684</u>	<u>44,170,665</u>

17 GUARANTEES

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties (<i>note (a)</i>)	42,135,386	44,114,243
Guarantees for banking and loan facilities granted to joint ventures and associates (<i>note (b)</i>)	<u>6,553,980</u>	<u>6,553,980</u>
	<u>48,689,366</u>	<u>50,668,223</u>

Notes:

- (a) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

- (b) As at 30 June 2025, certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB6,554 million (31 December 2024: RMB6,554 million) in respect of loans borrowed by joint ventures and associates of the Group, among which, guarantee of approximately RMB714 million (31 December 2024: RMB725 million) was utilised and guarantee of approximately RMB5,840 million (31 December 2024: RMB5,829 million) was not utilised yet.

18 SECURITIES FOR BANKING FACILITIES AND BORROWINGS

At 30 June 2025, certain banking facilities and borrowings granted to the Group were secured by mortgages of the Group's certain properties under development, properties held for sale, investment properties and right-of-use assets with aggregate carrying values of approximately RMB41,273 million (31 December 2024: RMB50,501 million), RMB8,262 million (31 December 2024: RMB1,681 million), RMB1,206 million (31 December 2024: Nil) and RMB Nil (31 December 2024: RMB980 million), respectively.

19 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The Company's ultimate holding company is Guangzhou Yue Xiu Holdings Limited ("Guangzhou Yue Xiu"). The table below summarises the names of related parties, with whom the Group has significant transactions during the six months ended 30 June 2025, and their relationship with the Company as at 30 June 2025:

Significant related parties	Relationship with the Company
Guangzhou Yue Xiu	Ultimate holding company
Yue Xiu Enterprises (Holdings) Limited ("YXE")	Immediate holding company
Guangzhou Metro Group Co., Ltd. ("Guangzhou Metro")	Substantial shareholder
Yuexiu Real Estate Investment Trust ("Yuexiu REIT")	An associate
廣州越創房地產開發有限公司	An associate
廣州越宏房地產開發有限公司	An associate
廣州越合通房地產開發有限公司	An associate
廣州慶越房地產開發有限公司	An associate
廣州市悅匯城商業經營管理有限公司	An associate
肥西和順地產有限公司	An associate
廣州粵恒房地產開發有限公司	An associate
青島昌明置業有限公司	A joint venture
廣州南沙科城投資發展有限公司	A joint venture
湖北宏秀房地產開發有限公司	A joint venture
Chong Hing Bank Limited	A fellow subsidiary

(b) Transactions with related parties

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
(I)	Interest income (<i>note 6</i>)		
	– associates	59,982	25,796
	– joint ventures	25,650	49,654
		<u>85,632</u>	<u>75,450</u>
	– a fellow subsidiary	20,352	19,746
		<u>105,984</u>	<u>95,196</u>
(II)	Interest expense (<i>note 7</i>)		
	– ultimate holding company	(73,817)	(68,234)
	– immediate holding company	(36,858)	(90,257)
	– associates	(12,743)	(7,506)
	– entities with significant influence over certain subsidiaries	—	(4,680)
	– a fellow subsidiary	(14,990)	(17,425)
		<u>(138,408)</u>	<u>(188,102)</u>
(III)	Addition of right-of-use assets		
	– associates	89,668	75,004
(IV)	Rental income		
	– fellow subsidiaries	9,280	13,916
	– associates	47,684	42,538
		<u>56,964</u>	<u>56,454</u>
(V)	Short-term leases rental expenses		
	– associates	(21,069)	(15,672)
	– fellow subsidiaries	—	(6,531)
		<u>(21,069)</u>	<u>(22,203)</u>

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
(VI)	Consideration for the acquisition of a subsidiary		
	– a fellow subsidiary	<u>—</u>	<u>14,972</u>
(VII)	Revenue from sales of property development		
	– a fellow subsidiary	<u>—</u>	<u>3,165</u>
(VIII)	Revenue from sales of materials		
	– associates	493,555	114,891
	– joint ventures	<u>107,178</u>	<u>54,776</u>
		<u>600,733</u>	<u>169,667</u>
(IX)	Property management service income		
	– associates	116,557	27,969
	– joint ventures	28,329	3,740
	– fellow subsidiaries	36,662	18,736
	– substantial shareholder	<u>136,702</u>	<u>92,777</u>
		<u>318,250</u>	<u>143,222</u>
(X)	Construction service income		
	– associates	24,760	22,343
	– joint ventures	4,597	3,226
	– fellow subsidiaries	<u>8,155</u>	<u>5,746</u>
		<u>37,512</u>	<u>31,315</u>
(XI)	Others		
	Tenancy service fees income from an associate	<u>13,520</u>	<u>15,217</u>

The price of the above transactions was determined in accordance with the terms agreed by the relevant contracting parties.

(c) Balances with related parties

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due from recorded in current assets			
– substantial shareholder	(i), (ii)	3,241,573	2,940,167
– associates	(ii), (iii)	5,125,906	4,456,692
– joint ventures	(ii), (iv)	2,917,433	1,174,898
– fellow subsidiaries	(i), (ii)	49,734	37,153
– entities with significant influence over certain subsidiaries	(i), (ii)	5,392,217	5,666,617
Amounts due from recorded in non-current assets	(v)		
– associates		1,175,952	1,451,677
– joint ventures		1,471,766	1,645,053
Amounts due to			
– ultimate holding company	(i), (ii)	(65,846)	(121,728)
– immediate holding company	(ii), (vi)	(1,384,621)	(1,678,024)
– associates	(ii), (vii)	(26,117,670)	(28,659,016)
– joint ventures	(i), (ii)	(1,777,341)	(1,697,420)
– fellow subsidiaries	(i), (ii)	(866,657)	(876,682)
– substantial shareholder	(ii), (viii)	(425,395)	(424,648)
– entities with significant influence over certain subsidiaries	(ii), (ix)	(242,395)	(242,395)
Deposits in a fellow subsidiary	(x)	5,108,392	3,160,819
Bank borrowing from a fellow subsidiary	(xi)	(890,350)	(926,200)
Lease liabilities	(xii)		
– associates		(110,137)	(106,683)
– fellow subsidiaries		(161,228)	(169,062)
Trade and notes receivables from	(xiii)		
– substantial shareholder		114,813	78,326
– joint ventures		262,631	180,337
– associates		421,492	327,951
– fellow subsidiaries		53,552	43,393

Except for the amounts denominated in HKD and USD listed below, other balances with related parties are denominated in RMB.

	30 June 2025 RMB'000	31 December 2024 RMB'000
Denominated in HKD		
Amount due from a joint venture	22,014	22,354
Bank deposit in a fellow subsidiary	139,615	12,412
Denominated in USD		
Bank deposit in a fellow subsidiary	337	338
Amount due from an associate	<u>644,274</u>	<u>646,956</u>

Notes:

- (i) These balances are unsecured, interest free and repayable or receivable on demand.
- (ii) These balances are included in other receivables, prepayments and deposits or other payables and accruals, as appropriate.
- (iii) Except for the amounts of approximately RMB1,964,708,000 (31 December 2024: RMB1,243,210,000), which are unsecured and interest bearing at a weighted average rate of 6.77% (2024: 7.33%) per annum, the remaining balances are unsecured, interest free and receivable on demand.
- (iv) Except for the amounts of approximately RMB173,137,000 (31 December 2024: RMB8,000,000), which are unsecured and interest bearing at a weighted average rate of 5.11% (2024: 15.00%) per annum, the remaining balances are unsecured, interest free and receivable on demand.
- (v) These balances are included in interest in joint ventures and interest in associates. Except for the amounts of approximately RMB737,049,000 (31 December 2024: RMB410,733,000), which are unsecured and interest bearing at a weighted average rate of 6.07% (2024: 6.66%) per annum, the remaining balances are unsecured and interest free.

- (vi) The balances as at 30 June 2025 are unsecured, interest free and repayable on demand. Interest incurred for loans from immediate holding company during the six months ended 30 June 2025 was charged at 5.41% (2024: 6.06%) per annum.
- (vii) Except for the amounts of approximately RMB288,181,000 (31 December 2024: RMB297,846,000), which are unsecured and interest bearing at a weighted average rate of 4.84% (2024: 4.98%) per annum, the remaining balances are unsecured, interest free and repayable on demand.
- (viii) The amount due to the substantial shareholder, Guangzhou Metro, is unsecured, interest free and repayable in 2026 (31 December 2024: Same).
- (ix) The balances are unsecured, interest-free and repayable on demand (31 December 2024: Except for RMB163,311,000 which was unsecured and interest-bearing at 5.70% per annum, the remaining balances were unsecured and interest-free).
- (x) These balances are deposits maintained with a fellow subsidiary on normal commercial terms.
- (xi) These balances were unsecured and interest bearing at 2.75% (2024: 3.30%) per annum.
- (xii) The Group leases office premises from associates and fellow subsidiaries. The monthly rents payable by the Group during the leasing terms are determined with reference to the prevailing market prices.
- (xiii) These balances are receivables from Guangzhou Metro, joint ventures, associates and fellow subsidiaries for the provision of property management services, construction services, agency services and the sales of materials on normal commercial terms.

(d) Key management compensation

Key management compensation amounted to RMB1,927,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB4,956,000).

(e) Guarantee received

Guangzhou Yue Xiu provides corporate guarantee for the corporate bonds of Guangzhou City Construction & Development Co. Ltd., a subsidiary of the Group, amounted to approximately RMB22,721 million as at 30 June 2025 (31 December 2024: RMB25,524 million).

(f) Provision of guarantee

The Group provides guarantees for the borrowings of joint ventures and associates, of which the details are included in note 17 to the interim condensed consolidated financial information.

CHAIRMAN’S STATEMENT

I. BUSINESS REVIEW

Economic and Market Environment

In the first half of 2025, the momentum of the global economic recovery remained weak amid ongoing tariff war and geopolitical tensions. However, benefiting from effective policy support and the gradual restoration of endogenous momentum, China’s economy showed strong resilience, with a period-to-period GDP growth of approximately 5.3% in the first half of 2025, maintaining its leading position among major global economies. Key macro-economic indicators remained within acceptable ranges, with continued optimisation and upgrading of the economic structure.

In the first half of 2025, the central government continued to emphasise reversing the downturn and stabilising the real estate market at the National People’s Congress and the Chinese People’s Political Consultative Conference and on its Government Work Report, with a core focus on “risk prevention” and emphasis on policy optimisation and market structure improvement. On the demand side, the government focused on boosting spending power, unleashing rigid and improved housing demand by increasing residents’ income and reducing the thresholds and burdens of property purchases. On the supply side, the central government implemented a multi-pronged approach: on the one hand, it continued to advance the “Two Olds and One Village (兩舊一村)” renewal (the renovation of old districts, old housing units and urban villages); on the other hand, it implemented the strategy of “Controlling Increment, Revitalising Existing Reserve and Improving Quality” to facilitate government repossession of commercial housing reserve, revitalise existing resources, and increase the supply of high-quality housing (e.g. the “Good Housing” initiative). At the same time, a “whitelist” mechanism for real estate financing was implemented to support enterprises in enhancing their “self-sustaining” capabilities and achieving a virtuous cycle. Furthermore, financial and fiscal policy tools were utilised, creating policy synergies to ensure the realisation of reversing downturn and stabilising the real estate market.

In the first half of 2025, China's real estate market was generally characterised by “structural recovery and marginal improvement”. As the cumulative effect of intensive policies gradually emerged, market activity has improved and there are signs of marginal improvement in sales, especially in core tier-1 and tier-2 cities where the performance was relatively stable. According to the National Bureau of Statistics, national commodity housing sales area and sales value for the first half of 2025 reported a period-to-period decrease of 3.5% and 5.5%, respectively, a significantly narrower decline than the corresponding period in 2024. Investment in real estate development recorded a period-to-period decline of 11.2%. While this is still a significant decline, period-to-period decrease in the gross floor area (“GFA”) of residential projects newly commencing construction started to show signs of improvement. The market is currently at a critical stage of stabilisation and recovery, and a substantial restoration in its confidence and expectations will take time.

The differentiated pattern continued and deepened in the land market. Core tier-1 and tier-2 cities, with solid economic fundamentals, continuous population inflow, and high market security margins, coupled with increased supply of core and high-quality lands from the government, maintained a relatively hot land market. Competition for prime lands remained intense, with a period-to-period increase in transaction values. In tier-3 and tier-4 cities, the land market experienced sluggish demand, with a period-to-period decline in transaction values. Real estate companies maintained a prudent investment strategy, with capital and resources further flowing towards high-quality lands in high-growth and high-security cities, and “investments based on sales” has become a common strategy.

In the first half of 2025, in the face of a still complex and challenging external environment and a real estate market undergoing profound transformation, the Group closely adhered to its annual work theme of “stabilising performance, seeking breakthroughs, refining management and enhancing capabilities”, actively gained insights into market changes, dynamically optimised its investment portfolio and marketing strategies, and focused on ensuring cash collection and cash flow security. In the meantime, it further promoted refined management, improved cost efficiency, and continuously optimised its business structure. Through a series of concrete measures, the Group successfully maintained fundamental operational stability, laid a more solid foundation for its future development, and continued to strengthen its position in the industry and brand influence.

Pursuing Robust Development through Refined Operations

In the first half of 2025, the Group realised revenue of approximately RMB47.57 billion, representing a period-to-period increase of 34.6%. The gross profit margin was approximately 10.6%, profit attributable to equity holders of the Group was approximately RMB1.37 billion, and the core net profit* was approximately RMB1.52 billion.

The Board has resolved to declare an interim dividend for 2025 of HKD0.166 per share (equivalent to RMB0.151 per share). The payout ratio was approximately 40% of the core net profit*.

Contracted Sales Rose during the Downturn, Maintaining a Leading Position in the Industry

In the first half of 2025, the Group seized the opportunity arose as the market bottomed out, adopted a flexible and targeted approach to further implement the marketing strategy featuring “pinpoint project-based strategy”. The Group also accelerated destocking and improved the destocking appraisal mechanism, with comprehensive efforts in digital marketing to maintain its leading position in the market. The Group maintained its position among the top 8 players in China in terms of sales value in the first half of 2025, and ranked 2nd in Guangzhou, 1st in Beijing for the first time, and 6th in Shanghai, according to CRIC. In the first half of 2025, the Group recorded contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB61.50 billion, representing a period-to-period increase of 11.0%, and achieving 51.0% of the full-year contracted sales target of RMB120.5 billion.

* For the details of the presentation of core net profit as a non-GAAP financial measure, please refer to the section headed “Management Discussion and Analysis” in this announcement.

Precise Investment and High-quality Landbank Acquisitions

In the first half of 2025, in view of the continued differentiation of the land market, the Group concentrated its investment in core cities, and adopted a precise investment strategy to acquire a number of quality land parcels, newly acquiring 13 land parcels located in Beijing, Shanghai, Guangzhou, Hangzhou, Xi'an and Foshan with a total GFA of approximately 1.48 million sq.m.. These incremental investments have strongly driven the structural optimisation of results and provided strong support for destocking and profitability improvement. As of 30 June 2025, the total landbank of the Group amounted to approximately 20.43 million sq.m., 94% of which are located in tier-1 and tier-2 cities. The high-quality landbank with continuously optimised structure is well prepared to meet the Group's needs for sustainable development in the future.

Steady Development of the “Large-scale Commercial Operation” Layout

The Group continued to promote the strategy of “Coordinated Residential and Commercial Development” and continuously improved the operation capabilities for “Large-scale Commercial Operation”. The Group actively responded to market challenges by optimising leasing strategies and models, recording a rental income from commercial properties directly held by it of approximately RMB268 million for the first half of 2025. Yuexiu Real Estate Investment Trust, in which the Group held 40.61% interest as at 30 June 2025, recorded revenue of approximately RMB966 million for the first half of the year and an overall occupancy rate (excluding hotel and apartments) of approximately 82% at the end of the period. Yuexiu Services Group Limited, in which the Group held 67.81% interest as at 30 June 2025, achieved steady growth in its performance and continued improvement in quality, with revenue of approximately RMB1,962 million and GFA under management of approximately 72.31 million sq.m. in the first half of the year. The healthcare business recorded revenue growth, with a significant increase in bed occupancy rates, staying at the forefront of the industry.

Prudent and Safe Financial Position

The Group has a healthy financial position as well as sufficient and secure liquidity. As of 30 June 2025, the Group's cash and bank balances, time deposits, time deposits and other restricted deposits amounted to approximately RMB44.64 billion. With the total liabilities/total assets ratio (excluding unearned revenue) of 64.6%, the net gearing ratio of 53.2%, and the cash to short-term debt ratio of 1.7 times, the “Three Red Lines” indicators of the Group remained in “green lights”, and the financial indicators were healthy and safe. The Group continued to maintain its credit rating of investment grade at BBB- by Fitch, with the outlook upgraded to stable, and obtained a credit rating of investment grade at BBB- by S&P Global in August, with stable outlook.

The Group strictly enforced cash collection and achieved net cash inflows from operating activities of RMB4.10 billion in the first half of the year, while at the same time continuing to optimise its debt structure, with short-term debt accounting for 24%. The Group further reduced its financing costs period-to-period, with the weighted average borrowing interest rate decreasing by 41 basis points period-to-period to 3.16% for the first half of the year and the average borrowing interest rate further decreasing to below 3% at the end of period, maintaining a leading position in the industry in terms of financing costs.

Leading the Standards with Innovative “High-Quality Product”

Through the release of standard manuals for the four major product lines, “Mansion”, “Grand Mansion”, “Tian” and “Starry”, the Group is comprehensively promoting products standardisation and brands building, ensuring consistent quality from design to delivery. Furthermore, guided by the “4 × 4 High-Quality Product Concept”, the Group is committed to cultivating differentiated competitive advantages around four dimensions, namely safety, comfort, greenness and intelligence, faithfully responding to the “Building Good Houses” initiative of the central government.

In terms of product innovation, the Group continued to improve its customer research system, advanced pilot innovation projects, established production and research bases, accelerated the integration of design and construction, and optimised full-chain control by leveraging the “Yue Smart Manufacturing” BIM platform. These measures not only enhanced development efficiency but also ensured project quality. Guangzhou Pazhou South TOD project was recognised as one of the “TOP 10 Outstanding Projects in China Delivered in Q2 2025” by EH Consulting (億翰智庫), setting a benchmark for high-quality delivery in the industry.

In-depth Advancement of Sustainable Development

In the first half of 2025, adhering to the concept of “Long-termism”, the Group strategically upgraded its governance structure by renaming the “Environmental, Social and Governance Committee” to the “Sustainability Committee”, in a bid to promote the deep integration of the Group’s strategy with sustainable development. To accelerate the low-carbon transition, the Group actively reviewed and updated its “Dual Carbon” goals to cover the entire asset portfolio. The Group also places high importance on the protection of natural resources and biodiversity, and has completed a biodiversity assessment across the entire value chain and in 10 significant project cities in accordance with the recommended framework of the Taskforce on Nature-related Financial Disclosures (TNFD). In addition, the Group achieved a new breakthrough in sustainable finance by successfully signing its first sustainability-linked loan in June, further diversifying its sustainable finance channels. As of 30 June 2025, the Group’s sustainable finance ratio reached 35.7%.

The Group is deeply committed to green development, placing high importance on the practice and innovation of green buildings, and prioritising sustainability, health and well-being at the core of its operations. In addition to previously obtained certifications including LEED certification, BOMA certification and China green building certification, the Group's commercial projects newly obtained 18 WELL Building Standard recognitions in the first half of 2025, including 3 WELL Platinum certifications and 15 certifications under the WELL Health-Safety Rating (WELL HSR). In terms of sustainable building technology innovation, the Group successfully completed Yuexiu Property Research and Development Centre, the first building project in China to obtain a total of five certifications, namely "Zero Carbon Building Certification", "Zero Energy Building Certification", "Three-Star Green Building Pre-certification", "Healthy Building Gold Certification", and "Near-Zero Pollution Gold Certification". The project is also the first pilot project in China to implement near-zero pollution finishing. Its "near-zero pollution finishing" experience and technology have been promoted and applied in the renovation of guest rooms at the Four Seasons Hotel Guangzhou, enhancing customer health and living value, and establishing a sustainable building system that serves as an industry benchmark.

II. BUSINESS OUTLOOK

Looking ahead to the second half of 2025, slowing global inflation is driving major economies into a cycle of interest rate cuts, which will lead to an improvement in liquidity conditions. Despite ongoing uncertainties related to geopolitical tensions and trade tariffs, the global economy is projected to recover, albeit at a staggering pace. China's economy is expected to grow while maintaining stability with the strengthened support of macroeconomic policies. As the combined effect of fiscal and monetary policies stimulates domestic demand, key economic indicators will improve steadily. Real estate policies will focus on "stabilising the market, stimulating demand, optimising supply, and mitigating risks", further supporting the real estate industry to stabilise and reverse the downturn. While the real estate market showed signs of marginal improvement in the first half of the year due to the intensive release of easing policies, there was still a strong wait-and-see sentiment among home buyers. It is believed that the real estate market will bottom out and become stable amid fluctuations with the support of persistent easing policies.

Annual Operation Targets

In the second half of 2025, continuously centring on the work theme of “stabilising performance, seeking breakthroughs, refining management and enhancing capabilities”, the Group will make every effort to achieve the annual sales target and various operating targets for 2025 by focusing on accelerating sales and destocking, improving its operation capabilities for commercial projects, promoting organisational changes, and strengthening refined management.

In response to the changes of the market, the Group will continue to implement the “pinpoint project-based strategy” targeted sales strategy and pricing strategy, strengthen market research and analysis, seize policies-related and market opportunities, and flexibly adjust marketing strategies, thus ensuring the achievement of its full-year sales target and cash collection rate target. It will also continue to review the composition of its marketing team and improve its marketing performance evaluation mechanism. The Group will improve its customer research system based on a customer-centric principle, promote product innovation, expand the scope of the integration of design and construction, continue to enhance product competitiveness and fully implement the “4×4 High-Quality Product Concept”. In addition, the Group will keep strengthening its capabilities in investment, operation, product and service, aiming to improve operation efficiency, achieve cost-efficiency and promote refined management in an all-round manner.

Adhering to the Precise Investment Strategies

The Group will continue to adhere to the precise investment strategies, support precise investments by strengthening its investment research system, focus on core cities and core locations for continuous in-depth penetration, and strive to acquire prime land parcels to consistently improve resource quality. The Group will optimise its resources allocation, prioritising investment in core areas of tier-1 cities and major tier-2 provincial capital cities. In addition, the Group will continue to strengthen cooperation with outstanding enterprises, comprehensively enhance its investment capabilities, effectively respond to market competition, and capitalise on structural opportunities.

Improving the Operational Quality of the “Large-scale Commercial Operation”

Continuously upholding the strategy of “Coordinated Residential and Commercial Development”, the Group will keep strengthening the tenant acquisition and operation capabilities of commercial projects to ensure stable operation of the Group’s “Large-scale Commercial Operation” layout, with a focus on improving the occupancy rates and rental levels of the office buildings, retail malls, hotel & serviced apartments, wholesale markets and other business segments, while at the same time continuously optimising tenant structure and quality to deliver steady growth in commercial operations.

The Group will continue to develop property management and enhance service capabilities in a steady manner, further develop its four major business segments (namely residential buildings, commercial buildings, mass transportation, and urban services and public premises), and continue to improve the satisfaction with its “Security, Cleaning, Greening, Warranty and Customer Service”. The Group will expand its business scale with targeted and in-depth cultivation, focusing on advantageous business segments and strategically compatible business segments. The Group will prioritise the enhancement of its community value-added services business to achieve new breakthroughs in operating activities.

For the healthcare segment, the Group will continue to enhance its operating capabilities, diversify sales channels, improve the overall occupancy rate and service brand, and actively explore new growth opportunities and enhance synergies among business segments, to promote the sustainable development of the healthcare segment.

Adhering to Prudent and Safe Financial Policies

The Group will continue to maintain the “Three Red Lines” indicators in “green lights” and maintain its credit ratings of investment grade by relevant international rating agencies. The Group will continue to improve its operational and financial risk monitoring system, strengthen the dynamic risk warning and prevention mechanism, focus on strengthening liquidity risk management and optimise cash collection processes, to ensure sustainable net cash inflows from operating activities. Meanwhile, it will continue to stabilise the level of interest-bearing liabilities to further reduce financing costs and maintain the smooth and diversified channels of domestic and overseas financing. In addition, the Group will strengthen the overall management of onshore and offshore funds, improve fund utilisation efficiency and continuously optimise debt structure to achieve effective allocation of financial resources and controllable risks, thereby ensuring sufficient and secure liquidity.

Deepening and Facilitating Refined Management

The Group will further promote the construction of a company with “Quality Products, Excellent Services, Strong Brand and Capable Teamwork”, and facilitate the cultivation of system development and service operation capabilities targeting “product competitiveness and service quality”, to support the market position of the Company with a strong brand.

The Group will continue to strengthen its customer research capability to gain insights into cities and customers. In response to the national “good housing” policy, the Group will improve its “quality products” technology and enhance “product + operations + services” to strengthen product competitiveness. In addition, it will continue to promote product standardisation and the integration of design and construction to achieve efficient development, ensuring the progress and quality of various production tasks such as supply and turnover. It will refine cost and expenses management across various links such as financing to control costs and boost efficiency. With the core principle of “streamlining headquarters, less focus on regions, and strengthening city branches”, the Group will promote organisational development and enhance employee efficiency. The Group is committed to nurturing internal and external versatile talents and leaders, with an optimised performance evaluation system to encourage value creation.

Acknowledgements

2025 marks the final year of China’s 14th Five-Year Plan. With the approach of “Refined Management” and the ambition to become a company with “Quality Products, Excellent Services, Strong Brand and Capable Teamwork” as the internal development driving forces, the Group will actively respond to market challenges. Adhering to the high-quality and sustainable development under the new environment and competition pattern of the industry, the Group will constantly strive to improve the return on shareholder’s capital and value. With respect to the Group’s achievements in operating results and development in a variety of businesses, sincere gratitude is herewith extended to the Board of Directors for their strong leadership and all our staff for their relentless endeavours, as well as to our shareholders, customers, and business partners for their unwavering trust and dedicated support.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE AND GROSS PROFIT

In the first half of 2025, the Group realised revenue of approximately RMB47.57 billion (in the first half of 2024: RMB35.34 billion), representing a period-to-period increase of 34.6%. The gross profit was approximately RMB5.06 billion (in the first half of 2024: RMB4.85 billion), representing a period-to-period increase of 4.4%, and the gross profit margin was approximately 10.6%, representing a period-to-period decrease of 3.1 percentage points.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

In the first half of 2025, profit attributable to equity holders of the Group was approximately RMB1.37 billion (in the first half of 2024: RMB1.83 billion), representing a period-to-period decrease of 25.2%. The core net profit* was approximately RMB1.52 billion (in the first half of 2024: RMB1.74 billion), representing a period-to-period decrease of 12.7%.

CONTRACTED SALES

In the first half of 2025, the Group recorded aggregate contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB61.50 billion, representing a period-to-period increase of 11.0%, and achieving 51.0% of the full-year contracted sales target of RMB120.5 billion. The aggregate contracted sales GFA (including sales of projects of joint ventures and associates) amounted to approximately 1.46 million sq.m., representing a period-to-period decrease of 22.2%, while the average selling price was approximately RMB42,100 per sq.m., representing a period-to-period increase of 42.7%.

Geographically, Greater Bay Area, Eastern China, Central-western China and Northern China accounted for approximately 27.4%, 27.8%, 11.0% and 33.8%, of the aggregate contracted sales value for the first half of 2025, respectively.

* To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measure: core net profit. Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised in the consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year/period) and the related tax effect, and impairment of intangible assets. We believe that this non-GAAP financial measure is broadly used by management and investors to measure the Group's profitability and provide opportunities for investors to have a better understanding on the Group's operational efficiency. This non-GAAP financial measure presented here has no standardised meaning under GAAP and may not be comparable to similarly titled financial measure presented by other companies. Other companies may calculate their similarly titled financial measure differently, limiting their usefulness as comparative measure to our measure.

Contracted sales of the Group in the first half of 2025 are summarised as follows:

City	GFA <i>(sq.m.)</i>	Value <i>(RMB million)</i>	ASP <i>(RMB/sq.m.)</i>
Guangzhou	441,400	15,190	34,400
Shenzhen	3,300	256	77,600
Foshan	48,300	802	16,600
Dongguan	7,600	111	14,600
Jiangmen	16,400	125	7,600
Zhongshan	30,500	346	11,300
Subtotal (Greater Bay Area)	547,500	16,830	30,700
Shanghai	128,900	14,314	111,000
Hangzhou	73,900	1,796	24,300
Suzhou	41,700	529	12,700
Nantong	8,700	137	15,700
Nanjing	14,700	303	20,600
Ningbo	700	10	14,300
Subtotal (Eastern China Region)	268,600	17,089	63,600
Wuhan	35,500	490	13,800
Hefei	30,800	745	24,200
Xiangyang	28,700	210	7,300
Zhengzhou	58,600	873	14,900
Changsha	28,100	303	10,800
Chongqing	15,300	172	11,200
Chengdu	97,400	2,647	27,200
Xi'an	58,500	1,343	23,000
Subtotal (Central-western China Region)	352,900	6,783	19,200
Beijing	219,800	19,718	89,700
Shenyang	3,800	26	6,800
Qingdao	46,000	867	18,800
Yantai	6,500	48	7,400
Ji'nan	17,000	139	8,200
Subtotal (Northern China Region)	293,100	20,798	71,000
Total	1,462,100	61,500	42,100

RECOGNISED SALES

In the first half of 2025, the value of the recognised sales and GFA of the recognised sales were approximately RMB44.03 billion and 1.25 million sq.m., respectively, representing a period-to-period increase of 33.9% and a period-to-period decrease of 9.7%, respectively, and the average selling price was approximately RMB35,100 per sq.m., representing a period-to-period increase of 48.1%.

Recognised sales of the Group in the first half of 2025 are summarised as follows:

City	GFA (sq.m.)	Value (RMB million)	ASP (RMB/sq.m.)
Guangzhou	277,100	7,436	26,800
Shenzhen	2,700	188	69,600
Foshan	24,100	368	15,300
Dongguan	7,500	103	13,700
Jiangmen	2,400	14	5,800
Zhongshan	20,400	222	10,900
Subtotal (Greater Bay Area)	334,200	8,331	24,900
Shanghai	76,700	8,103	105,600
Hangzhou	363,900	12,104	33,300
Suzhou	40,500	569	14,000
Nanjing	77,500	3,607	46,500
Ningbo	1,600	25	15,600
Subtotal (Eastern China Region)	560,200	24,408	43,600
Wuhan	8,000	189	23,600
Hefei	46,600	840	18,000
Zhengzhou	12,300	114	9,300
Changsha	6,900	76	11,000
Chongqing	11,700	130	11,100
Chengdu	149,200	3,584	24,000
Xi'an	31,700	652	20,600
Subtotal (Central-western China Region)	266,400	5,585	21,000
Beijing	57,400	5,454	95,000
Shenyang	1,200	10	8,300
Qingdao	31,900	221	6,900
Ji'nan	1,400	18	12,900
Subtotal (Northern China Region)	91,900	5,703	62,100
Total	1,252,700	44,027	35,100

UNRECOGNISED SALES

As of 30 June 2025, the unrecognised sales value amounted to approximately RMB149.03 billion, representing a decrease of 12.4% as compared to that as of the beginning of the year, and the unrecognised sales GFA was approximately 3.93 million sq.m., representing a decrease of 14.0% as compared to that as of the beginning of the year. The average selling price was approximately RMB38,000 per sq.m., representing an increase of 2.2% as compared to that as of the beginning of the year.

LANDBANK

In the first half of 2025, the Group has newly acquired 13 land parcels located in Beijing, Shanghai, Guangzhou, Hangzhou, Xi'an and Foshan with a total GFA of approximately 1.48 million sq.m..

The land parcels newly acquired in the first half of 2025 are summarised as follows:

No.	Project	Equity	Total GFA
		Holding	(sq.m.)
1	Guangzhou Joy Riverside	52.51%	37,400
2	Guangzhou Meta Mansion	27.77%	57,500
3	Guangzhou Jiahewanggang Land	21.70%	103,900
4	Guangzhou Wonder City II	51.39%	91,100
5	Foshan Starry Lake	50.35%	84,000
6	Shanghai Jade Joy Mansion II	48.45%	70,100
7	Hangzhou Villa Opus	59.84%	50,600
8	Hangzhou Influential Mansion	38.76%	86,500
9	Hangzhou Gongshu Yunhe New Town Land	59.84%	49,700
10	Xi'an Starry Cloud	46.55%	206,200
11	Beijing Chaoyang Land	16.23%	407,000
12	Beijing Grand Jade Mansion	49.59%	111,800
13	Beijing Changping Life Science Park Land	28.64%	128,000
	Total		1,483,800

As of 30 June 2025, the landbank of the Group reached approximately 20.43 million sq.m., the structure and regional layout of the landbank continued to improve. Geographically, Greater Bay Area, Eastern China, Central-western China, Northern China, and Haikou accounted for approximately 39.2%, 18.8%, 25.7%, 15.8%, and 0.5% of the total GFA of the Group's landbank, respectively.

The landbank of the Group is summarised as follows:

City	LANDBANK GFA* (sq.m.)
Guangzhou	7,043,400
Shenzhen	2,500
Foshan	242,100
Dongguan	79,000
Jiangmen	320,800
Zhongshan	249,200
Hong Kong	68,800
Subtotal (Greater Bay Area)	8,005,800
Shanghai	559,400
Hangzhou	2,364,300
Suzhou	539,000
Nantong	88,500
Nanjing	252,700
Ningbo	34,800
Subtotal (Eastern China Region)	3,838,700
Wuhan	566,000
Xiangyang	297,700
Hefei	552,100
Zhengzhou	822,300
Changsha	816,600
Chenzhou	630,900
Chongqing	355,200
Chengdu	396,100
Xi'an	812,900
Subtotal (Central-western China Region)	5,249,800
Beijing	1,634,900
Shenyang	505,100
Qingdao	949,300
Yantai	50,500
Ji'nan	96,600
Subtotal (Northern China Region)	3,236,400
Haikou	100,500
Total	20,431,200

* Landbank GFA includes completed but unsold GFA.

Construction progress

The Group strived to accelerate development efficiency and turnover rate. During the first half of 2025, project development was in line with the Group's schedule. New commencement of construction and completion projects are summarised as follows:

	First half of 2025 Actual GFA (sq.m.)	2025 Planned GFA* (sq.m.)
Construction progress		
New commencement of construction	2,135,900	2,726,500
Completion**	3,843,500	7,775,200

* New commencement of construction GFA and completion GFA in 2025 (Estimated) may change due to adjustments to project development plans.

** Completion for consolidation GFA in the first half of 2025 (Actual) and throughout 2025 (Planned) are 2.69 million sq.m. and 5.95 million sq.m., respectively.

OTHER GAINS AND LOSSES

In the first half of 2025, the Group's other gains, net amounted to approximately RMB136 million, which was mainly due to the impact of gains on revaluation of investment properties, net held at the end of period of approximately RMB99 million and penalty income of approximately RMB28 million.

As of 30 June 2025, the Group owned investment properties under lease of approximately 1,099,000 sq.m. in total, of which offices, commercial properties and car parks and others accounted for approximately 44.4%, 45.9% and 9.7%, respectively. The Group recorded rental income of approximately RMB268 million in the first half of 2025, representing a period-to-period decrease of 9.7%, which was mainly due to the disposal of the office and car parks of Guangzhou ICC in the second half of 2024.

In the first half of 2025, the Group recorded gains on revaluation of investment properties, net of approximately RMB99 million, which was mainly attributable to the gains on revaluation of an industrial park in Nansha, Guangzhou for the period of approximately RMB119 million due to the transfer of additional leased area to investment properties.

SELLING AND MARKETING EXPENSES

In the first half of 2025, the Group's selling and marketing expenses were approximately RMB1,479 million, representing a period-to-period increase of 35.5%, which was mainly due to a period-to-period increase of 34.6% in total revenue for the period, leading to a corresponding increase in sales agency fees. The selling and marketing expenses accounted for 3.1% of total revenue for the period, which was in line with that for the same period of 2024.

ADMINISTRATIVE EXPENSES

In the first half of 2025, the Group's administrative expenses amounted to approximately RMB619 million, representing a period-to-period increase of 6.9%, mainly due to the increased investment in information technology as the Group continued to promote digital construction. The administrative expenses accounted for 1.3% of total revenue for the period, decreased by 0.3 percentage point from 1.6% for the same period of 2024, which was mainly because the Group continued to strengthen expense management and strictly followed the expenses budget.

FINANCE COSTS

In the first half of 2025, the finance costs of the Group amounted to approximately RMB481 million, representing an increase of RMB239 million as compared to the same period of 2024. This was mainly due to fluctuations in market exchange rates, resulting in net foreign exchange losses and net losses on fair value of related derivative financial instruments totalling approximately RMB109 million recorded for the period (in the first half of 2024: net foreign exchange gains and net gains from related derivative financial instruments totalling approximately RMB153 million). As the overall financing environment has remained moderate since the first half of 2025, the Group's weighted average borrowing interest rate for the period declined to 3.16% per annum from 3.57% per annum for the same period of 2024.

SHARE OF PROFIT FROM ASSOCIATES

In the first half of 2025, the overall net profit from associates attributable to the Group was approximately RMB1,348 million, mainly attributable to the combined impact of net gains on the investments in cooperative projects of approximately RMB1,413 million and losses on the investment in Yuexiu Real Estate Investment Trust ("Yuexiu REIT") of approximately RMB65 million.

In the first half of 2025, the total distributable amount of Yuexiu REIT amounted to approximately RMB171 million, representing a period-to-period decrease of 7.6%, and the cash distribution attributable to the Group amounted to approximately RMB70 million.

BASIC EARNINGS PER SHARE

In the first half of 2025, basic earnings per share attributable to the equity holders of the Company were RMB0.3403 (in the first half of 2024: RMB0.4550).

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for 2025 of HKD0.166 per share (equivalent to RMB0.151 per share) (2024 interim: HKD0.189 per share equivalent to RMB0.173 per share) to shareholders whose names appear on the Register of Members of the Company on 17 October 2025. The interim dividend will be distributed to shareholders on or around 20 November 2025.

Dividends payable to shareholders will be paid in HKD. The exchange rate adopted by the Company for its dividend payable is the average middle exchange rate of HKD against RMB announced by the People's Bank of China ("PBOC") in the five business days preceding the date of dividend declaration.

LIQUIDITY AND FINANCIAL RESOURCES

Cash receipts from operating activities and committed banking facilities are the Group's main sources of liquidity. The Group has always adhered to prudent financial management principles, emphasised on funding management and risk control, established a sustainable and sound monitoring system to respond to market changes, ensured healthy and adequate liquidity and secured the business development. While continuing to maintain a good relationship with commercial banks in Mainland China and Hong Kong, the Group also explores more funding channels, optimises the capital structure and lowers the funding costs, enhances the ability to protect its resources, and enhances its risk resistance capabilities.

In the first half of 2025, the Group obtained new borrowings of approximately RMB23.43 billion, including onshore borrowings of approximately RMB19.85 billion and offshore borrowings of approximately RMB3.58 billion. During the period, the sell-back period for two tranches of corporate bonds issued by a subsidiary of the Company on the Shanghai Stock Exchange commenced, with the sell-back amounts calculated at par value amounting to RMB370 million and RMB955 million, respectively. Meanwhile, the Group has fully resold the sell-back portions of the aforementioned two tranches of corporate bonds during the period. As at 30 June 2025, total borrowings amounted to approximately RMB103.86 billion (31 December 2024: RMB103.89 billion), cash and bank balances, time deposits, time deposits and other restricted deposits amounted to approximately RMB44.64 billion, and the net gearing ratio was 53.2%, which was calculated as net debt (i.e., total borrowings less cash and bank balances, time deposits, time deposits and other restricted deposits) divided by total equity. Borrowings due within one year accounted for approximately 24% of the total borrowings (31 December 2024: 22%), fixed-rate borrowings accounted for approximately 43% of the total borrowings (31 December 2024: 44%). As the overall financing environment has remained moderate since the first half of 2025, the Group's weighted average borrowing interest rate for the period was approximately 3.16% per annum, decreased by 41 basis points from 3.57% per annum for the same period of 2024.

As at 30 June 2025, among the Group's total borrowings, approximately 51% was Renminbi denominated bank borrowings and other borrowings (31 December 2024: 51%), 11% was Hong Kong dollar denominated bank borrowings (31 December 2024: 11%), 8% was Hong Kong dollar and US dollar denominated medium-to-long term notes (31 December 2024: 7%), and 30% was Renminbi denominated medium-to-long term notes (31 December 2024: 31%).

WORKING CAPITAL

On 30 June 2025, the Group's working capital (current assets less current liabilities) amounted to approximately RMB117.82 billion (31 December 2024: approximately RMB120.28 billion). The Group's current ratio (current assets divided by current liabilities) was 1.6 times (31 December 2024: 1.5 times). Cash and bank balances (excluding charged bank deposits) and current portion of time deposits amounted to approximately RMB29.65 billion (31 December 2024: RMB30.20 billion). Charged bank deposits amounted to approximately RMB12.72 billion (31 December 2024: RMB17.56 billion). Undrawn committed bank facilities amounted to approximately RMB50.15 billion.

CAPITAL AND FINANCIAL STRUCTURE ANALYSIS

The Group's debts are summarised as follows:

	As at	
	30 June 2025	31 December 2024
	RMB'000	RMB'000
Borrowings and notes		
Denominated in RMB	84,022,612	85,024,128
Denominated in HKD	14,121,174	13,124,085
Denominated in USD	5,717,898	5,740,529
Total debts	<u>103,861,684</u>	<u>103,888,742</u>

	As at	
	30 June 2025	31 December 2024
	RMB'000	RMB'000
Ageing analysis:		
Within one year	25,389,533	23,268,833
In the second year	27,756,629	34,277,646
In the third to fifth year	38,204,807	33,645,363
Over five years	12,510,715	12,696,900
Total borrowings	103,861,684	103,888,742
Lease liabilities	779,382	787,711
Less: Cash and bank balances (excluding charged bank deposits) and current portion of time deposits	(29,647,848)	(30,195,576)
Net borrowings	74,993,218	74,480,877
Total equity	111,236,337	104,079,168
Total capital	186,229,555	178,560,045
Gearing ratio (net borrowings divided by total capital)	40.3%	41.7%

INTEREST RATE EXPOSURE

The Group's interest rate exposure is mainly derived from floating rate loans and deposits denominated in Renminbi, Hong Kong dollars and US dollars. As of 30 June 2025, among the total borrowings of the Group, approximately 46% was floating rate bank loans denominated in Renminbi, approximately 11% was floating rate bank loans denominated in Hong Kong dollars, approximately 5% was fixed rate bank loans and other borrowings denominated in Renminbi, approximately 30% was fixed rate bonds denominated in Renminbi, and approximately 8% was fixed rate notes denominated in US dollars and Hong Kong dollars. The weighted average borrowing interest rate for the first half of 2025 was approximately 3.16% per annum, decreased by 41 basis points from 3.57% per annum for the same period of 2024.

With respect to US dollar interest rates, from early 2022 to July 2023, the Federal Reserve significantly raised interest rates to control high inflation. Subsequently, it halted these interest rate hikes and commenced three rounds of interest rate cuts starting from September 2024. Currently, inflation is largely under control, but the decline has not yet met the expected 2% target. Despite repeated calls from the US President for interest rate cuts, the Federal Reserve has yet to commence interest rate cuts this year, because the new US tariff policies have brought significant global economic uncertainty and may lead to higher inflation, raising market expectations for a gradual slowdown in the US economy. The market expects the Federal Reserve to restart interest rate cuts in September this year, with two to three rate cuts of 25 basis points each during the year. Ultimately, the timing and size of the interest rate cuts by the Federal Reserve will depend on the US inflation data and the impact of subsequent policies of the US government.

With respect to Hong Kong dollar interest rates, due to the impact of the US tariff policies, a substantial inflow of capital into Hong Kong occurred in May, causing Hong Kong dollar interest rates to fall sharply starting from May this year. From May to mid-August, the average one-month HIBOR was approximately 1.04% (a decline of approximately 2.79% from the average for the first four months of 3.83%), significantly lower than the average one-month SOFR rate of 4.32% for the same period. This has resulted in certain reductions in Hong Kong dollar financing interest rates during this period. Since mid-August, Hong Kong dollar interest rates have gradually risen, with the one-month HIBOR rising to 2.81% on 26 August. In the short term, Hong Kong dollar interest rates are expected to rise further, narrowing the interest rate spreads with US dollar interest rates. If the Federal Reserve resumes interest rate cuts in September, the interest rate spreads between Hong Kong dollar and US dollar will narrow further. Currently, the Group has not arranged any interest rate hedging instruments during the reporting period, but will continuously monitor the IRS and CCS quotations of market interest rates to appropriately lock in interest rate risk exposure at reasonable costs.

With respect to Renminbi interest rates, in recent years, the PBOC has been implementing a relatively easing monetary policy to stimulate economic recovery and enhance the management and control of the domestic property market exposure. Since 2025, the primary risks to China have been the significant increase in tariffs on Chinese goods imported by the US and the ongoing crackdown on Chinese companies in the technology sector. The domestic economy remained relatively weak, and the real estate market has yet to bottom out and recover. Meanwhile, no agreement has been reached in the China-US tariff negotiations, which could exert significant pressure on the economy. The market expects that the central government will continue to introduce policies in the second half of the year to support economic growth and stabilise financial market risks.

The Group will continue to pay close attention to changes in the domestic and foreign interest rate markets and continuously optimise its debt structure to manage its interest rate exposure.

FOREIGN EXCHANGE RISK

Since the main business operations of the Group are conducted in Mainland China, its income and assets are denominated primarily in Renminbi. The Group has foreign currency financing and is thus exposed to foreign exchange risk. The Group has actively adopted various measures to enhance the management and control of the foreign exchange exposure. As at 30 June 2025, among the borrowings denominated in foreign currencies, approximately HKD13.19 billion (equivalent to approximately RMB12.03 billion) was bank borrowings denominated in Hong Kong dollars, approximately USD0.80 billion (equivalent to approximately RMB5.72 billion) was notes denominated in US dollars, and approximately HKD2.29 billion (equivalent to approximately RMB2.09 billion) was notes denominated in Hong Kong dollars. Approximately 19% of the total borrowings of the Group was borrowings denominated in foreign currencies, among which, financial products were purchased to hedge part of foreign exchange exposures with respect to the borrowings denominated in foreign currencies equivalent to approximately RMB7.97 billion. The Group currently has limited foreign exchange exposure with controllable exchange rate risks.

In the first half of 2025, China's economic recovery was relatively moderate and uneven, with the domestic economy facing multiple challenges, such as the still volatile real estate market, weaker-than-expected domestic consumption, and the significantly fluctuated RMB exchange rates. During the year, the uncertainty surrounding the China-US tariff war further intensified, posing certain challenges to the Chinese economy. It is expected that the central government will introduce more policies to boost economic growth and stabilise finance and exchange rates.

The Group will continue to keep track of developments in the foreign exchange market, adopt financial instruments to manage its foreign exchange exposure as and when appropriate, and optimise its debt structure to manage its foreign exchange exposure.

CONTINGENT LIABILITIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As of 30 June 2025, total contingent liabilities relating to these guarantees amounted to approximately RMB42.14 billion (31 December 2024: RMB44.11 billion).

As of 30 June 2025, certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB6,554 million (31 December 2024: RMB6,554 million) in respect of loans borrowed by joint ventures and associates of the Group, among which, guarantee of approximately RMB714 million (31 December 2024: RMB725 million) was utilised and guarantee of approximately RMB5,840 million (31 December 2024: RMB5,829 million) was not utilised yet.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 14,940 employees (31 December 2024: 15,180 employees). The Group offers its employees reasonable remuneration in accordance with industry practice. Salary increment and promotion of employees are based on performance and achievements. In the meantime, the Group provides employees with other benefits, such as mandatory provident funds, medical insurance, educational allowances and professional training. The Group adopted the Share Incentive Scheme on 2 December 2016 and the Share Award Scheme on 17 March 2017. Both schemes will (i) provide the selected participants (including senior management, middle management and other employees) with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals to work with the Company and the Group; and (iii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of the Group, the Company and its shareholders, with a view to achieving the objective of aligning the interests of the selected participants with those of the shareholders of the Company. Details of the Share Incentive Scheme and Share Award Scheme were respectively disclosed in the announcements dated 2 December 2016 and 17 March 2017.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code throughout the six months ended 30 June 2025.

REVIEW OF INTERIM RESULTS

The results of the Group for the six months ended 30 June 2025 have been reviewed by the audit committee of the Board and by the Company's auditor 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 15 October 2025 to Friday, 17 October 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Tuesday, 14 October 2025.

By order of the Board
Yuexiu Property Company Limited
LIN Zhaoyuan
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the Board comprises:

Executive Directors: LIN Zhaoyuan (Chairman), ZHU Huisong, JIANG Guoxiong,
HE Yuping, CHEN Jing and LIU Yan

Non-executive Directors: ZHANG Yibing and SU Junjie

Independent Non-executive Directors: YU Lup Fat Joseph, LEE Ka Lun, LAU Hon Chuen Ambrose and
CHEUNG Kin Sang