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廣州富力地產股份有限公司

GUANGZHOU R&F PROPERTIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 2777)

QUARTERLY UPDATE ON IMPLEMENTATION OF ACTION PLAN TO RESOLVE AUDITOR'S DISCLAIMER OF OPINION ON THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Reference is made to the annual report of Guangzhou R&F Properties Co., Ltd. (the **"Company"**, together with its subsidiaries, the **"Group"**) for the year ended 31 December 2024 (**"FY2024"**) published on 29 April 2025 (the **"Annual Report"**). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the Annual Report.

As disclosed in the Annual Report, the Auditor did not express an opinion on the consolidated financial statements of the Group for FY2024 (the **"Disclaimer of Opinion"**) due to multiple uncertainties relating to going concern, the details of which are set out on pages 39 to 42 of the Annual Report. The Company proposed to implement the action plan as set out on pages 51 to 52 of the Annual Report (the **"Action Plan"**) to address the Disclaimer of Opinion.

The Company wishes to provide updates on the implementation of the Action Plan, since 29 April 2025, being the date of publication of the Annual Report, and up to the date of this announcement (the **"Relevant Period"**), as follows:

I. Restructuring

References are made to the announcements of the Company dated 16 December 2024, 23 January 2025, 28 February 2025, 31 March 2025 and 16 May 2025 in relation to, among other things, the restructuring of the in-scope debt comprising the 6.5% Cash/7.5% PIK Senior Notes due in 2025, 2027 and 2028 respectively issued by Easy Tactic Limited (the **"Notes Issuer"**), a subsidiary of the Company, and any other financial indebtedness of the Group as designated by the Company, the Notes Issuer and R&F Properties (HK) Company Limited (**"R&F (HK)"**), and together with the Company and the Notes Issuer, the **"Transaction Companies"**) at their sole discretion (the **"Restructuring"**).

On 16 December 2024, the Company announced a restructuring proposal for the Restructuring and the related terms of the restructuring support agreement (the “RSA”). The Restructuring entails a significant deleveraging of the Group’s offshore indebtedness, which will enable the Company to better manage its operations and deliver long-term value for its stakeholders upon consummation.

As of the date of this announcement, the Restructuring is in progress. In light of the dismissal of the winding up petition against R&F (HK) and to facilitate the scheme creditors who need additional time to consider the proposal and complete the accession process, the Transaction Companies have amended the accession deadline to 4:00 p.m. London time on 31 July 2025. The Group will continue to maintain active communication with offshore creditors and strive to obtain support from relevant creditors to accede to the RSA as soon as possible, so as to complete the remaining implementation steps of the Restructuring.

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material developments relating to the Restructuring as and when appropriate.

II. Settlement of litigations

The Group has been proactive in seeking ways to settle the outstanding litigations of the Group.

As set out in the announcement of the Company dated 29 April 2025, a bank, as claimant, filed an application with the Guangzhou Intermediate People’s Court for the withdrawal of a lawsuit in relation to a financial loan contract dispute among such bank and 廣州富力恒盛置業發展有限公司 (Guangzhou R&F Hengsheng Properties Development Co., Ltd.*) and the Company as joint defendants, involving a loan in principal amount of RMB1,129,400,000.00 and accrued interest. The Guangzhou Intermediate People’s Court has ordered that the lawsuit be withdrawn.

The Group will continue to use its best endeavours to reach a solution on the remaining litigations.

III. Acceleration of sales and pre-sales

The contracted sales of the Group in April and May 2025 have improved as compared to same period last year, as set out in the announcements of the Company relating to the unaudited operating statistics for the relevant months in 2024 and 2025 respectively.

The Group’s total contracted sales for the month of May 2025 amounted to approximately RMB1.37 billion (May 2024: approximately RMB970 million) with 129,600 sq.m. (May 2024: 67,800 sq.m.) of GFA. At the end of May 2025, the Group’s cumulative total contracted sales were approximately RMB5.5 billion (at the end of May 2024: approximately RMB4.45 billion) with 513,300 sq.m. (at the end of May 2024: 313,100 sq.m.) sold.

The Group's total contracted sales for the month of April 2025 amounted to approximately RMB1.36 billion (April 2024: approximately RMB770 million) with 128,900 sq.m. (April 2024: 60,000 sq.m.) of GFA. At the end of April 2025, the Group's cumulative total contracted sales were approximately RMB4.13 billion (at the end of April 2024: approximately RMB3.48 billion) with 383,700 sq.m. (at the end of April 2024: 245,300 sq.m.) sold.

The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts.

IV. Other progress

In addition to the above, the Group has continued to make adjustments to control administrative costs and contain unnecessary capital expenditures to preserve liquidity as well as to actively assess additional measures to further reduce discretionary spending. The Group has also continued to seek suitable opportunities to dispose of the equity interest in certain project development companies to generate additional cash inflows. Furthermore, the Group has been in active discussions with the relevant existing lenders to extend, refinance or restructure of the Group's borrowings, while it has continued to seek for new sources of financing to address upcoming financial obligations and future operating cash flow requirements. These efforts are ongoing and would require time to formulate or implement due to ongoing changes in market conditions.

The Board will continue to use its best endeavours to implement the Action Plan with an aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

By Order of the Board
Guangzhou R&F Properties Co., Ltd.
Li Sze Lim
Chairman

30 June 2025, Hong Kong

As at the date of this announcement, the executive directors of the Company are Dr. Li Sze Lim, Mr. Zhang Hui, Mr. Xiang Lijun and Mr. Zhao Feng; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong.

** For identification purpose only*