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瑞安房地產
SHUI ON LAND

Shui On Land Limited

瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 272)

Announcement of 2025 Interim Results

HIGHLIGHTS

- **Profitability under prolonged market challenges:** The first half of 2025 (“1H 2025”) was marked by increased trade tensions, geopolitical uncertainty and low consumer confidence, resulting in ongoing challenges in the China property sector. Despite a subdued market, the Group was able to record a profit of RMB81 million in the first six months of 2025, with profit attributable to shareholders of RMB51 million.
- **Resilient commercial property performance:** Total rental and related income (including joint ventures and associates) for the period recorded modest growth and increased to RMB1,781 million. The retail portfolio benefited from strong support by consumers and saw double-digit growth in both retail sales and shopper traffic at 10.5%.
- **Prudent capital management strategy:** The Group has consistently maintained a stable balance sheet. As of 30 June 2025, the net gearing ratio remained stable at 51%, while cash and bank deposits totalled RMB5,500 million. The Group’s net debt declined 9% to just over RMB20.2 billion. In March 2025, the Group fully repaid USD490 million senior notes and as of 27 August 2025 has repaid offshore debt totalling RMB46.2 billion (gross amount) since 2021. This reflects the Group’s strong commitment to meeting its financial obligations.
- **Building more partnerships with the Asset-Light strategy:** To further its Asset-Light strategy, the Group formed a new joint venture with Tian An China Investments Limited (“Tian An”) in June 2025. This partnership has succeeded in the acquisition of the 50% equity interest of Yong Ye Enterprise (Group) Co. Ltd. (“Yong Ye”) in a company holding three residential and commercial land parcels to the east of Shanghai Xintiandi, which together form the Yong Xin Li (temporary name) project. The Group effectively owns a 15% interest in the project.
- **Global recognition for sustainability:** During 1H 2025, the Group was named in the CDP 2024 Climate Change “A-list” in recognition of its transparency and progress toward its 1.5°C -aligned science-based targets. The Group was the only real estate company in Mainland China to be named on the list. At the project level, Panlong Tiandi earned the prestigious 2025 ULI Asia Pacific Award for Excellence, while 5 Corporate Avenue achieved LEED Platinum O+M and the new CPIC Xintiandi Tower 1 & 2 attained LEED Core & Shell Platinum, demonstrating operational excellence across our portfolio.

Website: www.shuionland.com

PERFORMANCE HIGHLIGHTS

	1H 2025	1H 2024	Year-on-Year Growth/ (Decline)
Total rental and related income (RMB'million) ¹	1,781	1,764	1%
Contracted sales (RMB'million)	3,473	623	457%
Subscribed sales (RMB'million)	699	251	178%

Selected Financial Information (RMB'million)

Revenue	2,074	2,073	0%
Property sales recognised as revenue	145	143	1%
Rental and related income (excluding associates and joint ventures)	965	1,257	(23%) ²
Gross profit	1,369	1,355	1%
Profit for the period	81	183	(56%)
Profit attributable to shareholders of the Company	51	72	(29%)

Selected Financial Ratios

Gross profit margin	66%	65%	1ppt
Net profit margin	4%	9%	(5ppt)
Earnings per share (basic), RMB cents	0.64	0.90	(29%)

	30 June 2025	31 December 2024	Changes
Selected Balance Sheet Data (RMB'million)			
Total assets	83,392	91,938	(9%)
Cash and bank deposits	5,500	7,734	(29%)
Total indebtedness	25,761	29,927	(14%)
Net debt	20,261	22,193	(9%)
Total equity	39,992	42,669	(6%)
Net gearing (Net debt-to-equity ratio)	51%	52%	(1ppt)

Landbank (GFA, million sq.m.)

Total leasable and saleable landbank	5.7	5.8	(2%)
Attributable leasable and saleable landbank	3.6	3.7	(3%)

Notes:

¹ Including rental income from the Shanghai Ruihong Tiandi commercial partnership portfolio, 5 Corporate Avenue and Hubindao, Nanjing IFC, CPIC Xintiandi Commercial Centre, Hong Shou Fang and KIC Shanghai, in which the Group has 49.5%, 44.55%, 50%, 25%, 35% and 46.33% effective interests, respectively.

² The decrease was mainly due to the restructuring of the ownership of KIC Shanghai as announced in November 2024. Rental income from KIC Shanghai of RMB226 million (1H 2024: RMB245 million) was reclassified to rental income from joint venture in 1H 2025.

BUSINESS REVIEW

Shui On Land is a leading urban solutions provider, principally engaged in property development, property investment and management across China, anchored by a prime city centre portfolio in Shanghai. As a pioneer in developing and operating sustainable premium urban communities, the Group specialises in urban regeneration, cultural rejuvenation as well as the development and operation of communities that prioritise culture, social engagement and sustainability, providing different urban solutions to the cities in China.

Shui On Xintiandi (“SXTD”), a wholly-owned subsidiary of Shui On Land, is a leading investor and manager of premium commercial properties in China with the mission to build vibrant, inclusive and sustainable communities. With businesses spanning the top-tier cities across China including Shanghai, Wuhan, Chongqing, Foshan and Nanjing, it is one of the largest private commercial property managers in Shanghai, with a total portfolio of 2.8 million square metres (“sq.m.”) of office and retail premises under its management, including its flagship project Shanghai Xintiandi.

KEY ACHIEVEMENTS IN 1H 2025

- The Group recorded property sales of RMB145 million in 1H 2025. Including joint ventures and associates, property sales totalled RMB1,193 million. Contracted sales were RMB3,473 million, comprising residential property sales of RMB3,290 million and commercial property sales of RMB183 million. This represented a 457% year-on-year increase in contracted sales as we launched the pre-sale of some townhouses of Lakeville VI in Shanghai during the period. Total locked-in sales, including that of joint ventures and associates, was RMB17,521 million for delivery and to be recognised in the second half of 2025 (“2H 2025”) and beyond.
- Our commercial property portfolio has delivered growing recurrent rental income. Including properties held by joint ventures and associates, total rental and related income increased by 1% year-on-year to RMB1,781 million in 1H 2025, of which 78% was contributed by our portfolio in Shanghai. This bears testimony of the success of the more recent openings that continued to show strong performances, while our more mature assets demonstrated their resilience. Shopper traffic and retail sales both reflected high year-on-year growth at 10.5%.
- In June 2025, the Group formed a new 30/70 joint venture with Tian An to participate in a project in Shanghai. This joint venture succeeded in acquiring a 50% equity interest in a company owned by Yong Ye which holds three residential and commercial land parcels to the east of Shanghai Xintiandi that together form the Yong Xin Li (temporary name) project. This project will further strengthen our presence in the Greater Xintiandi Community.
- In June 2025, the Group entered into an agreement with Qingdao Ruijian Private Equity Investment Fund Partnership (Limited Partnership) (“the Fund”) to transfer its 100% interest in Fo Shan Shui On Property Development Co., Ltd. and Fo Shan An Ying Property Development Co., Ltd. (collectively, “Foshan Project Companies”) to the Fund. Upon completion, the Group will hold 57.63% of the partnership interests of the Fund. After deducting taxes and transaction costs, the total net proceeds from the transaction would be approximately RMB683 million.
- Our sustainability goal is “to be a pioneer of sustainable premium urban communities” and our sustainability efforts have widely been recognised by global organisations. During the period, we were named in the CDP 2024 Climate Change “A-list” in recognition of our transparency and progress toward our 1.5°C -aligned science-based targets. These efforts are also realised on the project level. Panlong Tiandi earned the prestigious 2025 ULI Asia Pacific Award for Excellence, while 5 Corporate Avenue achieved LEED Platinum O+M and the new CPIC Xintiandi Tower 1 & 2 attained LEED Core & Shell Platinum. Together, these accolades reinforced our capability to transform sustainability commitments into competitive advantage and sustainable value creation.

PROPERTY SALES PERFORMANCE

Recognised Property Sales

For 1H 2025, total recognised property sales were RMB1,193 million (after deduction of applicable taxes). The average selling price (“ASP”) excluding carpark was RMB18,300 per sq.m..

The table below summarises by project the recognised property sales (stated after the deduction of applicable taxes) for 1H 2025 and 1H 2024:

Project	1H 2025			1H 2024		
	Sales revenue	GFA sold	ASP ¹	Sales revenue	GFA sold	ASP ¹
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Ruihong Tiandi						
Retail (Lot 1)	44	900	53,300	-	-	-
Retail (Lot 167A)	52	1,000	56,000	-	-	-
Panlong Tiandi						
Residential	-	-	-	34	400	92,500
Hotel	-	-	-	97	4,800	21,900
Wuhan Tiandi						
Residential	14	300	50,000	-	-	-
Wuhan Innovation Tiandi						
Residential	306	20,100	16,600	68	3,200	23,100
Retail	82	6,100	14,700	-	-	-
Office	43	3,700	12,500	685	67,900	11,000
Lingnan Tiandi						
Retail	3	2,400	1,300	-	-	-
Chongqing Tiandi²						
Residential	506	27,900	24,100	725	43,100	22,400
Retail/Office (Loft)	4	400	10,000	24	2,400	10,800
Subtotal	1,054	62,800	18,300	1,633	121,800	14,600
Carparks²	139			58		
Grand Total	1,193	62,800	20,800	1,691	121,800	15,100
Recognised as:						
- property sales in revenue of the Group	145			143		
- revenue of associates	562			758		
- revenue of joint ventures	486			790		
Grand Total	1,193			1,691		

Notes:

¹ The calculation of ASP per sq.m. is based on gross sales revenue before deducting applicable taxes.

² ASP of Chongqing residential sales is based on net floor area, a common market practice in the region. Residential of RMB506 million, office of RMB4 million and carpark sales of RMB8 million were contributed by the Chongqing Tiandi partnership portfolio and were recognised as revenue of associates in 1H 2025. The Group holds a 19.8% interest in the partnership portfolio.

Contracted Property Sales, Subscribed Sales, and Locked-in Sales

The Group's contracted property sales for 1H 2025 increased by 457% to RMB3,473 million compared with that for the corresponding period in 2024, with residential property sales accounting for 95% and the remainder contributed by the sale of commercial units. The increase was the result of new residential launches in Shanghai during the period, and we target more launches in 2H 2025 and beyond, mainly in Shanghai and Wuhan (subject to construction progress and the timing of government pre-sale approval). The ASP for residential property sales was RMB71,700 per sq.m. in 1H 2025, compared to RMB37,300 per sq.m. in 1H 2024, as a higher proportion of contracted property sales was generated from higher ASP projects in Shanghai during this period, including Lakeville VI.

As of 30 June 2025:

- i) total subscribed sales of RMB699 million were subject to formal sales and purchase agreements in the coming months.
- ii) total locked-in sales of RMB17,521 million were recorded and available for delivery to customers and to be recognised in the Group's financial results in 2H 2025 and beyond.

The table below provides an analysis by project of contracted sales (stated before the deduction of applicable taxes) for 1H 2025 and 1H 2024:

Project	1H 2025			1H 2024		
	Contracted amount	GFA sold	ASP	Contracted amount	GFA sold	ASP
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Residential property sales:						
Shanghai Taipingqiao (Lot 122)	1,930	6,100	316,400	-	-	-
Riverville	380	1,900	200,000	-	-	-
Panlong Tiandi	-	-	-	50	600	83,300
Wuhan Tiandi	15	300	50,000	99	1,900	52,100
Wuhan Changjiang Tiandi	543	20,700	26,200	222	6,700	33,100
Wuhan Innovation Tiandi	266	16,500	16,100	69	3,400	20,300
Chongqing Tiandi ¹	8	400	24,400	4	200	24,400
Carparks	148	-	-	33	-	-
Subtotal	3,290	45,900	71,700	477	12,800	37,300
Commercial property sales:						
Ruihong Tiandi (Lot 1) ²	48	900	53,300	-	-	-
Ruihong Tiandi (Lot 167A) ³	56	1,000	56,000	17	200	85,000
Panlong Tiandi Hotel	-	-	-	105	4,800	21,900
Wuhan Innovation Tiandi	8	900	8,900	-	-	-
Chongqing Tiandi ¹	-	-	-	-	-	-
Office (Loft)	-	-	-	21	2,200	9,500
Retail	63	11,400	5,500	-	-	-
Lingnan Tiandi	3	2,400	1,300	-	-	-
Carparks	5	-	-	3	-	-
Subtotal	183	16,600	11,000	146	7,200	20,300
Grand Total	3,473	62,500	55,500	623	20,000	31,200

Notes:

¹ ASP of Chongqing residential sales is based on net floor area, a common market practice in the region. Chongqing Tiandi partnership portfolio is a project developed by associates of the Group. The Group holds a 19.8% interest in the partnership portfolio.

² The Group holds 49.5% of the property.

³ The Group holds 80% of the property.

Residential GFA Available for Sale and Pre-sale in 2H 2025

The Group has approximately 131,000 sq.m. of residential gross floor area (“GFA”) spanning six projects available for sale and pre-sale in 2H 2025, as summarised below:

Project	Product	GFA in sq.m.	Available for sale and pre-sale in 2H 2025	
			Group’s interests	Attributable GFA in sq.m.
Shanghai Taipingqiao Lot 118	High-rises	2,100	99%	2,100
Shanghai Taipingqiao Lot 122	Townhouses	4,100	50%	2,100
Riverville	Townhouses	13,200	60%	7,900
Wuhan Tiandi	High-rises	21,100	100%	21,100
Wuhan Innovation Tiandi	High-rises	14,600	50%	7,300
Wuhan Changjiang Tiandi	High-rises	75,900	50%	38,000
Total		131,000		78,500

By way of a cautionary note, the actual market launch dates depend on, and will be affected by, factors such as construction progress, changes in the market environment and government regulations.

PROPERTY DEVELOPMENT

Residential Development Saleable Resources as of 30 June 2025

Project	Approximate Saleable Residential GFA	Estimated Gross Saleable Resource	The Group’s interests	Estimated Attributable Sales
	sq.m.			RMB’ billion
Shanghai Taipingqiao Lot 118	2,100	0.4	99%	0.4
Shanghai Taipingqiao Lot 122	17,600	5.5	50%	2.8
Riverville	13,200	2.6	60%	1.6
Shanghai Beigang Urban Village	44,500	1.9	5%	0.1
Shanghai Sub-total	77,400	10.4		4.9
Wuhan Changjiang Tiandi ²	692,200	34.7	50%	17.3
Wuhan Tiandi	35,500	1.8	100%	1.8
Wuhan Innovation Tiandi	112,800	1.7	50%	0.9
Other Cities Sub-total	840,500	38.2		20.0
Grand Total	917,900	48.6		24.9

Notes:

¹ This table represents saleable resources not yet recorded as contracted sales as of 30 June 2025.

² Figures are preliminary estimates subject to further revision of the project plan.

Residential Properties under Development

Shanghai Taipingqiao - Lot 122 was acquired in June 2021 with a total GFA of 87,000 sq.m. (including a GFA of 6,000 sq.m. underground space) for residential use and a GFA of 19,000 sq.m. (including a GFA of 3,600 sq.m. underground space) for retail shops. In September 2024, the Company successfully launched the first phase. A total of 108 units, representing a total GFA of 57,000 sq.m., was launched and fully subscribed on the launch day. The Group has launched the pre-sale of townhouses with a GFA of 6,124 sq.m. and these were fully subscribed in 1H 2025. The remaining townhouses are planned to be launched in 2H 2025 and beyond. The Group holds a 50% interest in the development.

Riverville - The site was acquired in December 2022 with a total GFA of 30,000 sq.m. (including 8,500 sq.m. GFA of underground space) for residential use. It is a heritage preservation and development project that involves the development of a high-end, low-density residential community comprising 90 units with unit sizes ranging from 160 – 410 sq.m.. Pre-sales for this project started in 2H 2024. As of 30 June 2025, a total GFA of 8,200 sq.m. has been contracted with a sales amount of RMB1,678 million. The project is planned for delivery in 2H 2025. The Group holds a 60% interest in the development.

Wuhan Changjiang Tiandi - The site was acquired in December 2021 with an estimated saleable GFA of 751,000 sq.m. for residential use. Lot B4 has a total residential GFA of 135,000 sq.m., and sales of the first batch started in September 2023. As of 30 June 2025, 403 units with a total GFA of 59,200 sq.m. have been contracted. The Group holds a 50% interest in the development.

Wuhan Tiandi - La Riva III (Lot B12) with a total GFA of 71,000 sq.m. for residential and 1,000 sq.m. for retail was launched in May 2023. The pre-sale price was the highest ever achieved in Wuhan. As of 30 June 2025, all the units have been delivered. Lot B2 with a total GFA of 21,100 sq.m. of residential is planned to be launched in 2H 2025.

Wuhan Innovation Tiandi - The site was acquired in 2017. The construction for Lots R7 and R8, with a total saleable GFA of 73,000 sq.m., commenced in November 2021. Despite the challenging market, by using a variety of strategies, the project team was able to rank top for sales of high-end products (above 180 sq.m.) in the centre of Optics Valley. As of 30 June 2025, a total of 51,000 sq.m. of residential GFA has been delivered to customers, and 312 units with GFA 58,100 sq.m. has been contracted. The Group holds a 50% interest in the development.

Commercial Properties under Development as of 30 June 2025

Project	Office GFA	Retail GFA	Total GFA	The Group's interests	Attributable GFA
	sq.m.	sq.m.	sq.m.		sq.m.
Shanghai Taipingqiao Lot 122	-	19,000	19,000	50.00%	9,500
Shanghai Sub-total	-	19,000	19,000		9,500
Wuhan Tiandi	70,000	3,000	73,000	100.00%	73,000
Wuhan Innovation Tiandi	251,000	290,000	541,000	50.00%	270,500
Wuhan Changjiang Tiandi	56,000	232,000+30,000 ¹	318,000	50.00%	159,000
Lingnan Tiandi	450,000	107,000+80,000 ¹	637,000	100.00%	637,000
Chongqing Tiandi	228,000	65,000+25,000 ¹	318,000	19.80%	63,000
Other Cities Sub-total	1,055,000	832,000	1,887,000		1,202,500
Grand Total	1,055,000	851,000	1,906,000		1,212,000

Note:

¹ Hotel use.

LANDBANK

As of 30 June 2025, the Group's landbank was 7.8 million sq.m. (comprising 5.7 million sq.m. of leasable and saleable area and 2.1 million sq.m. for clubhouses, car parking spaces and other facilities) spanning 15 development projects located in the prime areas of five major cities in China, namely Shanghai, Nanjing, Wuhan, Foshan and Chongqing. The leasable and saleable GFA attributable to the Group was 3.6 million sq.m.. Of the total leasable and saleable GFA of 5.7 million sq.m., approximately 2.6 million sq.m. was completed and held for sale and/or investment, approximately 0.8 million sq.m. was under development and the remaining 2.3 million sq.m. was held for future development.

The Group's total landbank as of 30 June 2025, including that of its joint ventures and associates, is summarised below:

Approximate/Estimated leasable and saleable GFA						Clubhouse, carpark, and other facilities	Total
Project	Residential sq.m.	Office sq.m.	Retail sq.m.	Hotel/ serviced apartments sq.m.			
					Subtotal sq.m.		
Completed properties:							
Shanghai Taipingqiao ¹	2,000	281,000	212,000	-	495,000	200,000	695,000
Ruihong Tiandi ²	-	145,000	296,000	-	441,000	265,000	706,000
KIC Shanghai ³	-	164,000	67,000	22,000	253,000	142,000	395,000
The Hub	-	90,000	173,000	-	263,000	72,000	335,000
Panlong Tiandi	-	-	42,000	-	42,000	77,000	119,000
Hong Shou Fang	-	48,000	14,000	-	62,000	21,000	83,000
Inno KIC	-	41,000	4,000	-	45,000	18,000	63,000
Wuhan Tiandi	-	165,000	238,000	-	403,000	283,000	686,000
Wuhan Innovation Tiandi	22,000	26,000	57,000	-	105,000	292,000	397,000
Lingnan Tiandi	-	16,000	157,000	43,000	216,000	57,000	273,000
Chongqing Tiandi ⁴	-	8,000	215,000	-	223,000	478,000	701,000
Nanjing IFC	-	72,000	28,000	-	100,000	18,000	118,000
Subtotal	24,000	1,056,000	1,503,000	65,000	2,648,000	1,923,000	4,571,000
Properties under development:							
Shanghai Taipingqiao ⁵	87,000	-	19,000	-	106,000	60,000	166,000
Riverville	30,000	-	-	-	30,000	22,000	52,000
Shanghai Beigang Urban Village ⁶	45,000	-	-	-	45,000	-	45,000
Wuhan Tiandi	39,000	-	-	-	39,000	16,000	55,000
Wuhan Innovation Tiandi	-	69,000	2,000	-	71,000	5,000	76,000
Wuhan Changjiang Tiandi	221,000	-	7,000	-	228,000	63,000	291,000
Chongqing Tiandi	-	228,000	-	25,000	253,000	17,000	270,000
Subtotal	422,000	297,000	28,000	25,000	772,000	183,000	955,000
Properties for future development:							
Wuhan Tiandi	-	70,000	3,000	-	73,000	-	73,000
Wuhan Innovation Tiandi	98,000	182,000	288,000	-	568,000	-	568,000
Wuhan Changjiang Tiandi	563,000	56,000	225,000	30,000	874,000	42,000	916,000
Lingnan Tiandi	28,000	450,000	107,000	80,000	665,000	-	665,000
Chongqing Tiandi	-	-	65,000	-	65,000	-	65,000
Subtotal	689,000	758,000	688,000	110,000	2,245,000	42,000	2,287,000
Total landbank GFA	1,135,000	2,111,000	2,219,000	200,000	5,665,000	2,148,000	7,813,000

Notes:

¹ The Group has 99.00% interests in all the remaining lots, except for Shanghai Xintiandi, Shui On Plaza including Xintiandi Plaza, 15th floor of Shui On Plaza, 5 Corporate Avenue, CPIC Xintiandi Commercial Centre and Lot 116, in which the Group has effective interests of 100.00%, 80.00%, 100.00%, 44.55%, 25.00%, and 98.00%, respectively.

² The Group has 99.00% effective interests in all the remaining lots, except for The Palette, Hall of the Stars, Hall of the Moon, Parkview, Hall of the Sun and Ruihong Corporate Avenue, in which the Group has effective interests of 49.50% and Lot 167A, in which the Group has an effective interest of 80.00%.

³ In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.

⁴ The Group has 99.00% effective interests in all the remaining lots, except for Lot B5, Lot B10, Lot B15, Lot B14, Lot B13 and Lot B24-6, in which the Group has effective interests of 19.80%.

⁵ The Group has a 50.00% interest in Lot 122.

⁶ The Group has a 5.00% interest in the project. GFA 45,000 sq.m. represents the first plot of land acquired as of 30 June 2025.

INVESTMENT PROPERTIES

Valuation of Investment Properties

As of 30 June 2025, the carrying value of the Group's investment properties at valuation (excluding hotels for operation and self-use properties) was RMB98,091 million with a total GFA of 2,622,000 sq.m.. The properties, located in Shanghai, Wuhan, Foshan, Nanjing, and Chongqing contributed, respectively, 81%, 9%, 6%, 3% and 1% of the carrying value.

The table below summarises the carrying value of the Group's investment properties at valuation as of 30 June 2025, together with the change in fair value for 1H 2025:

Project	Leasable GFA sq.m.	Increase /(decrease) in fair value for 1H 2025 RMB'million	Carrying value as of 30 Jun 2025 RMB'million	Fair value gain/(loss) to carrying value %	Attributable carrying value to the Group RMB'million
Completed investment properties at valuation					
Shanghai Taipingqiao Community					
Shanghai Xintiandi and Xintiandi Style II	80,000	(11)	8,345	(0.1%)	8,326
Shui On Plaza and Xintiandi Plaza	53,000	(17)	3,943	(0.4%)	3,195
5 Corporate Avenue, Hubindao	79,000	(42)	6,619	(0.6%)	2,949
CPIC Xintiandi Commercial Centre	274,000	33	21,497	0.2%	5,374
Ruihong Tiandi	441,000	(139)	15,280	(0.9%)	7,564
The Hub	263,000	(36)	8,740	(0.4%)	8,740
KIC Shanghai	253,000	(37)	8,641	(0.4%)	4,003
Inno KIC	45,000	(6)	1,466	(0.4%)	1,466
Panlong Tiandi	42,000	110	1,498	7.4%	1,198
Hong Shou Fang	62,000	4	2,677	0.1%	937
Wuhan Tiandi	401,000	(73)	8,983	(0.8%)	8,983
Lingnan Tiandi	158,000	(30)	4,373	(0.7%)	4,373
Chongqing Tiandi	117,000	(25)	1,393	(1.8%)	1,379
Nanjing IFC	100,000	(36)	2,831	(1.3%)	1,416
Subtotal	2,368,000¹	(305)	96,286	(0.3%)	59,903
Investment properties under development at valuation					
Foshan Lot A	254,000	(45)	1,805	(2.5%)	1,805
Subtotal	254,000	(45)	1,805	(2.5%)	1,805
Grand Total	2,622,000	(350)	98,091	(0.4%)	61,708
Grand Total (excluding associates and joint ventures)	1,413,000	(133)	40,546	(0.3%)	39,465

Note:

¹ Self-use properties (total GFA 11,000 sq.m. with carrying value of RMB651 million) are classified as property and equipment in the consolidated statement of financial position, and the respective leasable GFA and carrying value are excluded from this table.

SXTD: The Group's Flagship Commercial Business Unit

SXTD invests in and manages premium commercial properties in China. With over two decades of experience in investing and operating in China, we have built landmark communities over the years including our flagship project Shanghai Xintiandi. With high quality services and constant innovation, we aim to build landmark communities that combine culture, heritage and lifestyle.

Commercial Properties Portfolio

The occupancy of our operating retail portfolio remained stable and averaged 94% as of 30 June 2025. Overall sales and shopper traffic in our portfolio for 1H 2025 both increased by 10.5% as compared to the same period in 2024. Rental reversion, however, has turned negative given the slower-than-expected market recovery and change in consumer behaviour.

The office market has been facing more challenges against a backdrop of uncertainty in the economic outlook and oversupply in the market. However, with our high quality assets and services in prime locations, occupancy of our mature Shanghai office portfolio remained stable with an average occupancy rate of 90% as of 30 June 2025. Rental reversion was negative as of 30 June 2025 due to strong competition.

Rental and related income for the Group fell by 23% to RMB965 million in 1H 2025 compared to RMB1,257 million in 1H 2024. The drop was mainly due to the restructuring of KIC Shanghai as announced in November 2024, resulting in the reclassification of rental income of RMB226 million (1H 2024: RMB245 million) to rental income from joint venture in 1H 2025.

Including the rental and related income from joint venture and associate properties, the total rental and related income grew 1% year-on-year to RMB1,781 million in 1H 2025, of which 78% of the rental and related income was contributed by the portfolio located in Shanghai, with the remainder from other cities in China.

The table below provides an analysis of the rental and related income and occupancy rate of the Group's investment properties:

Project	Product	Rental & related		Changes	Occupancy rate		Changes
		Leasable	income				
		GFA	RMB'million				
			1H	1H		30 Jun	31 Dec
		sq.m.	2025	2024	%	2025	2024
							ppt
Shanghai Taipingqiao							
Shanghai Xintiandi	Office/ Retail	54,000	244	235	4%	98%	96%
Xintiandi Style II	Retail	26,000	38	34	12%	90%	94%
Shui On Plaza & Xintiandi Plaza	Office / Retail	53,000	72	67	7%	98%	98%
5 Corporate Avenue, Hubindao	Office / Retail	79,000	103	114	(10%)	95%	93%
CPIC Xintiandi Commercial Centre	Office / Retail	274,000	132	58	128%	41%	33%
Ruihong Tiandi							
Hall of the Moon, Hall of the Stars, The Palette, Hall of the Sun	Retail	296,000	168	171	(2%)	92%	90%
Ruihong Corporate Avenue	Office	145,000	63	50	26%	57%	58%
The Hub	Office/ Retail	263,000	186	247	(25%)	89%	89%
KIC Shanghai	Office/ Retail	253,000	226	245	(8%)	91%	93%
Inno KIC	Office/ Retail	45,000	30	32	(6%)	91%	91%
Panlong Tiandi	Retail	42,000	63	58	9%	97%	96%
Hong Shou Fang	Office/ Retail	62,000	59	52	13%	89%	81%
Wuhan Tiandi	Office/ Retail	401,000	185	185	-	72%	71%
Lingnan Tiandi	Office/ Retail	158,000	114	112	2%	95%	94%
Chongqing Tiandi	Retail	117,000	29	35	(17%)	98%	96%
Nanjing IFC	Office/Retail	100,000	69	69	-	88%	90%
Grand Total		2,368,000¹	1,781	1,764	1%		

Note:

¹ A total GFA of 11,000 sq.m. located at Shanghai Shui On Plaza, Wuhan Tiandi Community and Lingnan Tiandi Community was occupied by the Group and was excluded from the above table.

Real Estate Asset Management

To complement our Asset-Light strategy, we also work as a trusted partner to other asset owners and provide real estate asset management services for commercial projects. The real estate asset management services include but are not limited to feasibility studies, tenancy positioning, leasing, marketing and branding, as well as account and finance management. As of 30 June 2025, our asset management projects include 5 Corporate Avenue and Hubindao, Nanjing IFC, commercial properties in Ruihong Tiandi, CPIC Xintiandi Commercial Centre, Hong Shou Fang and KIC Shanghai. The total valuation of the projects we managed amounted to RMB57.5 billion as of 30 June 2025, with a total GFA of 1,209,000 sq.m.. We will continue to extend our services and look for more opportunities to work with other organisations, utilising our experience and knowledge to build sustainable premium communities.

Our Projects and Latest Updates

Shanghai Taipingqiao:

Shanghai Taipingqiao is a large-scale, flagship community project in the heart of Shanghai. It was developed to preserve the region's historical architecture while transforming the area to meet urban development needs. Located in Huangpu District, the project is connected by Shanghai Metro Lines 1, 8, 10, 13 and 14, fronting the popular Huaihai Middle Road business district. The Group began the multi-phase development of Shanghai Taipingqiao in 1996, comprising various commercial, office and residential plots, including Shanghai Xintiandi, Xintiandi Style II, Shui On Plaza, Xintiandi Plaza, 5 Corporate Avenue, Hubindao and CPIC Xintiandi Commercial Centre. Our flagship project, Shanghai Xintiandi, is at the heart of the Shanghai Taipingqiao. Featuring the preservation of cultural heritage, Shanghai Xintiandi has been successfully established as an iconic landmark that offers a carefully blended experience of old Shanghai culture and modern lifestyles that has made the community a premier lifestyle destination for both residents of Shanghai and visitors. Not only does Shanghai Xintiandi continue to attract consumers and new tenants from across the world, it also serves as a popular venue for hosting international festivals and local events, such as Shanghai Fashion Week and the XINTIANDI Performing Arts Festival.

The CPIC Xintiandi Commercial Centre is a commercial complex with three towers of premium Grade A office buildings and a street style all-weather shopping and leisure/entertainment area. The project includes three lots, namely Lot 123, Lot 124 and Lot 132, with a total GFA of 274,000 sq.m.. Lot 132 (CPIC Life Tower), with a total GFA of 30,000 sq.m. of office, was completed and handed over to CPIC in 2023. Lot 123 (Tower 2) and Lot 124 (Tower 1) were completed in 2024. The retail podium of Lot 123 and Lot 124 is scheduled to open for operations in 2H 2025.

The Hub:

Located in the heart of the Hongqiao central business district ("CBD"), The Hub is the only commercial complex that is directly connected to the Hongqiao Transportation Hub, offering convenient access to major transportation nodes such as the Shanghai High-Speed Rail Terminal, Shanghai Hongqiao International Airport, five underground metro lines, the long-haul bus station and the future maglev terminal. The Hub features four office towers, a Xintiandi commercial zone, a shopping facility and a performance and exhibition centre. Strategically located in Hongqiao CBD, the gateway to the Yangtze River Delta region, The Hub has attracted regional headquarters and branch offices of leading companies from various industries, including Fortune 500 companies.

Ruihong Tiandi:

Ruihong Tiandi is a mixed-use, large-scale masterplan community project covering retail, office, entertainment, cultural and residential space. The property is located in the Hongkou district of Shanghai, in close proximity to several leading universities and the CBD. It enjoys excellent connectivity to Lujiazui CBD and Pudong commercial district via four metro lines (Metro Lines 4, 8, 10 and 12) and two tunnels, Xinjian Road Tunnel and Dalian Road Tunnel. Ruihong Tiandi comprises various commercial and office properties, including the Hall of the Moon, the Hall of the Stars, The Palette, the Hall of the Sun and Ruihong Corporate Avenue. Ruihong Tiandi is being revitalised to become a fashionable urban living destination.

Panlong Tiandi:

Panlong Tiandi comprises residential sites, culture and recreation areas, restaurant and hotel development, as well as greenery and open space for the public. The project is located in Shanghai's Qingpu District, part of the Hongqiao CBD. It is next to Panlong Station on Shanghai Metro Line 17 and just two train stops or 3 km away from the Hongqiao Transportation Hub. The Panlong Tiandi project won the Gold Award for Best Futura Mega Project in 2020 given by MIPIM Asia Awards. The retail facilities were opened at the end of April 2023, and it is one of Shanghai's most successful urban village transformations. Panlong Tiandi has become a new cultural landmark for the Yangtze River Delta area and a new destination combining cultural heritage, modern lifestyle and community engagement. During the Spring Festival period in 2025, Panlong Tiandi attracted more than 970,000 visitors. Total foot traffic in 1H 2025 has seen double-digit growth year-on-year.

KIC Shanghai:

KIC Shanghai is a mixed-use technology innovation and knowledge community strategically located in Wujiaochang in Yangpu District, in the immediate vicinity of major universities and colleges, including Fudan University, Shanghai University of Finance and Economics and Tongji University. The project combines office space with research and development, education, training, investment and incubator services, tailored to the needs of tenants in knowledge-based industries. In addition to office space and services, KIC comprises retail and mixed-use areas, including University Avenue and the KIC Village Zone, which offer the community a wide selection of gourmet cuisine, coffee shops, bookstores, galleries and creative retail stores. Through the KIC project, we have facilitated the transformation of the Yangpu District from an industrial and manufacturing area into a community for knowledge and innovation. The KIC project has thus been regarded as a landmark of innovation and entrepreneurship in Shanghai. In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.

Inno KIC:

Located adjacent to KIC Shanghai in the Xinjiangwan CBD of Yangpu District, Inno KIC is one of the first projects created by SHUI ON WORKX, our multiform office solution aiming to provide a complete life-cycle workspace solution for start-ups as well as small-to-medium and large enterprises. The complex introduces a new business social platform that integrates work, entrepreneurship, learning and leisure, with the aim of delivering flexible business solutions and providing a diversified working ecosystem that promotes the growth and development of enterprises.

Hong Shou Fang:

The Hong Shou Fang project is an urban regeneration project located at the gateway of Changshou Road, the most popular commercial street in Shanghai's Putuo District. The site is only 2 km from Nanjing West Road, one of the most prominent CBDs in Shanghai, and is directly linked to Changshou Road Station, the interchange station of Metro Lines 7 and 13. The project encompasses a commercial complex with 48,000 sq.m. GFA of Grade A office and 14,000 sq.m. of entertainment, restaurants and retail area achieved through the restoration of the existing historic buildings. The project was opened at the end of September 2023. The project company has become a joint venture project after the completion of the disposal of 65% equity interest in January 2024.

Since its opening, Hong Shou Fang has become a local landmark as our signature project in the centre of the neighbourhood. Shopper traffic has remained high and it marks a significant milestone in our neighbourhood community product line-up.

Wuhan Tiandi:

Wuhan Tiandi is a large-scale, mixed-use community project comprising office, retail, food and beverage and entertainment facilities. It sits in the city centre of Hankou District, occupying a prime location on the Yangtze River waterfront and providing unparalleled views of the Yangtze River and the scenic Jiangtan Park.

Following a successful repositioning, we have optimised the tenant mix and the food and beverage offerings of its retail facilities, introducing new tenants focusing on young premium customers. It has become a retail and social destination in Wuhan that offers lifestyle experiences to this clientele.

The project also includes 1 Corporate Avenue, a high-rise Grade A office building spanning 73 stories completed in September 2021.

Lingnan Tiandi:

Lingnan Tiandi is a large-scale, integrated urban regeneration community comprising retail, office, hotel, cultural facilities and residential complexes. Strategically located in the old town centre of the central Chancheng District, the project enjoys good connectivity, being the location of two stations on the Guangzhou-Foshan metro line. The project preserves traditional Lingnan-style architecture, while blending cosmopolitan elements and modern facilities into a lifestyle destination, offering the city's residents and tourists a wide selection of terrace restaurants and retail options.

Chongqing Tiandi:

Chongqing Tiandi is situated on the south bank of the Jialing River in the Yuzhong District of Chongqing, one of the most populous cities in the world and the leading industrial and commercial hub of southwest China. It has a unique landscape and creates a commercial and residential community around a man-made lake within the surrounding hillsides.

The project has recorded stable rental growth and has reached 98% occupancy as of 30 June 2025, following a repositioning targeting a young premium clientele last year. It offers a wide range of retail, food and beverages as well as entertainment facilities to office tenants and residents in the neighbourhood.

Nanjing IFC:

We acquired a mixed-use Grade A landmark property in Nanjing with Grosvenor Group on a 50/50 basis in February 2021. Nanjing IFC is predominantly an office building occupied by a diverse mix of high-quality tenants, including MetLife, AIA, and KFC.

STRATEGY GOING FORWARD

Since 2016, the Group has implemented an Asset-Light strategy to propel its business in a more effective and productive way and this has provided a solid anchor as we navigate the challenging market. As we move forward with this strategy, in addition to the Shanghai Beigang Urban Village and Yong Nian Li (temporary name) projects from last year, we formed a 30/70 joint venture with Tian An and in June 2025 that successfully acquired a 50% interest in the company held by Yong Ye for the development of the Yong Xin Li (temporary name) project. This demonstrated trust from our partners towards our brand and the high quality of our operations, and will allow us to expand our Lakeville brand and our presence in the Greater Xintiandi Community. The table below summarises the asset-light projects the Group has participated in as of 30 June 2025:

Project	Product	Estimated residential GFA sq.m.	Estimated commercial GFA sq.m.	The Group's interests
Shanghai Yong Nian Li (temporary name)	Mixed-use development	105,000	57,000	-
Shanghai Beigang Urban Village	Mixed-use development	326,000	95,000	5%
Shanghai Yong Xin Li (temporary name)	Mixed-use development	159,000	58,000	15%
Grand total		590,000	210,000	

Looking ahead, we will continue to pursue our Asset-Light strategy for business expansion and actively explore innovations in our business model utilising our brands (namely, the community brand “Xintiandi” and luxury residential brand “Lakeville”) and management expertise. In the near term, the Group’s top priority will be liquidity management and financial stability. With a balanced strategy between property development and asset management, our long-term goal is to become the “best in class” leader in selective markets and in the various products we create that generate sustainable growth in profitability.

FINANCIAL REVIEW

The Group's **revenue** for the six months ended 30 June 2025 ("1H 2025") was RMB2,074 million (for the six months ended 30 June 2024 ("1H 2024"): RMB2,073 million). There was no new residential completion in the period under review. **Property sales** in 1H 2025 were primarily sales of property and carpark inventories at different projects, and amounted to RMB145 million (1H 2024: RMB143 million).

Rental and related income from property investment for 1H 2025 fell 23% to RMB965 million (1H 2024: RMB1,257 million). The decrease was mainly due to the fact that since restructuring the ownership of KIC Shanghai in 2024, income from KIC Shanghai in 1H 2025 of RMB226 million (1H 2024: RMB245 million) is accounted for as income from a joint venture and not reflected in the Group's revenue. Excluding the impact from the deconsolidation of KIC Shanghai, rental and related income of the Group for 1H 2025 declined by 5%, primarily because of a decrease in rental income from the office portfolio.

Rental and related income from the Group's Shanghai properties, which accounted for 66% (1H 2024: 74%) of the total, and which was also affected by the deconsolidation of KIC Shanghai, was down to RMB637 million (1H 2024: RMB925 million). On a like-for-like basis, rental and related income from the Group's Shanghai properties declined by 6% against the same period last year, mainly caused by a decrease in the occupancy rate and rental reversion of the Shanghai office portfolio as a result of oversupply and downward pressure on market rents. The Group's properties outside Shanghai maintained rental and related income at a stable level of RMB328 million in 1H 2025 (1H 2024: RMB332 million).

Property management income for 1H 2025 decreased by 7% to RMB281 million (1H 2024: RMB303 million), of which RMB200 million (1H 2024: RMB225 million) was from services rendered to commercial properties, with the remaining income of RMB81 million (1H 2024: RMB78 million) from residential properties. The decrease in property management income mainly resulted from KIC Shanghai's deconsolidation. Excluding this impact, property management income from commercial properties for 1H 2025 rose 3%, with the increase coming mainly from the properties outside Shanghai.

Construction income generated by the construction business advanced to RMB286 million in 1H 2025 (1H 2024: RMB170 million). The increase was mainly from the construction services rendered to Riverville and to local government in the Qingpu District of Shanghai.

Other revenue, primarily comprising asset management fee income, management services fee income from Asset-Light projects and hotel operation income, doubled to RMB397 million in 1H 2025 (1H 2024: RMB200 million). The Asset-Light strategy allows the Group to enlarge its assets under management and increase recurrent management fee income.

Gross profit in 1H 2025 was stable at RMB1,369 million (1H 2024: RMB1,355 million), while **gross profit margin** was 66% (1H 2024: 65%).

Other income in 1H 2025 dropped by 79% to RMB65 million (1H 2024: RMB308 million), mainly comprising bank interest income and interest income from joint ventures. The decrease was mainly due to the reduced interest rates on loans to joint ventures.

Selling and marketing expenses in 1H 2025 remained stable at RMB53 million (1H 2024: RMB54 million).

General and administrative expenses, which comprise staff costs, depreciation charges and advisory costs incurred, fell by 6% to RMB382 million in 1H 2025 (1H 2024: RMB408 million), as a result of effective cost control.

Decrease in the fair value of investment properties totalled RMB133 million in 1H 2025 (1H 2024: RMB33 million). The investment property portfolio in Shanghai recorded a valuation gain of RMB40 million (1H 2024: RMB14 million), which was offset by a revaluation loss of RMB173 million (1H 2024: RMB47 million) in the investment property portfolio outside Shanghai. The section on "Investment Properties" in the Business Review part of this report provides detailed descriptions of these properties.

Other gains and losses recorded a net gain of RMB108 million in 1H 2025 (1H 2024: net loss of RMB53 million), comprised of:

Gains/(losses)	1H 2025 RMB'million	1H 2024 RMB'million
Gain on derecognition of financial liabilities	38	-
Net loss on disposal of investment properties	(10)	-
Others	80	(53)
Total	108	(53)

Share of results of associates and joint ventures recorded a net loss of RMB73 million in 1H 2025 (1H 2024: net gain of RMB243 million). The net loss from commercial properties totalled RMB105 million (1H 2024: net gain of RMB8 million) which included a net effect of revaluation loss of RMB76 million (1H 2024: net gain of RMB16 million). The loss was partially offset by gains from property sales amounting to RMB32 million which were mainly those from Wuhan Innovation Tiandi amounting to RMB31 million. In comparison, net gains from residential projects including property sales and savings in the final settlement of construction costs and land appreciation tax settlement in 1H 2024, were RMB235 million, principally comprised of RMB121 million from the joint-venture project with GRANDJOY in Ruihong Tiandi, RMB80 million from Ruihong Tiandi Park Vera (Lot 167A, disclosed as joint venture) and RMB48 million from Wuhan Innovation Tiandi.

Finance costs, inclusive of exchange differences, totalled RMB888 million in 1H 2025 (1H 2024: RMB1,076 million), comprising finance costs of RMB801 million (1H 2024: RMB990 million) and a net exchange loss of RMB87 million (1H 2024: RMB86 million). Total interest costs receded by 25% to RMB823 million (1H 2024: RMB1,094 million) which was in line with the Group's reduced outstanding balance of debt and lower average cost of debt of 5.67% in 1H 2025 (1H 2024: 5.98%). Of the abovementioned interest costs, 3% (1H 2024: 10%) or RMB22 million (1H 2024: RMB104 million) was capitalised as the cost of property development, with the remaining 97% (1H 2024: 90%) of interest costs relating to mortgage loans on completed properties and borrowings for general working capital purposes being accounted for as expenses.

Taxation recorded a credit amount of RMB68 million in 1H 2025 (1H 2024: charge of RMB99 million), mainly due to the reversal of deferred tax provision for unrealised intercompany transaction and investment properties, resulting from the reduction in temporary differences. People's Republic of China ("PRC") enterprise income tax has been provided for at the applicable income tax rate of 25% on the assessable profits during the year. Land appreciation tax was levied at progressive rates ranging from 30% to 60% based on the appreciation value, which is the proceeds of property sales less deductible expenditures, including costs of land, development, and construction.

Profit for the period 1H 2025 was RMB81 million (1H 2024: RMB183 million).

Profit attributable to shareholders of the Company for 1H 2025 was RMB51 million (1H 2024: RMB72 million).

The core earnings of the Group are as follows:

	Six months ended 30 June		
	2025	2024	Change
	RMB'million	RMB'million	%
Profit attributable to shareholders of the Company	51	72	(29%)
Decrease in fair value of investment properties, net of tax	123	37	
Share of results of associates and joint ventures			
- decrease/(increase) in fair value of investment properties, net of tax	76	(16)	
	199	21	
Non-controlling interests	13	15	
Net effect of changes in the valuation	212	36	
Profit attributable to shareholders of the Company before revaluation	263	108	144%
Core earnings of the Group	263	108	144%

Earnings per share for 1H 2025 were RMB0.64 cents, calculated based on a weighted average of approximately 8,009 million shares in issue in 1H 2025 (1H 2024: earnings per share of RMB0.90 cents, calculated based on a weighted average of approximately 8,009 million shares in issue).

Dividends payable to shareholders of the Company must comply with certain covenants under the senior notes and bank borrowings.

Having taken into consideration the Group's financial performance during the period and the Group's financial position as of 30 June 2025, the Board does not recommend the payment of an interim dividend in 2025 (1H 2024: Nil).

Major Transaction

In June 2025, the Group entered into an agreement with Qingdao Ruijian Private Equity Investment Fund Partnership (Limited Partnership) ("the Fund") to transfer its 100% interest in Fo Shan Shui On Property Development Co., Ltd. and Fo Shan An Ying Property Development Co., Ltd. (collectively, "Foshan Project Companies") to the Fund. Upon completion, the Group will hold 57.63% of the partnership interests of the Fund. The transaction was accounted for as a financing arrangement and Foshan Project Companies will continue to be subsidiaries of the Group. For details, please refer to the circular issued by the Company dated 31 July 2025.

Liquidity, Capital Structure, and Gearing Ratio

In March 2025, the Group fully repaid an aggregate principal amount of USD490 million of senior notes.

The structure of the Group's borrowings as of 30 June 2025 is summarised below:

	Total	Due within one year	Due in more than one year but not exceeding two years	Due in more than two years but not exceeding five years	Due in more than five years
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Bank and other borrowings – RMB	15,892	2,682	1,754	5,693	5,763
Bank borrowings – HKD	133	133	-	-	-
Bank borrowings – USD	2,579	506	2,073	-	-
Senior notes – USD	2,859	2,859	-	-	-
Receipts under securitisation arrangements – RMB	4,298	40	55	260	3,943
Total	25,761	6,220	3,882	5,953	9,706

Cash and bank deposits as of 30 June 2025 totalled RMB5,500 million (31 December 2024: RMB7,734 million), which included RMB1,618 million (31 December 2024: RMB2,780 million) of deposits pledged to banks and RMB1,629 million (31 December 2024: RMB2,083 million) of restricted bank balances which can only be applied to designated projects of the Group.

As of 30 June 2025, the Group's net debt (excess of the sum of senior notes, bank and other borrowings and receipts under securitisation arrangements net of bank balances and cash including pledged bank deposits and restricted bank deposits) was RMB20,261 million (31 December 2024: RMB22,193 million), and its total equity was RMB39,992 million (31 December 2024: RMB42,669 million). The Group's net gearing ratio was 51% as of 30 June 2025 (31 December 2024: 52%), calculated based on the net debt over the total equity.

As of 30 June 2025, total HKD/USD borrowings (including both hedged and unhedged positions) amounted to RMB5,571 million (31 December 2024: RMB11,279 million), accounting for 22% of total borrowings (31 December 2024: 38%).

The total undrawn banking facilities available to the Group amounted to approximately RMB4,313 million as of 30 June 2025 (31 December 2024: RMB3,235 million).

Pledged Assets

As of 30 June 2025, the Group had pledged investment properties, properties under development for sale, property and equipment, right-of-use assets, receivables, bank deposits and the equity interests in a subsidiary totalling RMB41,263 million (31 December 2024: RMB39,984 million) to secure the Group's borrowings totalling RMB19,321 million (31 December 2024: RMB19,337 million).

Capital and Other Development Related Commitments

As of 30 June 2025, the Group had contracted commitments for development costs, capital expenditure, and other investments of RMB4,741 million (31 December 2024: RMB5,099 million).

Cash Flow Management and Liquidity Risk

Management of cash flow is the responsibility of the Group's treasury function at the corporate level.

The Group's commitment is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings and debt financing, as appropriate. During 1H 2025, a total of RMB7.24 billion of debt was repaid or refinanced by the Group, accounting for 79% of the borrowings due within 2025. The Group will continue to take a very prudent approach to capital management, with healthy cashflow a top priority for its liquidity management.

Exchange Rate and Interest Rate Risks

The Group's revenue is denominated in RMB. Thus, the coupon payments and repayment of the principal amounts of the RMB bank and other borrowings do not expose the Group to any exchange rate risk.

However, a portion of the revenue is converted into other currencies to meet our foreign-currency-denominated debt obligations, such as bank borrowings denominated in HKD and USD, and senior notes denominated in USD issued in 2021. Thus, to the extent that the Group has a net currency exposure, there is exposure to fluctuations in foreign exchange rates. As of 30 June 2025, the Group had entered into USD104 million of cross currency swaps to hedge the USD currency risk against the RMB. The Group continues to monitor its exposure to exchange rate risk closely. It may consider employing additional derivative financial instruments to hedge against its remaining exposure to exchange rate risk, if necessary.

The Group's exposure to interest rate risk results from fluctuations in interest rates. Most of the Group's bank borrowings consist of variable-rate debt obligations with original maturities ranging from one to 15 years. Increases in interest rates would raise interest expenses relating to the outstanding variable rate borrowings and the cost of new debt. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the debt obligations.

As of 30 June 2025, the Group had various outstanding loans that bear variable rates of interest linked to Hong Kong Inter-bank Offered Rates, the Secured Overnight Financing Rate ("SOFR") and the Loan Prime Rate. The Group has hedged against the variability of cash flow arising from interest rate fluctuations by entering into cross currency swaps in which the Group received interest at variable rates at SOFR and paid interest at fixed rates, based on the notional amount of USD104 million. The Group continues to monitor its exposure to interest rate risk closely. It may consider employing additional derivative financial instruments to hedge against its remaining exposure to interest rate risk, if necessary.

Save as disclosed above, as of 30 June 2025, the Group does not hold any other derivative financial instruments linked to exchange rates or interest rates. The Group continues to monitor its exposure to exchange rate and interest rate risks closely and may employ derivative financial instruments to hedge against risk.

The Board of Directors (the “Board”) of Shui On Land Limited (the “Company” or “Shui On Land”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Six months ended		Six months ended	
		30 June 2025		30 June 2024	
		(Unaudited)		(Unaudited)	
		HKD'million (Note 2)	RMB'million	HKD'million (Note 2)	RMB'million
Revenue	4	2,253	2,074	2,281	2,073
Cost of sales		(766)	(705)	(790)	(718)
Gross profit		1,487	1,369	1,491	1,355
Other income	5	71	65	339	308
Selling and marketing expenses		(58)	(53)	(59)	(54)
General and administrative expenses		(415)	(382)	(449)	(408)
Decrease in fair value of the investment properties		(144)	(133)	(36)	(33)
Other gains and losses	5	117	108	(59)	(53)
Share of results of associates and joint ventures		(79)	(73)	267	243
Finance costs, inclusive of exchange differences	6	(965)	(888)	(1,184)	(1,076)
Profit before tax	7	14	13	310	282
Tax	8	74	68	(109)	(99)
Profit for the period		88	81	201	183
Attributable to:					
Shareholders of the Company		55	51	79	72
Non-controlling shareholders of subsidiaries		33	30	122	111
		88	81	201	183
Earnings per share attributable to shareholders of the Company	10				
-Basic		HKD0.70 cents	RMB0.64 cents	HKD1.00 cents	RMB0.90 cents
-Diluted		HKD0.70 cents	RMB0.64 cents	HKD1.00 cents	RMB0.90 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended		Six months ended	
	30 June 2025		30 June 2024	
	(Unaudited)		(Unaudited)	
	HKD'million (Note 2)	RMB'million	HKD'million (Note 2)	RMB'million
Profit for the period	88	81	201	183
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference arising on translation of foreign operations	20	18	(96)	(88)
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	(23)	(21)	30	27
Reclassification from hedge reserve to profit or loss arising from hedging instruments	3	3	(6)	(5)
Share of other comprehensive (expense)/income of an associate and a joint venture	(13)	(12)	26	24
Items that will not be reclassified subsequently to profit or loss:				
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	-	-	4	4
Other comprehensive expenses for the period	(13)	(12)	(42)	(38)
Total comprehensive income for the period	75	69	159	145
Total comprehensive income attributable to:				
Shareholders of the Company	42	39	36	33
Non-controlling shareholders of subsidiaries	33	30	123	112
	75	69	159	145

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Non-current assets			
Investment properties		40,624	40,964
Interests in associates		12,098	8,641
Interests in joint ventures		12,135	14,806
Property and equipment		808	829
Right-of-use assets		26	14
Receivables, deposits, and prepayments	11	265	262
Pledged bank deposits		643	416
Loans to a non-controlling shareholder of a subsidiary		18	-
Deferred tax assets		221	259
Other non-current assets		59	59
		<hr/>	<hr/>
		66,897	66,250
		<hr/>	<hr/>
Current assets			
Properties under development for sale		3,081	2,694
Properties held for sale		765	817
Receivables, deposits, and prepayments	11	675	714
Amounts due from associates		175	178
Loans to/amounts due from joint ventures		4,000	11,006
Loan to a non-controlling shareholder of a subsidiary		7	4
Amounts due from related companies		397	407
Contract assets		81	93
Pledged bank deposits		975	2,364
Bank balances and cash		3,882	4,954
Assets classified as held for sale		2,457	2,457
		<hr/>	<hr/>
		16,495	25,688
		<hr/>	<hr/>
Current liabilities			
Accounts payable, deposits received, and accrued charges	12	3,769	3,723
Contract liabilities		188	1
Bank and other borrowings		3,321	4,655
Senior notes		2,859	3,569
Receipts under securitisation arrangements		40	40
Tax liabilities		3,159	4,171
Loans from/amounts due to non-controlling shareholders of subsidiaries		11	943
Amounts due to associates		70	216
Loans from/amounts due to joint ventures		352	48
Amounts due to related companies		335	339
Lease liabilities		4	8
		<hr/>	<hr/>
		14,108	17,713
		<hr/>	<hr/>
Net current assets		2,387	7,975
		<hr/>	<hr/>
Total assets less current liabilities		69,284	74,225
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED

	<i>Notes</i>	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Non-current liabilities			
Bank and other borrowings		15,283	14,622
Senior notes		-	2,868
Receipts under securitisation arrangements		4,258	4,173
Deferred tax liabilities		3,263	3,398
Accounts payable, deposits received, and accrued charges	<i>12</i>	525	537
Loans from an associate		5,663	5,825
Loans from joint ventures		226	36
Lease liabilities		48	92
Defined benefit liabilities		2	2
Derivative financial instruments		24	3
		29,292	31,556
Capital and reserves			
Share capital		146	146
Reserves		38,110	38,339
Equity attributable to shareholders of the Company		38,256	38,485
Non-controlling interests		1,736	4,184
Total equity		39,992	42,669
Total equity and non-current liabilities		69,284	74,225

1. General

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements. It should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2. Presentation

The Hong Kong dollar figures presented in the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income are shown for reference only. They are based on the exchange rate of RMB1.000 to HKD1.0865 for the six months ended 30 June 2025 and RMB1.000 to HKD1.1003 for the six months ended 30 June 2024, being the average exchange rates that prevailed during the respective periods.

3. 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 IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4A. Revenue Information

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
Property development:		
Property sales	145	143
Property management:		
Property management fee income	281	303
Construction	286	170
Others	397	200
	1,109	816
Geographical markets:		
Shanghai	757	581
Wuhan	226	103
Foshan	74	67
Chongqing	30	34
Nanjing	22	31
	1,109	816
Timing of revenue recognition		
At a point in time	145	143
Over time	964	673
	1,109	816

4A. Revenue Information - continued

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

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
Property development:		
Property sales	<u>145</u>	<u>143</u>
Property management:		
Property management fee income	<u>281</u>	<u>303</u>
Construction	<u>286</u>	<u>170</u>
Others	<u>397</u>	<u>200</u>
Revenue from contracts with customers	<u>1,109</u>	<u>816</u>
Property investment:		
(property investment segment)		
Rental income from investment properties	<u>856</u>	<u>1,108</u>
Rental-related income	<u>109</u>	<u>149</u>
	<u>965</u>	<u>1,257</u>
Total	<u>2,074</u>	<u>2,073</u>

4B. Segmental Information

The Group is organised based on its business activities and has the following four major reportable segments:

Property development	- development and sale of properties
Property investment	- offices and commercial/mall leasing
Property management	- provision of daily management service of properties
Construction	- construction, interior fitting-out, renovation and maintenance of building premises

4B. Segmental Information - continued

Six months ended 30 June 2025 (Unaudited)							
	<u>Property development</u>	<u>Property investment</u>	<u>Property management</u>	<u>Construction</u>	<u>Reportable segment total</u>	<u>Others</u>	<u>Consolidated</u>
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
SEGMENT REVENUE							
Segment revenue of the Group	145	965	281	286	1,677	397	2,074
SEGMENT RESULTS							
Segment results of the Group	77	575	55	17	724	265	989
Interest income							45
Share of results of associates and joint ventures							(73)
Finance costs, inclusive of exchange differences							(888)
Other gains and losses							108
Unallocated income							19
Unallocated expenses							(187)
Profit before tax							13

4B. Segmental Information - continued

Six months ended 30 June 2024 (Unaudited)							
	<u>Property development</u>	<u>Property investment</u>	<u>Property management</u>	<u>Construction</u>	<u>Reportable segment total</u>	<u>Others</u>	<u>Consolidated</u>
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
SEGMENT REVENUE							
Segment revenue of the Group	143	1,257	303	170	1,873	200	2,073
SEGMENT RESULTS							
Segment results of the Group	22	900	58	(1)	979	48	1,027
Interest income							287
Share of results of associates and joint ventures							243
Finance costs, inclusive of exchange differences							(1,076)
Other gains and losses							(53)
Unallocated income							24
Unallocated expenses							(170)
Profit before tax							282

Segment results represent the profit earned by each segment without allocation of central administration costs, directors' salaries, interest income, share of results of associates and joint ventures, other gains and losses, finance costs inclusive of exchange differences, and other unallocated income/expenses. This is the measure reported for resource allocation and performance assessment.

5. Other Income, Other Gains and Losses

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
<u>Other income</u>		
Interest income from banks	31	63
Interest income from loans to joint ventures	14	224
Government grants	4	8
Others	16	13
	<u>65</u>	<u>308</u>
<u>Other gains and losses</u>		
Gain on derecognition of financial liabilities	38	-
Net loss on disposal of investment properties	(10)	-
Others	80	(53)
	<u>108</u>	<u>(53)</u>

6. Finance Costs, Inclusive of Exchange Differences

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	491	551
Interest on receipts under securitisation arrangements	92	92
Interest on loans from an associate and joint ventures	37	113
Interest on senior notes	131	289
Interest expenses from lease liabilities	1	2
	<u>752</u>	<u>1,047</u>
Total interest costs		
Less: Amount capitalised to investment properties under construction or development and properties under development for sale	(22)	(104)
	<u>730</u>	<u>943</u>
Interest expenses charged to profit or loss	87	86
Net exchange loss	71	47
Others		
	<u>888</u>	<u>1,076</u>

7. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
Depreciation of property and equipment	37	45
Depreciation of right-of-use assets	2	2
Employee benefit expenses		
Directors' emoluments		
Fees	2	2
Salaries, bonuses and other benefits	13	11
	<u>15</u>	<u>13</u>
Other staff costs		
Salaries, bonuses and other benefits	377	412
Retirement benefit costs	24	27
	<u>401</u>	<u>439</u>
Total employee benefit expenses	416	452
Less: Amount capitalised to investment properties under construction or development and properties under development for sale	(15)	(30)
	<u>401</u>	<u>422</u>
Lease payments relating to short-term leases and low-value leases	<u>2</u>	<u>1</u>

8. Tax

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
PRC enterprise income tax ("EIT")		
- Charge for the period	44	116
Deferred tax		
- Credit for the period	(97)	(73)
PRC land appreciation tax ("LAT")		
-(Credit)/charge for the period	(24)	7
PRC withholding tax		
- Charge for the period	9	49
	<u>(68)</u>	<u>99</u>

PRC EIT has been provided at the applicable income tax rate of 25% on the assessable profits of the companies in the Group during the period .

The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates within a range based on the appreciation value, with certain allowable deductions, including land costs, borrowing costs and the relevant property development expenditures.

9. Dividends

	Six months ended 30 June	
	2025	2024
	RMB'million	RMB'million
	(Unaudited)	(Unaudited)
Final dividend paid in respect of 2024 of HKD0.036 per share (2024: final dividend paid in respect of 2023 of HKD0.058 per share)	268	423

Having taken into consideration the Group's financial performance during the period and the Group's financial position as of 30 June 2025, the Board does not recommend the payment of an interim dividend in 2025 (2024: Nil).

10. Earnings Per Share

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

	Six months ended 30 June	
	2025	2024
Earnings	RMB'million (Unaudited)	RMB'million (Unaudited)
Earnings for basic/diluted earnings per share, being profit for the period attributable to shareholders of the Company	51	72
	<hr/>	<hr/>
	Six months ended 30 June	
	2025	2024
Number of shares	'million (Unaudited)	'million (Unaudited)
The weighted average number of ordinary shares for basic earnings per share (note (a))	8,009	8,009
	<hr/>	<hr/>
Effect of dilutive potential ordinary shares	-	-
	<hr/>	<hr/>
The weighted average number of ordinary shares for diluted earnings per share	8,009	8,009
	<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share (note (b))	RMB 0.64 cents HKD 0.70 cents	RMB 0.90 cents HKD 1.00 cents
	<hr/> <hr/>	<hr/> <hr/>
Diluted earnings per share (note (b))	RMB 0.64 cents HKD 0.70 cents	RMB 0.90 cents HKD 1.00 cents
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) The weighted average number of ordinary shares shown above has been arrived at after deducting 17,710,250 (six months ended 30 June 2024: 17,710,250) shares held by a share award scheme trust.
- (b) The figures expressed in Hong Kong dollars presented above are shown for reference only and have been arrived at based on the exchange rates of RMB1.000 to HKD1.0865 for the six months ended 30 June 2025 and RMB1.000 to HKD1.1003 for the six months ended 30 June 2024, being the average exchange rates that prevailed during the respective periods.

11. Receivables, Deposits, and Prepayments

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Trade receivables (<i>note (a)</i>)	573	613
Prepayments of relocation costs (<i>note (b)</i>)	-	6
Other deposits, prepayments, and other assets (<i>note (c)</i>)	345	340
Value-added tax recoverable	22	17
	<hr/>	<hr/>
	940	976
Less: non-current portion	(265)	(262)
	<hr/>	<hr/>
	675	714
	<hr/>	<hr/>

Notes:

- (a) As of 30 June 2025 and 31 December 2024, trade receivables with issuance of debit notes to the tenants amounted to RMB67 million and RMB62 million, respectively.

As of 30 June 2025 and 31 December 2024, trade receivables from contracts with customers amounted to RMB189 million and RMB200 million, respectively.

- (b) The balances represent the amounts that will be compensated by the government upon the completion of the relocation.
- (c) As of 30 June 2025 and 31 December 2024, other deposits and prepayments amounted to RMB100 million and RMB130 million, respectively.

Included in the Group's receivables, deposits, and prepayments are trade receivable balances of RMB573 million (2024: RMB613 million), of which 64% (2024: 62%) are not yet past due, 9% (2024: 11%) are past due less than 90 days, and 27% (2024: 27%) are past due over 90 days, as compared to when revenue was recognised.

Out of the past due balances, RMB157 million (2024: RMB 163 million) has been past due 90 days or more and is not considered as in default since the directors of the Company consider that such balances could be recovered based on repayment history, the financial conditions and the current creditworthiness of each customer.

12. Accounts Payable, Deposits Received, and Accrued Charges

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Current portion comprises:		
Trade payables	1,151	1,401
Land and relocation cost payables	4	2
Deed tax and other tax payables	48	91
Deposits received in advance for the rental of investment properties	347	342
Value-added tax payables	60	270
Value-added tax arising from contract liabilities	17	-
Cash received in respect of land resumption	870	828
Other payables and accrued charges	1,272	789
	3,769	3,723
Non-current portion comprises:		
Deposits received in advance for the rental of investment properties	425	437
Other payables	100	100
	525	537

Included in the Group's accounts payable, deposits received, and accrued charges are trade payable balances of RMB1,151 million (2024: RMB1,401 million), of which 92% (2024: 92%) are aged less than 30 days, 2% (2024: 2%) are aged between 31 and 90 days, and 6% (2024: 6%) are aged more than 90 days, based on the invoice date.

13. Event After the Reporting Period

Subsequent to the reporting period, the Group completed the transactions relating to increasing capital contribution to Qingdao Ruijian Private Equity Investment Fund Partnership (Limited Partnership) ("the Fund") and transferring 100% equity interest in Fo Shan Shui On Property Development Co., Ltd and Fo Shan An Ying Property Development Co., Ltd (wholly-owned subsidiaries of the Group collectively, "Foshan Project Companies") to the Fund. Upon the completion of the transactions, the Group holds 57.63% of the partnership interests of the Fund. The transaction was accounted for as a financing arrangement and Foshan Project Companies will continue to be subsidiaries of the Group. After deducting taxes and transaction costs, the total net proceeds from the transaction of approximately RMB683 million was received.

MARKET OUTLOOK

The world economy continues to face heightened uncertainty as geopolitical tensions and trade frictions escalate. The “reciprocal” tariffs announced by the United States on 2 April has raised the effective tariff rate of US imports to the highest level since the 1930s. After four months of negotiations with multiple trading partners, President Trump announced a new schedule of tariff rates ranging from 10-41% to take effect from 7 August based on framework agreements reached with individual countries. Meanwhile, the timeline for US and China negotiations has been extended through 10 November. This interim progress has alleviated some market uncertainties, prompting the International Monetary Fund (IMF) to revise its global GDP forecast upwards from 2.8% to 3.0% for 2025 and from 3.0% to 3.1% for 2026. However, the IMF noted that the risks remain “firmly to the downside”. The protectionist US trade policies, in conjunction with the intense military situation in Ukraine and the Middle East, are weighing heavily on the prospects of the global economy.

China’s GDP expanded by 5.3% in the first half of 2025, exceeding the government’s annual growth target. The resilient economic performance was underpinned by timely fiscal policy support, including local government bond issuance and consumption subsidies, a surge in front-loading of export orders ahead of US tariff deadlines, and robust growth in strategic industries and high value-added manufacturing. Following several rounds of high-level trade talks between China and the US, both sides have agreed on a framework to conduct future negotiations, allowing more time to reach common ground and resolve trade friction and market access issues. Nevertheless, economic headwinds remain persistent amid intense deflationary pressure, demographic decline, the resetting of existing trade rules and weak business and consumer sentiment.

The downturn in China’s housing market, now in its fourth year, continues to impose significant drag on the economy. In 1H 2025, property investment fell 11.2% year-on-year, continuing a protracted, multi-year contraction. Despite supportive government policies, such as mortgage rate cuts and easing of property resale restrictions, national residential sales area and transaction value declined by 3.7% and 5.2% respectively in the first half year. At the Central Urban Work Conference held in July, the authorities underscored the goal of building a new development model for the property sector, with an emphasis on the provision of high-quality housing. The near-term development focus will be on urban renewal, building green infrastructure and smart cities. Although property market stabilisation is a key goal, the impact of the stimulus policy has been muted by subdued household confidence and structural housing supply-demand imbalances. Facing weak market fundamentals, investment by developers has increasingly concentrated in the top-tier cities. In the first half of 2025, the value of residential land sales rose by 50% year-on-year in Shanghai, while property investment posted a gain of 3.5%, reflecting strong market interest for urban core high-end residential property.

The commercial office market faces mounting challenges in the first half of 2025. Volatile external and domestic business conditions have made tenants more cautious about expanding or upgrading their office footprint, leading to a slowdown in leasing activity. According to Jones Lang LaSalle (JLL), dampened leasing demand drove Shanghai’s Central Business District (CBD) office rent down 12.8% by mid-year 2025, with net absorption of Grade A office amounted to under 150,000 sq.m. during 1H 2025, a decline of 14.8 % compared to the same period of the previous year. The decline in office rent has caused a wave of cost-driven relocations and selective upgrades, which have become the main driver of leasing demand. Heightened tenant caution has prompted landlords to adopt more flexible rental terms, further intensifying competition across projects and submarkets.

Leasing activity in Shanghai’s commercial retail property market showed signs of recovery in Q2 2025, supported by intensified government efforts to boost consumption. Net absorption of retail space reached 156,000 sq.m., reversing the contraction seen in Q1. Strong leasing demand from sectors such as collectible toys, outdoor sportswear, immersive entertainment, and casual dining—driven by their ability to deliver innovative, experience-based consumption and emotional value—supported the expansion of prime retail tenants. Looking ahead, an influx of new supply and landlords’ flexibility on rents and lease terms will sustain intense competition. Our Tiandi series of retail projects are in a strong position to capture new growth opportunities, through the provision of immersive cultural and experiential content, and leveraging deeper consumer insights to enhance project positioning.

In 1H 2025, Shanghai's economy GDP growth of 5.1%. New high-quality productive forces allowed strategic sector such as artificial intelligence ("AI"), integrated circuits and biopharmaceutical to outperform, registering an increase of 9.1%. Industrial investment surged by 20%, contributing to a notable rise in fixed asset investment. In the realm of consumption, the spending of international travellers and government-led "trade-in" initiatives supported a rebound in retail sales, restoring consumption growth to 1.7%. The Shanghai Municipal Government aims to strengthen its status as a global metropolis and national economic powerhouse, propelled by the twin engines of technological innovation and international consumption. The government has revised the Overseas Talent Residence Permit Management Measures to lend further support to innovation and entrepreneurship. Efforts will be devoted to expediting urban village renovation and upgrading existing homes in the urban area. Our expertise in cultural preservation and urban redevelopment position us well to tap into opportunities in this area.

In the first half of 2025, Wuhan registered GDP growth of 5.5%, outpacing both the provincial and national averages. The city's innovation-driven agenda covers strategic emerging industries, including AI, humanoid robotics and the low-altitude economy. Optics Valley is developing into a hub for such future industrial clusters. Tourism remains a key pillar of growth, helped by Wuhan's status as a major cultural and inbound tourism destination, supported by departure tax refunds for overseas visitors. In 1H 2025, the number of inbound travellers surpassed 60,000, a 44% year-on-year increase, with over half of international arrivals entering via the visa-free scheme. Wuhan's global profile has been enhanced by major international exhibitions and events, such as the Optics Expo. Despite headwinds from a slowdown in traditional industries and a modest recovery in consumer demand, Wuhan continues to capitalise on its strengths in science, education, and on its strategic location, to attract top talent, open new avenues of growth engines and strengthen overall economic resilience.

Chongqing recorded 5% GDP growth during the first half of 2025. Due to intense competition in the automobile sector amid rapid product evolution, Chongqing's industrial value-added growth slowed to 5.6% year-on-year during 1H 2025, 3% lower than in the same period of 2024. The growth of fixed asset investment softened to 3.2%, while the consumer market remained resilient, with retail sales rising by 4.5% in the first half year, the top performer among China's five key international consumption centres. Chongqing's rising global appeal and strength in consumption were underscored by the significant increase in inbound tourism, which saw 338,000 overnight visitors, a 266% increase from 2019.

In Nanjing, rapid growth in the electronic machinery, automobile and ferrous metallurgy sectors has boosted industrial output, which expanded by 5.9% during the first five months of the year. To foster new high-quality productive forces, the government aims to strengthen support for emerging industries by integrating AI and 5G technologies into the pharmaceutical and synthetic biology sectors. Nanjing is China's top ranked "debut economy", reflecting its strong consumer reach as a key consumption hub in the Yangtze River Delta. The city's retail sales expanded by 6.3% from January to May, helped by a boom in local tourism. According to Nanjing's Action Plan for High-Quality Tourism Development (2024-2027), the city aims to become a distinctive national tourism hub and an international tourism destination.

Hampered by headwinds from a slowdown in the property market, industrial investment and foreign trade, Foshan's GDP grew by 2.3% in 1H 2025, underperforming the national average. Foshan is striving to establish itself as "the city of performing arts and events", an integral part of the government's plan to facilitate an upgrading of consumption and expand domestic demand to revive the economy. The city's tourism consumption revenue grew by 10.7% YoY in Q1 2025, helped by the staging of three concerts in early May which generated consumption revenue of RMB1.17 billion. Chancheng District aspires to become a hub for consumption and Lingnan cultural heritage through revamping its urban space and providing diversified offerings for visitors.

The resilient economic growth performance in the first half of the year indicates that China's 5% growth target for 2025 is attainable, despite heightened risks stemming from rising tariffs on exports to the US. Policymakers aim to avoid decoupling by maintaining guardrails in the ensuing trade negotiation with the US and have put contingency plans in place to bolster domestic consumption, stabilise tariff-exposed sectors and employment, and address anti-competitive industrial behaviour. In the second half, the government is expected to pursue a proactive fiscal policy, increasing funding for social welfare and newborns, which should support a sustained recovery in consumption. With the focus of property policy on urban renewal and the provision of high-quality housing, we will closely explore unfolding investment and development opportunities in these areas.

INTERIM DIVIDEND

Having taken into consideration the Group's financial performance during the period and the Group's financial position as of 30 June 2025, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

PURCHASE, SALE, OR REDEMPTION/CANCELLATION OF LISTED SECURITIES

On 3 March 2020, Shui On Development (Holding) Limited ("SODH") issued USD400 million in 5.50% senior notes due 2025 (the "2025 SODH Notes"). On 20 February 2020, SODH commenced the Exchange and Tender Offer to the Eligible Holders of USD500 million in 5.70% senior notes due 2021 (the "2021 Notes") and USD500 million in 6.25% senior notes due 2021 (the "2021 SODH Notes"). On 28 February 2020, the Company determined to accept USD64,972,000 for the exchange of the 2021 Notes and USD24,942,000 for the exchange of the 2021 SODH Notes. Pursuant to the Exchange Offer, USD89,914,000 new notes (the "New Notes") were issued, which formed a single series with the 2025 SODH Notes with the aggregate principal amount of USD489,914,000. On 3 March 2025, SODH fully repaid the principal amount of the outstanding 2025 SODH Notes (inclusive of the New Notes) and the accrued and unpaid interest upon its maturity date.

Save as disclosed above, neither the Company nor its subsidiaries have purchased, sold, or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company reviews its corporate governance practices from time to time to ensure they comply with all the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and aligns with its latest developments. During the six months ended 30 June 2025, the Company has applied the principles of and complied with all the applicable code provisions of the CG Code except for a deviation as stated below.

Code provision C.1.5 of the CG Code stated that independent non-executive directors and other non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Shane S. Tedjarati and Ms. Randy W. S. Lai, the Independent Non-executive Directors ("INEDs") of the Company, could not attend the annual general meeting held on 16 May 2025 (the "2025 AGM") due to other business engagements. Save for the above, all the INEDs attended the 2025 AGM.

The Audit and Risk Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2025, including the accounting principles and practices and internal control system adopted by the Company. The Audit and Risk Committee does not disagree with the accounting treatments adopted.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Following specific enquiries by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2025, the number of employees in the Group was 2,794 (31 December 2024: 2,851); which included the headcount of the property management business at 1,465 (31 December 2024: 1,478), and the headcount of the construction and fitting out business at 116 (31 December 2024: 120). The Group provides a comprehensive benefits package for all employees as well as career development opportunities. This includes retirement schemes, long-term incentive schemes, medical insurance, other insurances, in-house training, on-the-job training, external seminars, and programs organised by professional bodies and educational institutes.

The Group strongly believes in the principle of equality of opportunity. The remuneration policy of the Group for rewarding its employees is based on their performance, qualifications and competency displayed in achieving our corporate goals.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's condensed consolidated statement of financial position as of 30 June 2025, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, and the related notes thereto for the period then ended as set out in the preliminary announcement have been extracted from the Group's unaudited condensed consolidated financial statements for the period, which has been reviewed by the Group's auditor, Messrs. Ernst & Young in accordance with Hong Kong Standards 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.

APPRECIATION TO ALL OUR STAKEHOLDERS

As ever, my sincere thanks go to my fellow directors for their valuable insights over these past months, and to the management team and all employees for their dedication and hard work. My appreciation also extends to our shareholders, business partners and customers for the support they have shown for the Group. Although the market remains depressed, our high-quality portfolio, stable finances and sound business model continue to put us in a good position to seize the opportunities that have arisen in this down market and when better times return.

By Order of the Board
Shui On Land Limited
Vincent H. S. LO
Chairman

Hong Kong, 28 August 2025

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Ms. Stephanie B. Y. LO (Vice Chairman), Ms. Jessica Y. WANG (Chief Executive Officer), and Mr. Douglas H. H. SUNG (Chief Financial Officer and Chief Investment Officer); and the independent non-executive directors of the Company are Mr. Anthony J. L. NIGHTINGALE, Mr. Shane S. TEDJARATI, Ms. Ya Ting WU, Mr. Albert K. P. NG, Mr. Gregory K. L. SO, Ms. Randy W. S. LAI, and Mr. Clement K. M. KWOK.

This announcement contains forward-looking statements, including, without limitation, words and expressions such as “expect,” “believe,” “plan,” “intend,” “aim,” “estimate,” “project,” “anticipate,” “seek,” “predict,” “may,” “should,” “will,” “would” and “could” or similar words or statements, in particularly statements about future events, our future financial, business or other performance and development, strategy, plans, objectives, goals, and targets, the future development of our industry and the future development of the general economy of our key markets and globally.

These statements are based on numerous assumptions regarding our present and future business strategy and the environment in which we will operate. These forward-looking statements reflect our current views concerning future events, are not a guarantee of future performance, and are subject to certain risks, uncertainties, and assumptions, including with respect to the following:

- *changes in laws and PRC governmental regulations, policies, and approval processes in the regions where we develop or manage our projects;*
- *changes in economic, political and social conditions and competition in the cities we operate in, including a downturn in the property markets;*
- *our business and operating strategies;*
- *our capital expenditure plans;*
- *various business opportunities that we may pursue;*
- *our dividend policy;*
- *our operations and business prospects;*
- *our financial condition and results of operations;*
- *the industry outlook generally;*
- *our proposed completion and delivery dates for our projects;*
- *changes in competitive conditions and our ability to compete under these conditions;*
- *catastrophic losses from fires, floods, windstorms, earthquakes, or other adverse weather conditions, diseases or natural disasters;*
- *our ability to further acquire suitable sites and develop and manage our projects as planned;*
- *availability and changes of loans and other forms of financing;*
- *departure of key management personnel;*
- *performance of the obligations and undertakings of the independent contractors under various construction, building, interior decoration, and installation contracts;*
- *exchange rate fluctuations;*
- *currency exchange restrictions and*
- *other factors beyond our control.*

This list of important factors is not exhaustive. Additional factors could cause the actual results, performance, or achievements to differ materially. We do not make any representation, warranty, or prediction that the results anticipated by such forward-looking statements, which speak only as of the date of this announcement, will be achieved. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Subject to the requirements of applicable laws, rules, and regulations, we do not have any obligation to update or otherwise revise any forward-looking statements. You should not place undue reliance on any forward-looking information.

** For identification purposes only*