瑞安房地產
SHUI ON LAND

INTERIM REPORT 2026
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中期業績報告

SHUI ON LAND LIMITED
瑞安房地產有限公司

Incorporated in the Cayman islands with limited liability
於開曼群島註冊成立之有限責任公司

STOCK CODE 股份代號 272

CONTENTS 目錄

A Leading Urban Solution Provider in China

Founded in 2004 and listed on The Stock Exchange of Hong Kong in 2006, Shui On Land is a leading urban solution provider in China, offering a diverse portfolio in top tier cities across the country with two core business segments: property development and asset management. The Company specialises in urban regeneration and developing communities that prioritise culture, social engagement, and sustainability. Shui On Land is committed to delivering a best-in-class lifestyle through its well-known brands "Xintiandi" and "Lakeville". Recently, the Company has been named among TIME magazine's inaugural "World's Most Impactful Companies" list for 2026, making it the first and only Chinese property company to receive this prestigious accolade.

Xintiandi, a community brand developed and operated by Shui On Land, has pioneered the concept of open commercial districts in China. Since its establishment as Shanghai Xintiandi in 2001, the brand has developed a series of notable landmarks in Wuhan, Chongqing, and Foshan. The Xintiandi lifestyle is forward thinking – where the boundaries between live-work-play-learn are blurred. Xintiandi celebrates the diverse cultural and natural heritage of a city, spurring on innovation and sustainability. Lakeville, another brand under Shui On Land, offers luxury living through exceptional product quality and outstanding service, setting new benchmarks for premium lifestyle.

As of June 30, 2026, the Company holds a land bank of 7.6 million sq.m. in prime locations across key Chinese cities. Its wholly owned subsidiary, Shui On Xintiandi, serves as the commercial property investment and management arm, making it one of the largest private commercial property managers in Shanghai. This subsidiary oversees a portfolio of RMB78.4 billion of office and retail premises in Shanghai, including the flagship Shanghai Xintiandi.

Upholding the principles of integrity, dedication, innovation, and excellence, Shui On Land is committed to "Building a future, sharing a dream."

"Xintiandi Communities set a global benchmark for urban development by sustainably balancing historical heritage, future development needs with environmental sustainability."

— Stephanie Lo, Vice Chairman of Shui On Land

CHAIRMAN'S STATEMENT

VINCENT H. S. LO
Chairman

"We have continued to exercise a very prudent capital management strategy, with healthy cash flow the top priority for our liquidity management. Accordingly, we consistently adopt diversified approaches to funding so as to ensure stable business operations and retain flexibility with regard to investments."

The first half of 2026 was marked by widening geopolitical conflicts, creating an increasingly complex global landscape and adding significant uncertainties to the operating environment for businesses. Within this overall context, China's economy continued to undergo structural transformation, while the property market remained in a bottoming-out trend. In April 2026, the Political Bureau of the Communist Party of China Central Committee set the tone for future developments by emphasising that the government would "strive to stabilise the real estate market and solidly advance urban regeneration". Combined with the continued implementation of supportive policies and strong momentum in the new-economy sectors, this helped restore some confidence in the property market, particularly in the core cities.

Prudent Operations Enhance Overall Profitability

The Group recorded an improved financial performance in the first half of 2026, driven by our prudent operations in challenging business conditions. Core earnings grew 53% year-on-year to RMB403 million. Meanwhile profit attributable to shareholders recovered to a positive RMB223 million, representing a 337% year-on-year increase.

As at 30 June 2026 the net gearing ratio stood at 56%, with cash and bank deposits of RMB6,142 million. We have continued to meet all our financial obligations, with all borrowings either fully repaid or refinanced upon maturity, including USD400 million senior notes due in June 2026.

As a sign of the Group's solid credit standing amongst investors, we issued a total of USD450 million senior notes in the first half of 2026, thereby extending our overall debt maturity profile while providing additional liquidity. The issuance set a new benchmark, achieving the lowest issue yield since 2021 for a USD bond offering exceeding USD100 million among private sector China property developers.

We have continued to exercise a very prudent capital management strategy, with healthy cash flow the top priority for our liquidity management. Accordingly, we consistently adopt diversified approaches to funding so as to optimise our liquidity position and capital structure, ensure stable business operations and retain flexibility with regard to investments. This includes exploring the issue of Holding-Type Real Estate Asset-Backed Securities (ABS), Commercial Mortgage-Backed Securities (CMBS), equity restructuring, asset disposals and other methods.

Xintiandi Communities Drive Rental Growth

The consumer market in China experienced subdued growth in the first half of 2026, marked by significant structural divergence and continued shifts in consumption patterns, with consumption of services and experiential spending outperforming other categories. In the core cities, the concentration of talent, innovation and high-value economic activities continued to provide a solid foundation for resilient commercial activity. Office demand in these cities showed early signs of recovery, with market activity slowly improving. Even though office rents continued to face downward pressure, the rate of decline has moderated.

Leveraging its competitive edge, the Group's commercial property portfolio continues to show resilience. Total rental and related income (including joint ventures and associates) for the six months period rose 4% year-on-year to RMB1,856 million. In the first half of 2026, average retail occupancy remained stable at 94%, while footfall and sales continued to grow, increasing by 17% and 20% respectively. In the office sector, meanwhile, we achieved a high average occupancy of 94% in our Shanghai mature portfolio by differentiating ourselves with a refined leasing strategy supported by an exceptional level of service.

The Group's Xintiandi communities deliver exceptional community products and a vibrant lifestyle experience through placemaking, content creation and service excellence. While maintaining the attraction of our communities to local people, we are now proactively seizing the opportunities presented by the recovery of inbound tourism to unlock the spending potential of international visitors. Shanghai, for example, recorded 9.36 million inbound tourists in 2025 and 5.32 million in the first half of 2026. This sustained surge in international arrivals is bringing significant opportunities to the retail and consumer markets that our Xintiandi communities are well positioned to capitalise on.

Our commitment to community development has earned Shui On Land a place on *TIME* magazine's World's Most Impactful Companies 2026 list, the first and only Chinese property company to receive this global recognition. It affirms the Group's Xintiandi community as a global benchmark for urban regeneration by creating vibrant, inclusive and sustainable places where people and nature can thrive in harmony.

Accelerated Sell-Through Rate for Residential Properties

The residential property market continued its structural adjustment in the first half of 2026. Overall demand at the national level remained modest as the bottoming out process continued, with demand still concentrated in selected core cities, in turn reinforcing a widening market divergence. Benefiting from policy support and resilient fundamentals, the core cities saw market improved sentiment, with transaction activity strengthening and prices in first-tier markets beginning to stabilise. These trends have been evident in our sales activity during the first six months.

Shanghai is our largest market. Here, demand from both first-time buyers and upgrade-oriented homebuyers has been unleashed simultaneously, supporting a steady recovery. The Lakeville VI development, comprising heritage-inspired villas and townhouses, has performed well. All units with pre-sale permits were sold out. The remaining one-third of units have generated significant buyer enthusiasm and are ready for sales contracts to be signed as soon as the pre-sale permits are obtained. Also under the Lakeville brand is Riverville, a rare and exclusive development of 90 heritage-inspired villas and townhouses in Yangpu district. This project also saw solid sales momentum in the second quarter of this year and nearly two-thirds of units are now sold.

Wuhan is our largest regional market outside Shanghai. Here too, policy support has shifted market expectations and a surge in transaction volume signals a restoration of market confidence. La Valle, the final residential phase of Wuhan Xintiandi, has met with an enthusiastic response and had been fully sold by the second quarter of 2026, achieving the highest price and fastest sales pace in its area. KIC Wuhan has been developed as a regional headquarters hub for innovation-driven industries, offering deep integration between the industrial and residential sectors. It continues to drive sustained growth in residential sales for the Group in Wuhan. The residential units in phases R7 and R8 have been fully sold, while phase R2 was launched in late June 2026, with 77% of units contracted and subscribed within ten days of launch.

The encouraging sales performance of the Group's projects in both cities demonstrates that premium assets in higher-tier cities which offer buyers premium quality, superior service and an outstanding community experience are the consensus choice for high-net-worth individuals in China.

Our Sustainability Efforts

Sustainability remains fundamental to our value proposition as a leading urban solution provider. In the first half of 2026, we continued to translate this proposition into concrete action. At KIC Shanghai, all our owned properties within the community transitioned to 100% renewable electricity beginning in January. We have also begun bringing our sustainability vision into daily operations through community-level strategies and implementation roadmaps for ongoing projects including Wuhan Changjiang Tiandi, Nanqiao Tiandi and Zhaolou Xintiandi. For instance, Nanqiao Tiandi has initiated the LEED Community Gold Certification process this year, reflecting our commitment to embed environmental performance and wellbeing into the fabric of our community development. Through these projects, we are showing how old and under-utilised urban areas can be turned into modern, sustainable communities that create lasting value for government, society, our partners and customers.

Green and healthy communities are not only designed and built, but are also shaped by the daily choices and participation of the people who use them. To this end, the 2026 Green Xintiandi Festival was held from March to April across five cities and 11 projects, encouraging our tenants and the public to embrace low-carbon mobility, green consumption and nature-friendly lifestyles.

Our progress continues to earn prestigious external recognition. During this period, Hong Shou Fang received the 2026 ULI Asia Pacific Award for Excellence for its success in heritage-led regeneration and placemaking. In addition, KIC Corporate Avenue in Wuhan's Optics Valley obtained WELL Platinum certification, setting a new benchmark for healthy, people-centric office environments in Wuhan. These achievements reinforce our conviction that sustainability must remain our guiding principle as we shape communities that honour the past, serve the needs of today and are prepared for the future.

Outlook

The property market in China is expected to remain in a gradual bottoming out process over the short to medium term. As supportive policies gain traction alongside the ongoing supply-demand adjustment and asset repricing, the market is gradually establishing a new equilibrium.

Looking ahead, differentiation across cities, regions and product segments is expected to be an enduring feature of the market, with competition increasingly driven by the ability to create lasting value rather than simply scale. In this evolving environment, demand is expected increasingly to favour trusted brands, distinctive products and thoughtfully curated communities that offer enduring quality and long-term value. This will clearly be to the advantage of companies like Shui On Land that have a strong track record and a competitive edge in creating memorable and lasting cityscapes.

Geographically, our focus for future investment will remain on first-tier and strong second-tier cities in the Yangtze River Delta and Greater Bay Area. Within these regions we will adhere to our Best-in-Class product strategy, targeting the premium segment in superior locations.

The 15th Five-Year Plan marks a new chapter in China's high-quality urban development, with "smart" and green urbanisation destined to inject fresh momentum into urban regeneration. To make the most of the opportunities this presents, we will leverage our core capabilities in urban regeneration, community placemaking and cultural revitalisation, aiming to provide effective solutions for the type of urban development that China needs. These will be based on diversified community models tailored to local contexts, such as our Greater Xintiandi Community, Neighbourhood Community, Urban Retreat Community and Knowledge Community. Drawing on the proven success of Panlong Xintiandi, we are expanding our Urban Retreat Community line, with Zhaolou Xintiandi and Sanlin Xintiandi both now under development.

At the same time, we remain prudent and disciplined in our investment selection, adhering to our Asset-Light Strategy to establish partnerships and collaborations that amplify our capabilities and expand our business with minimal capital commitment. Backed by strong local partnerships, the four Asset-Light projects currently in progress – Yong Xin Li, Yong Nian Li, Nanqiao Tiandi and Sanlin Xintiandi – will drive the Group's steady and sustainable development over the coming years.

The year 2026 marks the 20th anniversary of the Group's listing on The Stock Exchange of Hong Kong, a significant milestone that reflects two decades of resilience, growth and unwavering trust from our shareholders. To express our sincere gratitude for this steadfast support and show our commitment to sharing our success with those who have been part of our story, the Board has declared a 20th anniversary special dividend of HKD0.04 per share.

Finally, I wish to thank the many other stakeholders who have contributed to our success, especially my fellow Board members, our employees and all our business partners. Our prudence and far-sightedness have enabled us to navigate a period of great uncertainty. With signs that the market is beginning to turn around, we can look forward to better times ahead and will make the most of the opportunities that arise.

VINCENT H. S. LO
Chairman
Hong Kong, 27 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Profit recovery: Despite challenging business conditions, the Group recorded core earnings of RMB403 million in the first half of 2026 ("1H 2026"), while profit attributable to shareholders increased to RMB223 million. These represented year-on-year growth of 53% and 337% respectively, supported in part by prudent cost management and solid growth in rental income.

Positive momentum in commercial property performance: Total rental and related income (including joint ventures and associates) increased by 4% year-on-year to RMB1,856 million in 1H 2026, driven by solid performance from the established Shanghai portfolio and additional contributions from Xintiandi Dongtaili and KIC Park in Wuhan, both of which opened in 2025. Retail sales and shopper traffic maintained strong growth, recording year-on-year increases of 20% and 17% respectively.

Proactive capital management supporting financial stability: Including the full repayment of USD400 million aggregate principal amount of senior notes in 1H 2026, as of 26 August 2026, the Group has repaid total offshore debt (gross amount) of RMB51.5 billion since 2021. The Group also successfully issued senior notes due 2029 with an aggregate principal amount of USD450 million, demonstrating its solid credit standing amongst investors. As of 30 June 2026, the net gearing ratio had increased slightly to 56%.

Global recognition of sustainable urban development: The Group has been named among TIME's inaugural "World's Most Impactful Companies" list for 2026, making it the first and only Chinese real estate developer to receive this prestigious recognition. The accolade affirms the Group's Xintiandi community as a global benchmark for urban development. At the project level, Hong Shou Fang earned the 2026 ULI Asia Pacific Award for Excellence for its success in heritage-led regeneration and placemaking.

Special dividend declared: To commemorate the 20th anniversary of the Group's listing on the Main Board of The Stock Exchange of Hong Kong Limited and having considered the Group's financial performance during the period, the Board has resolved to declare a special dividend of HKD0.04 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

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. As of 30 June 2026, it managed a total portfolio of RMB78.4 billion in office and retail premises in Shanghai, including its flagship project Xintiandi Shikumen Block.

KEY ACHIEVEMENTS IN 1H 2026

- The Group recorded contracted sales of RMB2,961 million, comprising residential property sales of RMB2,440 million and commercial property sales of RMB521 million. Total locked-in sales, including those of joint ventures and associates, amounted to RMB19,433 million, and are scheduled for delivery and recognition in the second half of 2026 ("2H 2026") and beyond.

- Our commercial property portfolio delivered robust rental income growth. Including properties held by joint ventures and associates, total rental and related income increased by 4% year-on-year to RMB1,856 million in 1H 2026, with 78% contributed by our Shanghai portfolio, which recorded stronger growth. The increase was further supported by the opening of Xintiandi Dongtaili and KIC Park in 2025. Retail sales and shopper traffic growth maintained strong momentum in 1H 2026, rising by 20% and 17% year-on-year respectively.

- In January 2026, the Group announced the acquisition of the first residential land lot in Zhaolou Xintiandi, located in Minhang District, Shanghai, for a consideration of RMB664.3 million. The Group holds a 60% interest in the project, which is positioned as an urban retreat integrating cultural heritage, natural landscapes and modern living. The first residential site has a gross floor area ("GFA") of approximately 24,000 sq.m., further enriching the Group's residential saleable resources.

- In January and June 2026, the Group fully repaid an aggregate principal amount of USD400 million of senior notes. This demonstrates the Group's commitment to fulfilling its financial obligations. The repayment was funded by the successful issuance in January and April 2026 of senior notes due 2029, with an aggregate principal amount of USD450 million, thereby extending the Group's overall debt maturity profile and providing additional liquidity.

- In February 2026, the Group entered into a cooperation agreement with Manulife LP, China Life Trustees Limited, Haikou Vision Co-Creation No. 1 Fund LP ("Dajia LP") and Dajia GP to restructure the investment holding structure of the 5 Corporate Avenue and Xintiandi Hubindao through the formation of a limited partnership and an equity transfer. The equity transfer was completed in May 2026. The restructuring facilitates onshore financing, resulting in finance cost savings while mitigating foreign exchange risk.

- The Group has been named among TIME's inaugural "World's Most Impactful Companies" list for 2026, making it the first and only Chinese real estate developer to receive this prestigious recognition. The accolade serves as a testament to the Group's long-standing commitment to sustainable development and affirms the Group's Xintiandi community as a global benchmark for urban development by sustainably balancing historical heritage, future development needs with environmental sustainability.

- Our sustainability efforts continued to receive broad external recognition, with Hong Shou Fang earning the prestigious 2026 ULI Asia Pacific Award for Excellence and KIC Corporate Avenue in Wuhan's Optics Valley achieving WELL Platinum certification, setting a new benchmark for healthy, people-centric office environments in Wuhan. Separately, all owned operational properties within KIC Shanghai transitioned to 100% renewable electricity from January 2026, marking further progress towards our decarbonisation goals.

PROPERTY SALES PERFORMANCE

Recognised Property Sales

For 1H 2026, total recognised property sales were RMB748 million (after deduction of applicable taxes), compared to RMB1,193 million in the first half of 2025 ("1H 2025"), reflecting a lower level of residential completion during the period. The average selling price ("ASP") (excluding carparks) increased by 48% to RMB27,000 per sq.m. compared to 1H 2025, as a higher proportion of sales was recorded from projects in Shanghai with higher ASPs.

The table below summarises by project the recognised property sales (stated after the deduction of applicable taxes) for 1H 2026 and 1H 2025:

Project	1H 2026			1H 2025		
	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.
Riverville	220	1,200	200,000	–	–	–
Ruihong Xintiandi						
Retail (Lot 1)	–	–	–	44	900	53,300
Retail (Lot 167A)	–	–	–	52	1,000	56,000
Wuhan Xintiandi						
Residential	–	–	–	14	300	50,000
KIC Wuhan						
Residential	55	4,400	13,800	306	20,100	16,600
Retail	4	600	7,000	82	6,100	14,700
Office	–	–	–	43	3,700	12,500
Wuhan Changjiang Tiandi						
Residential	386	17,700	24,200	–	–	–
Lingnan Xintiandi						
Retail	–	–	–	3	2,400	1,300
Chongqing Tiandi[3]						
Residential[2]	–	–	–	506	27,900	24,100
Office (Loft)	52	5,400	10,600	4	400	10,000
SUBTOTAL	717	29,300	27,000	1,054	62,800	18,300
Carparks	31			139		
GRAND TOTAL	748	29,300	28,000	1,193	62,800	20,800
Recognised as:						
– Property sales in revenue of the Group	7			145		
– Revenue of associates	61			562		
– Revenue of joint ventures	680			486		
GRAND TOTAL	748			1,193		

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.

3 Chongqing Tiandi partnership portfolio is a project developed by associates of the Group. 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 2026 decreased by 15% to RMB2,961 million compared to 1H 2025, with residential property sales accounting for 82% and the remainder contributed by the sale of commercial units. The ASP for residential property sales was RMB50,400 per sq.m. in 1H 2026, compared to RMB71,700 per sq.m. in 1H 2025. The decreases in contracted property sales and in the ASP for residential property sales were partly due to changes in project mix. In 1H 2026, a lower proportion of contracted property sales was generated from higher ASP projects in Shanghai. We target more launches in 2H 2026 and beyond, mainly in Shanghai and Wuhan (subject to construction progress and the timing of government pre-sale approval).

As of 30 June 2026:

i) total subscribed sales were RMB464 million, with RMB355 million contributed by Riverville in Shanghai. These were subject to formal sales and purchase agreements in the coming months.

ii) total locked-in sales of RMB19,433 million were recorded and available for delivery to customers and to be recognised in the Group's financial results in 2H 2026 and beyond.

The table below provides an analysis by project of contracted sales (stated before the deduction of applicable taxes) for 1H 2026 and 1H 2025:

Project	1H 2026 Contracted amount	1H 2026 GFA sold	1H 2026 ASP	1H 2025 Contracted amount	1H 2025 GFA sold	1H 2025 ASP
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Residential property sales:						
Shanghai Xintiandi						
Lakeville VI (Lot 122)	**1,028**	**2,800**	**367,100**	1,930	6,100	316,400
Riverville	**249**	**1,300**	**191,500**	380	1,900	200,000
Wuhan Xintiandi	**496**	**14,300**	**34,700**	15	300	50,000
KIC Wuhan	**172**	**11,400**	**15,100**	266	16,500	16,100
Wuhan Changjiang Tiandi	**445**	**18,600**	**23,900**	543	20,700	26,200
Chongqing Tiandi[1, 2]	**–**	**–**	**–**	8	400	24,400
Carparks	**50**			148		
SUBTOTAL	**2,440**	**48,400**	**50,400**	**3,290**	**45,900**	**71,700**
Commercial property sales:						
Shanghai Xintiandi						
Lakeville VI (Lot 122)	**407**	**2,300**	**177,000**	–	–	–
Ruihong Xintiandi						
Retail (Lot 1)[3]	**41**	**1,100**	**37,300**	48	900	53,300
Retail (Lot 167A)[4]	**–**	**–**	**–**	56	1,000	56,000
KIC Wuhan	**65**	**7,500**	**8,700**	8	900	8,900
Chongqing Xintiandi						
Retail	**–**	**–**	**–**	63	11,400	5,500
Chongqing Tiandi[1]						
Office (Loft)	**3**	**300**	**10,000**	–	–	–
Lingnan Xintiandi	**–**	**–**	**–**	3	2,400	1,300
Carparks	**5**			5		
SUBTOTAL	**521**	**11,200**	**46,500**	**183**	**16,600**	**11,000**
GRAND TOTAL	**2,961**	**59,600**	**49,700**	**3,473**	**62,500**	**55,500**

Notes:

1 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 ASP of Chongqing residential sales is based on net floor area, a common market practice in the region.

3 The Group holds 49.5% of the property.

4 The Group holds 80% of the property.

Residential GFA Available for Sale and Pre-sale in 2H 2026

The Group has approximately 125,900 sq.m. of residential GFA spanning five projects available for sale and pre-sale in 2H 2026, as summarised below:

Project	Product	Available for sale and pre-sale in 2H 2026		
		GFA in sq.m.	Group's interests	Attributable GFA in sq.m.
Lakeville VI (Lot 122)[1]	Townhouses	6,200	50%	3,100
Riverville	Townhouses	10,100	60%	6,100
Nanqiao Tiandi	High-rises	13,900	5%	700
KIC Wuhan	High-rises	22,500	50%	11,300
Wuhan Changjiang Tiandi	High-rises	73,200	50%	36,600
TOTAL		**125,900**		**57,800**

Note:

1 Including saleable commercial villas and townhouses.

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 2026

Project	Approximate saleable residential GFA	Estimated gross saleable resource	The Group's interests	Estimated attributable sales
	sq.m.	RMB' billion		RMB' billion
Lakeville VI (Lot 122)[2]	11,200	3.6	50%	1.8
Riverville	10,100	2.0	60%	1.2
Nanqiao Tiandi[3]	67,000	2.7	5%	0.1
Zhaolou Xintiandi	24,000	1.5	60%	0.9
Yong Xin Li[2,3,4]	187,000	37.9	15%	5.7
SHANGHAI SUBTOTAL	**299,300**	**47.7**		**9.7**
Wuhan Changjiang Tiandi[4]	665,200	24.4	50%	12.2
KIC Wuhan	87,700	1.4	50%	0.7
OTHER CITIES SUBTOTAL	**752,900**	**25.8**		**12.9**
GRAND TOTAL	**1,052,200**	**73.5**		**22.6**

Notes:

1 This table represents saleable resources not yet recorded as contracted sales as of 30 June 2026.

2 Including 1,700 sq.m. and 32,000 sq.m. GFA of saleable commercial villas and townhouses in Lakeville VI and Yong Xin Li, respectively.

3 Excluding 5,000 sq.m. and 10,000 sq.m. GFA of underground space in Nanqiao Tiandi and Yong Xin Li, respectively.

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

Residential Properties under Development

Shanghai Xintiandi – Lakeville VI (Lot 122) was acquired in June 2021 with a total GFA of 86,000 sq.m. (including 5,000 sq.m. GFA of underground space) for residential use and a GFA of 18,000 sq.m. (including 3,200 sq.m. GFA of underground space) for retail. In September 2024, the Group successfully launched the first phase. A total of 108 units, representing a total GFA of 57,000 sq.m., was fully subscribed on the launch day. The Group subsequently launched the pre-sale of villas and townhouses with a GFA of 13,200 sq.m. in 2025 and all villas and townhouses with pre-sale permits were contracted. A total of five units were launched in 1H 2026. The remaining units have generated significant buyer enthusiasm and are ready for sales contracts to be signed as soon as the pre-sale permits are secured. Handover is scheduled to commence from the fourth quarter of 2027. 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. This heritage preservation and development project involves the creation of a high-end, low-density residential community comprising 90 units, with unit sizes ranging from 160 to 410 sq.m.. The project was completed in the second half of 2025. The project saw solid sales momentum in the second quarter of 2026. As of 30 June 2026, nearly two-thirds of units have been contracted and subscribed, with 40 units delivered to buyers. The Group holds a 60% interest in the development.

Zhaolou Xintiandi – The acquisition of the first residential site was announced in January 2026, comprising a total GFA of approximately 24,000 sq.m.. The site will be developed into low-density residential products within the urban regeneration project located in Shanghai's Minhang District. The project has a total planned GFA of approximately 223,000 sq.m., including approximately 150,000 sq.m. of residential GFA. Positioned as an urban retreat, Zhaolou Xintiandi will integrate cultural heritage, natural landscapes and modern living to create a mixed-use community. Construction for the first residential phase is expected to commence in the 2H 2026. Pre-sale is expected in 2027. The overall project is expected to complete from 2032 onwards. The Group holds a 60% interest in the development.

Wuhan Xintiandi – The final phase, LaValle (Lot B2) with a total residential GFA of 38,600 sq.m., was launched in November 2025 and delivered remarkable sales performance. Despite the market downturn, it achieved the highest price and fastest sales pace in its area. All units were fully contracted by the second quarter of 2026, with handover scheduled to commence from the fourth quarter of 2027.

KIC Wuhan – The site was acquired in 2017. The residential units in Lots R7 and R8, with a total GFA of 73,000 sq.m, have been fully sold and delivered to buyers as of 30 June 2026. The latest residential phase, KIC Wuhan • The Moment (Lot R2) has a total GFA of 32,300 sq.m.. In late June, a total GFA of 14,800 sq.m. was launched, with approximately 77% of units contracted and subscribed by the month end. Handover is scheduled to commence from the third quarter of 2027. The Group holds a 50% interest in the development.

Wuhan Changjiang Tiandi – The site was originally acquired in December 2021. According to the latest masterplan, the site has an estimated GFA of 761,000 sq.m. for residential use. Lot B4, with a total residential GFA of 135,000 sq.m., started pre-sale in September 2023 and was completed in the second half of 2025. As of 30 June 2026, a total aboveground GFA of 96,700 sq.m., involving 632 units has been contracted, of which 613 units have been delivered to buyers. The Group holds a 50% interest in the development.

Commercial Properties under Development and for Future Development as of 30 June 2026

Project	Office GFA	Retail GFA	Total GFA	The Group's interests	Attributable GFA
	sq.m.	sq.m.	sq.m.		sq.m.
Lakeville VI (Lot 122)	–	11,000	11,000	50%	5,500
Yong Xin Li	–	23,000	23,000	15%	3,500
SHANGHAI SUBTOTAL	**–**	**34,000**	**34,000**		**9,000**
Wuhan Xintiandi	70,000	3,000	73,000	100%	73,000
KIC Wuhan	187,000	281,000	468,000	50%	234,000
Wuhan Changjiang Tiandi	–	126,000	126,000	50%	63,000
Lingnan Xintiandi	450,000	107,000+80,000[1]	637,000	100%	637,000
Chongqing Tiandi	228,000	65,000+25,000[1]	318,000	19.80%	63,000
OTHER CITIES SUBTOTAL	**935,000**	**687,000**	**1,622,000**		**1,070,000**
GRAND TOTAL	**935,000**	**721,000**	**1,656,000**		**1,079,000**

Note:

1 Hotel use.

INVESTMENT PROPERTIES

Valuation of Investment Properties

As of 30 June 2026, the carrying value of the Group's investment properties at valuation (excluding hotels for operation and self-use properties), as valued by independent valuer, was RMB96,970 million with a total GFA of 2,666,000 sq.m.. The properties located in Shanghai contributed 80% of the carrying value with the remainder attributable to properties in other cities in China. The Group recorded a decrease of RMB381 million in the fair value of the investment properties (including those held by joint ventures and associates) in 1H 2026, representing 0.4% of the total carrying value as of 30 June 2026. The decrease reflected prevailing market conditions, particularly in the subdued office market, which continued to experience a decline in rental reversions amidst oversupply and downward pressure on market rents.

The table below summarises the carrying value of the Group's investment properties at valuation as of 30 June 2026, together with the change in fair value for 1H 2026:

Portfolio	Leasable GFA	Increase /(decrease) in fair value for 1H 2026	Carrying value as of 30 June 2026	Fair value gain/(loss) to carrying value	Attributable carrying value to the Group
	sq.m.	RMB'million	RMB'million	%	RMB'million
COMPLETED INVESTMENT PROPERTIES AT VALUATION					
Shanghai	**1,589,000**	**(234)**	**77,831**	**(0.3%)**	**43,375**
Office	780,000	(298)	41,885	(0.7%)	19,395
Retail	809,000	64	33,619	0.2%	22,629
Carparks	–	–	2,327	–	1,351
Other Cities	**823,000**	**(147)**	**17,379**	**(0.8%)**	**17,007**
SUBTOTAL	**2,412,000[1]**	**(381)**	**95,210**	**(0.4%)**	**60,382**
INVESTMENT PROPERTIES UNDER DEVELOPMENT AT VALUATION					
SUBTOTAL	**254,000**	**–**	**1,760**	**–**	**1,760**
GRAND TOTAL	**2,666,000**	**(381)**	**96,970**	**(0.4%)**	**62,142**

Note:

1 Self-use properties (total GFA 11,000 sq.m. with carrying value of RMB619 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 Xintiandi Shikumen Block. With high-quality services and constant innovation, we aim to build landmark communities that combine culture, heritage and lifestyle.

Commercial Properties Portfolio

Our retail portfolio continued to achieve a high average occupancy rate of 94% as of 30 June 2026. In 1H 2026, overall sales in our portfolio increased by 20%, and shopper traffic rose by 17%, driven by both local and international visitors drawn to the high-quality community offerings and the vibrant lifestyle experiences delivered by our Xintiandi communities. Meanwhile, amidst ongoing shifts in consumption patterns, the portfolio recorded an overall negative rental reversion.

Demand in office markets in core cities has shown early signs of recovery, although competition remains intense. Against this backdrop, our mature Shanghai office portfolio achieved a high occupancy rate of 94% as of 30 June 2026, an increase from 93% as of 31 December 2025, supported by a refined leasing strategy and the high quality of our assets and services. This compared to the overall Grade A office occupancy rate of 76.5% in Shanghai reported by Jones Lang LaSalle ("JLL"). Rental reversion remained negative as of 30 June 2026, reflecting ongoing market pressure on rents, although the pace of decline has moderated.

Rental and related income for the Group increased by 8% to RMB1,038 million in 1H 2026 compared to RMB965 million in 1H 2025. The increase partly reflected improved occupancy rates.

Including the rental and related income from joint venture and associate properties, the total rental and related income grew 4% year-on-year to RMB1,856 million in 1H 2026, driven by solid performance from the established Shanghai portfolio and additional contributions from Xintiandi Dongtaili in Shanghai and KIC Park in Wuhan, both of which opened in the second half of 2025. Of the total rental and related income, 78% was contributed by the portfolio in Shanghai, with the remainder coming from other cities in China. Meanwhile, the retail portfolio accounted for 62% of the total rental income in 1H 2026, excluding rental-related income.

Rental and related income	1H 2026	1H 2025	Change
	RMB'million	RMB'million	
Shanghai	**1,456**	1,384	5%
Other cities	**400**	397	1%
TOTAL	**1,856**	**1,781**	**4%**

The table below summarises the occupancy rate of the Group's investment properties:

Project	Product	Leasable GFA	Occupancy rate 30 June 2026
		sq.m.	
Shanghai Xintiandi			
Xintiandi Shikumen Block	Office/ Retail	54,000	96%
Xintiandi Style	Retail	26,000	96%
Shui On Plaza and Xintiandi Plaza	Office/ Retail	53,000	96%
5 Corporate Avenue, Xintiandi Hubindao	Office/ Retail	79,000	97%
CPIC Xintiandi Commercial Centre	Office/ Retail	271,000	66%
Ruihong Xintiandi	Office/ Retail	441,000	88%
Hongqiao Xintiandi	Office/ Retail	263,000	93%
KIC Shanghai	Office/ Retail	253,000	96%
Inno KIC	Office/ Retail	45,000	89%
Panlong Xintiandi	Retail	42,000	99%
Hong Shou Fang	Office/ Retail	62,000	96%
Wuhan Xintiandi	Office/ Retail	401,000	75%
Lingnan Xintiandi	Office/ Retail	158,000	96%
Chongqing Xintiandi	Retail	117,000	97%
Nanjing IFC	Office/ Retail	100,000	82%
Wuhan KIC Park	Retail	47,000	90%
GRAND TOTAL		**2,412,000**[1]	

Note:

1 A total GFA of 11,000 sq.m. located at Shanghai Shui On Plaza, Wuhan Xintiandi and Lingnan Xintiandi 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 2026, our asset management projects include 5 Corporate Avenue, Xintiandi Hubindao, commercial properties in Ruihong Xintiandi, CPIC Xintiandi Commercial Centre, Hong Shou Fang, KIC Shanghai and Wuhan KIC Park. The total valuation of these projects amounted to RMB54.6 billion as of 30 June 2026, with a total leasable GFA of 1,153,000 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 Xintiandi:

Shanghai Xintiandi 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 Xintiandi in 1996, comprising various commercial, office and residential plots, including Xintiandi Shikumen Block, Xintiandi Style, Shui On Plaza, Xintiandi Plaza, 5 Corporate Avenue, Xintiandi Hubindao and CPIC Xintiandi Commercial Centre. Our flagship project, Xintiandi Shikumen Block, is at the heart of the Shanghai Xintiandi. Featuring the preservation of cultural heritage, Xintiandi Shikumen Block 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 Xintiandi Shikumen Block 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 271,000 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. Xintiandi Dongtaili, the retail podium of Lot 123 and Lot 124, officially opened for operations in December 2025. This innovative space redefines urban living with 82,000 sq.m. of open-air shops, offering a rich mix of dining, art, and lifestyle experiences. By celebrating local culture and hosting cultural events, Xintiandi Dongtaili aims to revive the city's vibrancy and become a lively urban hub. Rental and related income at Shanghai Xintiandi grew strongly, up 16% year-on-year in 1H 2026, driven by the strong performance of Xintiandi Shikumen Block and Xintiandi Style, together with the rental contribution from Xintiandi Dongtaili.

Hongqiao Xintiandi:

Located in the heart of the Hongqiao central business district ("CBD"), Hongqiao Xintiandi 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. Hongqiao Xintiandi features four office towers, a Xintiandi commercial zone, a shopping facility and a performance and exhibition centre. Rental and related income declined by 1% year-on-year in 1H 2026, reflecting continued decline in the office rental reversion despite the higher occupancy rate. Strategically located in Hongqiao CBD, the gateway to the Yangtze River Delta region, Hongqiao Xintiandi has attracted regional headquarters and branch offices of leading companies from various industries, including Fortune 500 companies.

Ruihong Xintiandi:

Ruihong Xintiandi 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 Xintiandi 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. Rental and related income rose by 4% year-on-year in 1H 2026, supported by the project's repositioning as a fashionable urban living destination.

Panlong Xintiandi:

Panlong Xintiandi 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 retail facilities were opened at the end of April 2023, and it is one of Shanghai's most successful urban village transformations. The project has welcomed over 71 million visitors since opening. Panlong Xintiandi has been widely recognised with multiple industry accolades. The project earned recognition as a national-level tourism and leisure block from the Ministry of Culture and Tourism in 2025. Panlong Xintiandi has become a new cultural landmark for the Yangtze River Delta area and a new destination combining cultural heritage, modern lifestyle and community engagement. Rental and related income increased by 2% year-on-year in 1H 2026, supported by a higher occupancy rate and positive rental reversion.

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 KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. Following the equity transfer completion in December 2024, the Group holds an effective interest of 46.33% in the project. In 1H 2026, rental and related income was 13% lower than in 1H 2025 as the impact of continued decline in the office rental reversion more than offset the benefit of a higher occupancy rate.

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. In 1H 2026, rental and related income decreased by 10% year-on-year, driven by lower occupancy.

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. Since its opening in September 2023, Hong Shou Fang has established itself as a local landmark, marking a significant milestone in our neighbourhood community product line-up. The project company has become a joint venture project after the completion of the disposal of 65% equity interest in January 2024. Rental and related income remained stable compared to 1H 2025.

Wuhan Xintiandi:

Wuhan Xintiandi 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.

With a tenant mix and food and beverage offerings that focus on young premium customers, Wuhan Xintiandi 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. Rental and related income at Wuhan Xintiandi remained stable year-on-year in 1H 2026.

Wuhan KIC Park:

Located within KIC Wuhan and directly connected to Metro Line 11, KIC Park is the first commercial park located in a knowledge community in Wuhan, with a total retail GFA of 47,000 sq.m.. Set within generous green space, KIC Park integrates commercial space with nature and features a brand mix that targets young professionals and innovators in Optics Valley, strengthening the positioning of KIC Wuhan as a social and entertainment destination in the area. Following the opening in September 2025, KIC Park made its first full-period contribution to the Group's rental income in 1H 2026. Occupancy remained high at 90% as of 30 June 2026.

Lingnan Xintiandi:

Lingnan Xintiandi is a large-scale, integrated urban retreat 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 dining, retail, leisure and cultural experiences. Rental and related income recorded a slight year-on-year decline of 2% in 1H 2026.

In August 2025, the Group completed the transfer of its 100% interest in Fo Shan Shui On Property Development Co., Ltd. and Fo Shan An Ying Property Co., Ltd. (collectively, "Foshan Project Companies") to Qingdao Ruijian Private Equity Investment Fund Partnership (Limited Partnership), a fund in which the Group holds a 57.63% of the partnership interest.

Chongqing Xintiandi:

Chongqing Xintiandi 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 achieved a high occupancy rate of 97% as of 30 June 2026. It offers a wide range of retail, food and beverages as well as entertainment facilities that target a young premium clientele, while serving office tenants and residents in the neighbourhood.

Nanjing IFC:

Nanjing IFC is a mixed-use Grade A landmark property in Nanjing. It is predominantly an office building occupied by a diverse mix of high-quality tenants, including MetLife and KFC. Rental and related income was 6% lower year-on-year in 1H 2026 due to lower occupancy.

STRATEGY GOING FORWARD

Since 2016, the Group has pursued an Asset-Light strategy to propel its growth in a more effective and productive way. Under this approach, the Group has been progressively introducing financial investors for its mature commercial assets to recycle capital. We also undertake new development projects through partnerships in which we hold a minority stake, while providing professional management services for the development, sales and marketing, asset management and operations of the projects. Through this strategy, the Group can fully leverage and capitalise on its brands, including the community brand, "Xintiandi" and the luxury residential brand, "Lakeville", as well as on its expertise in project development and asset management. This is enabling us to expand the business amidst a highly volatile market, while creating new revenue streams from various management fee income sources.

As of 30 June 2026, the Group had participated in four Asset-Light projects in Shanghai, which are expected to support the Group's growth over the coming years. The table below summarises the details of these projects:

Project	Product	Estimated residential GFA	Estimated commercial GFA	Estimated project periods	The Group's interests
		sq.m.	sq.m.		
Yong Nian Li, Shanghai	Mixed-use development	105,000	50,000	2025 – 2032	–
Nanqiao Tiandi, Shanghai	Mixed-use development	325,000	98,000	2025 – 2031	5%
Yong Xin Li, Shanghai	Mixed-use development	165,000	55,000[1]	2025 – 2031	15%
Sanlin Xintiandi, Shanghai	Mixed-use development	633,000	92,000	2026 – 2035	13.26%
GRAND TOTAL		**1,228,000**	**295,000**		

Note:

1 Including 32,000 sq.m. GFA of saleable commercial villas and townhouses.

Yong Nian Li:

Yong Nian Li is an urban renewal project located in the heart of Shanghai's Huangpu District. Comprising three plots, the development will feature super high-rise and high-rise residences, heritage-inspired villas and a lane-style retail area and benefit from its location within the Greater Xintiandi Community. The project encompasses approximately 105,000 sq.m. of residential GFA and 50,000 sq.m. of commercial GFA. Construction is expected to commence in the fourth quarter of 2026. Completion is expected in 2032 and pre-sale after 2027. The project is being jointly developed by Shanghai Yongye Enterprise (Group) Co., Ltd, holding a 98% interest, and China Overseas Group, holding a 2% interest. Entrusted by its partners, the Group will provide full-cycle professional management services spanning strategic positioning, development management, marketing and sales, asset management and operations.

Nanqiao Tiandi:

A collaboration with the Shanghai Fengxian District Government, Nanqiao Tiandi is an urban village renovation project located in the heart of the old Nanqiao town in the Fengxian District. The project aims to support Fengxian's vision to become an innovation and service hub in southern Shanghai. Comprising a total planned GFA of approximately 423,000 sq.m., including around 325,000 sq.m. of residential GFA and 98,000 sq.m. of commercial and ancillary facilities, the project is scheduled for phased development, currently expected to run through to 2031. In August 2024, the Group secured a 5% interest in the project and has been entrusted to provide full-cycle development and asset management services.

Since April 2025, the project company has acquired land lots with a total GFA of approximately 71,800 sq.m. (including 4,800 sq.m. GFA of underground space) for residential and cultural uses. Construction work is in progress. Pre-sale for the first phase of residential development, with a total GFA of 13,900 sq.m., is expected to commence in late 2026 or early 2027.

Yong Xin Li:

This is a mixed-use urban regeneration project located to the east of Xintiandi Shikumen Block in Shanghai's Huangpu District. It will offer premium residences under the Lakeville brand and commercial space operated under the "Xintiandi" brand, strengthening the Group's presence within the Greater Xintiandi Community. The project comprises a total planned GFA of approximately 220,000 sq.m., including 165,000 sq.m. of residential GFA (including 9,800 sq.m. GFA of underground space) and 55,000 sq.m. of commercial GFA. Construction commenced in the second quarter of 2026. Completion is expected in 2031 and pre-sale in 2027.

In June 2025, the Group formed a new 30/70 joint venture with Tian An China Investments Company Limited to participate in the project. The capital commitment in relation to this joint venture to be borne by the Group is expected to be no more than RMB1,047 million. This joint venture succeeded in acquiring a 50% equity interest in a company owned by Shanghai Yongye Enterprise (Group) Co., Ltd. which holds three land parcels for the project. The Group holds a 15% effective interest in the project.

Sanlin Xintiandi:

Sanlin Xintiandi is an urban village renewal project located at Sanlin in the Pudong New Area of Shanghai, enjoying proximity to the Qiantan CBD and the Sanlin Riverside. The project will expand the Group's urban renewal product line into one of Shanghai's most dynamic districts. The project has a planned GFA of approximately 725,000 sq.m., comprising 633,000 sq.m. of residential GFA and 92,000 sq.m. of commercial GFA. The overall development period is estimated to span from 2026 to 2035.

In November 2025, the Group entered into an agreement with Shanghai Lujiazui (Group) Co., Ltd., Shanghai Pudong New Area Real Estate (Group) Co., Ltd. and Shanghai Sanlin Asset Management (Group) Co., Ltd. for carrying out the project. The Group's effective funding commitment for the project amounts to approximately RMB1,215 million. The Group holds a 13.26% effective interest in the project.

Looking ahead, we will continue to pursue business expansion in a prudent and disciplined manner through our Asset-Light strategy while maintaining liquidity and financial stability. Our investment focus will remain on opportunities in first-tier and strong second-tier cities in the Yangtze River Delta and Greater Bay Area, where we can leverage our expertise in urban regeneration, with Shanghai continuing to serve as our strongest foothold. Our long-term goal is to achieve a "best in class" leadership position in selective markets and across the various products we create, delivering sustainable profit growth through a strategy balanced between property development and asset management.

MANAGEMENT DISCUSSION AND ANALYSIS

LANDBANK

As of 30 June 2026, the Group's landbank was 7.6 million sq.m. (comprising 5.6 million sq.m. of leasable and saleable area and 2.0 million sq.m. for clubhouses, car parking spaces and other facilities) spanning 18 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 3.4 million sq.m.. Of the total leasable and saleable GFA of 5.6 million sq.m., approximately 2.8 million sq.m. was completed and held for sale and/or investment, approximately 0.8 million sq.m. was under development and the remaining 2.0 million sq.m. was held for future development.

The Group's total landbank as of 30 June 2026, including that of its joint ventures and associates, is summarised below:

Project	Approximate/Estimated leasable and saleable GFA			Hotel/ serviced apartments	Subtotal	Clubhouse, carpark, and other facilities	Total
	Residential	Office	Retail				
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.
COMPLETED PROPERTIES:							
Shanghai Xintiandi[1]	–	277,000	213,000	–	**490,000**	198,000	**688,000**
Ruihong Xintiandi[2]	–	145,000	296,000	–	**441,000**	264,000	**705,000**
KIC Shanghai[3]	–	164,000	67,000	22,000	**253,000**	142,000	**395,000**
Hongqiao Xintiandi	–	90,000	173,000	–	**263,000**	72,000	**335,000**
Panlong Xintiandi	–	–	42,000	–	**42,000**	75,000	**117,000**
Riverville	16,000	–	–	–	**16,000**	19,000	**35,000**
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 Xintiandi	–	165,000	238,000	–	**403,000**	285,000	**688,000**
KIC Wuhan	–	94,000	56,000	–	**150,000**	203,000	**353,000**
Wuhan Changjiang Tiandi	43,000	–	–	–	**43,000**	42,000	**85,000**
Lingnan Xintiandi	–	16,000	157,000	43,000	**216,000**	55,000	**271,000**
Chongqing Xintiandi[4]	–	–	117,000	–	**117,000**	137,000	**254,000**
Chongqing Tiandi[9]	–	3,000	98,000	–	**101,000**	112,000	**213,000**
Nanjing IFC	–	72,000	28,000	–	**100,000**	18,000	**118,000**
SUBTOTAL	**59,000**	**1,115,000**	**1,503,000**	**65,000**	**2,742,000**	**1,661,000**	**4,403,000**
PROPERTIES UNDER DEVELOPMENT:							
Shanghai Xintiandi[5]	86,000	–	18,000	–	**104,000**	55,000	**159,000**
Nanqiao Tiandi[6]	72,000	–	–	–	**72,000**	40,000	**112,000**
Yong Xin Li[7]	165,000	–	55,000	–	**220,000**	150,000	**370,000**
Zhaolou Xintiandi[8]	24,000	–	–	–	**24,000**	18,000	**42,000**
Wuhan Xintiandi	39,000	–	–	–	**39,000**	16,000	**55,000**
KIC Wuhan	32,000	–	–	–	**32,000**	17,000	**49,000**
Wuhan Changjiang Tiandi	85,000	–	1,000	–	**86,000**	41,000	**127,000**
Chongqing Tiandi[9]	–	228,000	–	25,000	**253,000**	17,000	**270,000**
SUBTOTAL	**503,000**	**228,000**	**74,000**	**25,000**	**830,000**	**354,000**	**1,184,000**
PROPERTIES FOR FUTURE DEVELOPMENT:							
Wuhan Xintiandi	–	70,000	3,000	–	**73,000**	–	**73,000**
KIC Wuhan	65,000	187,000	281,000	–	**533,000**	–	**533,000**
Wuhan Changjiang Tiandi	542,000	–	125,000	–	**667,000**	–	**667,000**
Lingnan Xintiandi	28,000	450,000	107,000	80,000	**665,000**	–	**665,000**
Chongqing Tiandi[9]	–	–	65,000	–	**65,000**	–	**65,000**
SUBTOTAL	**635,000**	**707,000**	**581,000**	**80,000**	**2,003,000**	**–**	**2,003,000**
TOTAL LANDBANK GFA	**1,197,000**	**2,050,000**	**2,158,000**	**170,000**	**5,575,000**	**2,015,000**	**7,590,000**

Notes:

1 The Group has 99.00% interests in all the remaining lots, except for Xintiandi Shikumen Block, Shui On Plaza including Xintiandi Plaza, 15th floor of Shui On Plaza, 5 Corporate Avenue and Xintiandi Hubindao, 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 The Group has an effective interest of 46.33% in the project.

4 The Group has an effective interest of 99.00%.

5 The Group has a 50.00% interest in Lakeville VI and Xintiandi Liuheli (Lot 122).

6 The Group has a 5.00% interest in the project.

7 The Group has a 15% interest in the project.

8 The Group has a 60% interest in the project.

9 The Group has an effective interest of 19.80%.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK

The global political and economic environment became increasingly complex in the first half of 2026, as widening geopolitical conflicts and rising trade barriers continued to reshape global trade, investment and supply chains. In particular, the conflict in the Middle East drove up energy and commodity prices, renewing inflationary pressures and constraining the scope for monetary easing. Although these headwinds weighed on economic activity, their impact was partly offset by sustained investment in artificial intelligence (AI) and related technology infrastructure, allowing the global economy to maintain moderate expansion. The International Monetary Fund currently projects global growth of 3.0% in 2026. While further adoption of AI could provide additional support to productivity and growth, the sustainability of the current investment cycle remains uncertain. Looking ahead, persistent geopolitical uncertainty, greater trade fragmentation, elevated public debt and increasingly constrained policy space are likely to weigh on the outlook and add further complexity to the global operating environment.

China's economy grew by 4.7% year-on-year in the first half of 2026, as its structural transformation continued amid an increasingly pronounced K-shaped divergence. On the upward side, new quality productive forces continued to advance, with technological innovation, export-oriented industries and advanced manufacturing providing important support to growth. AI in particular is increasingly reshaping China's growth momentum through investment, industrial upgrading and productivity enhancement. However, these new growth drivers have yet to translate fully into broad-based improvements in employment, household income expectations and consumption. Domestic demand remained subdued, while the ongoing property market adjustment continued to weigh on household wealth and market confidence. In response, the 15th Five-Year Plan and the newly introduced plan to expand consumption place greater emphasis on strengthening household consumption capacity and the social safety net, reflecting a longer-term effort to rebalance the growth model.

Within this uneven economic landscape, China's residential property market remained in a prolonged bottoming-out process during the first half of 2026. Nationwide sales of new commodity properties by gross floor area declined by 11.6% year-on-year, while real estate development investment fell by 18.0%, reflecting continued weakness in market demand and developer confidence. As the market adjusts towards a new supply-demand balance, differentiation across cities is becoming increasingly pronounced, with demand likely to become more concentrated in cities supported by stronger economic fundamentals, sustained population and talent inflows, and greater capacity for wealth creation. Recent commentaries in the official publication Qiushi have highlighted the property sector's broad linkages to domestic demand, household balance sheets and financial stability. Against this backdrop, the Political Bureau of the CPC Central Committee called in April for efforts to "stabilise the real estate market and solidly advance urban renewal". This reflects a policy focus on stabilising the market in the near term, while facilitating the industry's longer-term transition towards a new development model centered on urban renewal, the revitalisation of existing assets and the delivery of "good houses".

Shanghai's Grade A office market showed marginal improvement amid continued adjustment in the first half of 2026. According to JLL, citywide net absorption reached approximately 433,000 sq.m., significantly higher than a year earlier, while the vacancy rate declined to 23.5%. Leasing activity improved moderately, with cost-driven relocations and moves to higher-quality office space remaining the primary sources of demand. The rental decline also slowed, although citywide rents still fell by 9.4% year-on-year. Looking ahead, a substantial pipeline of new completions will keep supply pressure elevated over the next two to three years. Over the longer term, however, supply-side policy is shifting towards controlling new supply, optimising existing stock and revitalising underutilised commercial properties. On the demand side, the outlook remains cautiously positive, supported by the continued development of industries associated with new quality productive forces and Shanghai's established strengths in high-end services. Nevertheless, the market will remain tenant-favourable and highly differentiated, with negotiating margins likely to narrow first for well-occupied, high-quality projects in core locations, while competition remains intense in supply-heavy submarkets.

Shanghai's retail property market is entering a new normal characterised by modest recovery and pronounced divergence. According to JLL, vacancy rates in prime and decentralised retail areas stood at 8.1% and 13.7%, respectively, with prime locations showing greater resilience due to their stronger footfall and concentration of consumer spending. Rents remained under adjustment, although the pace of decline moderated. Looking ahead, vacancy rates are expected gradually to improve, while a broad-based stabilisation in rents will take longer, with prime retail areas likely to recover earlier. Performance also varied significantly across retail categories. Sportswear, collectible toys, consumer electronics and affordable dining remained active, while leading brands accelerated the rollout of large flagship and experiential stores. This reflects the continuing transformation of physical retail from a place of transaction into a platform for brand expression, social interaction and lifestyle experiences. In line with these trends, the Group's Xintiandi commercial portfolio will further strengthen its cultural programming, community engagement and placemaking capabilities, capturing growing demand for flagship formats, experiential consumption and service-oriented offerings, while reinforcing its differentiated positioning through refined operations.

Shanghai's economy maintained solid growth in the first half of 2026, with GDP expanding by 5.6% year-on-year. Beyond the headline growth, the city's broader momentum was supported not only by technological innovation and advanced manufacturing, but also by its strong financial and high-end service sectors. The output of Shanghai's three leading industries – integrated circuits, AI and biomedicine – rose by 14.6%, while financial sector value added increased by 10.2%. Rooted in Shanghai's high level of openness and its capacity to allocate global capital, technology and talent, these service functions also provide an enabling platform for the commercialisation and scaling-up of innovation. Major global platforms such as the World Artificial Intelligence Conference further demonstrate the city's convening power and international connectivity. Together, these mutually reinforcing capabilities are strengthening Shanghai's overall development momentum and its position as a leading global city.

A marked acceleration in industrial production drove Wuhan's economic growth of 5.7% year-on-year in the first half of 2026. Value added of industrial enterprises above designated size increased by 15.4%, while high-tech manufacturing surged by 65.7%, supported by rapid growth in electronic information, civilian drones, integrated circuits and other technology industries. These expanding industrial clusters are strengthening Wuhan's momentum in advanced manufacturing and innovation. Domestic demand, however, remained subdued. Retail sales and fixed asset investment declined by 0.7% and 5.3%, respectively, while service sector value added grew by 4.2%, indicating that growth remained concentrated in the secondary sector. Looking ahead, the continued development of major clusters such as Optics Valley and Auto Valley should support industrial upgrading, although a broader transmission into employment, consumption and services will be important for achieving more balanced growth.

Chongqing's economy grew by 4.2% year-on-year in the first half of 2026, maintaining steady expansion even though the pace moderated. The service sector provided the main support for growth, expanding by 5.3%, compared with 2.2% growth in the secondary sector. Manufacturing nevertheless remained broadly stable, supported by the city's intelligent equipment, electronic information and automotive industries. Retail sales increased moderately by 2.3%, with sports and entertainment products and communication equipment remaining relatively active. Fixed asset investment edged down by 0.4%. Cultural tourism and inbound travel emerged as more visible areas of strength. Nearly 1.5 million cross-border passenger movements were recorded at Chongqing Jiangbei International Airport, up 39.5% year-on-year, with particularly strong growth in foreign passenger traffic. Together, Chongqing's diversified industrial base and expanding external connectivity underpin business activity, while modern services, cultural tourism and rising visitor flows provide additional support for the city's commercial vitality.

Nanjing recorded steady economic growth in the first half of 2026, with GDP expanding by 5.3% year-on-year. The service sector grew by 6.3%, outpacing the 3.0% growth in the secondary sector, while high-tech manufacturing increased by 14.5%, reflecting continued momentum in advanced industries. Consumption and investment remained relatively weak. Retail sales declined by 0.5%, while fixed asset investment fell by 11.8%. Industrial investment nevertheless increased by 10.2%, indicating that investment continued to shift towards industrial upgrading and new growth drivers. Over the medium to long term, deeper integration within the cross-provincial Nanjing metropolitan area, together with the city's targets of exceeding 10 million permanent residents and increasing the share of residents aged below 35 to over 35%, could broaden its consumer catchment and talent base, providing longer-term support for office and retail demand.

Foshan's economy remains at a critical stage in the transition between old and new growth drivers. In the first half of 2026, GDP edged up by 0.2% year-on-year amid continued pressure on property-related industries and traditional manufacturing, while the service sector grew by 2.9%. Despite subdued overall growth, there were positive signs of continued industrial transformation. Value added in high-tech manufacturing above designated size increased by 11.6%, while the output of lithium-ion batteries and industrial robots rose by 41.0% and 27.6%, respectively. However, growth in emerging industries has yet to fully offset the slowdown in traditional source of growth. Over the longer term, Foshan's market-oriented business culture, the integration of smart manufacturing and services, Greater Bay Area cooperation and its positioning as a centre of Lingnan culture should continue to support the city's value proposition. Its permanent population increased by approximately 93,000 to 9.79 million in 2025, providing a stable base for consumer demand. Chancheng, Foshan's political, economic and cultural centre, can further leverage Lingnan culture, performances, sporting events and the night-time economy to enrich the urban experience and convert visitor flows into sustained commercial spending.

Looking ahead, China's structural transformation is likely to remain marked by K-shaped divergence. Technological and industrial upgrading will continue to generate new growth, but their transmission into employment, household confidence and consumption will take time. In the property sector, policy support should help stabilise expectations, although the recovery is likely to remain gradual and uneven as the market moves towards a new supply-demand balance. City and project differentiation will therefore remain a defining feature, favouring locations with stronger economic and demographic fundamentals and developments that offer genuine product quality and customer value. Over the longer term, urban renewal, the revitalisation of existing assets, the delivery of "good houses" and the creation of high-quality integrated communities will increasingly shape the industry's transition towards a more sustainable development model.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's ***revenue*** for the six months ended 30 June 2026 ("1H 2026") was RMB1,711 million (for the six months ended 30 June 2025 ("1H 2025"): RMB2,074 million). There was no new residential completion among the Group's consolidated projects in the period under review. ***Property sales*** in 1H 2026 comprised sales of carpark inventories at different projects, and amounted to RMB7 million (1H 2025: RMB145 million). Under our Asset-Light strategy, property sales are increasingly from joint ventures and associates.

Rental and related income from property investment for 1H 2026 increased by 8% to RMB1,038 million (1H 2025: RMB965 million). Of this, RMB652 million (1H 2025: RMB637 million) was contributed by the Group's Shanghai properties, accounting for 63% of the total and representing a 2% year-on-year growth, supported by improved occupancy rates. The rental and related income from the Group's properties outside Shanghai advanced to RMB386 million in 1H 2026 (1H 2025: RMB328 million), mainly from the consolidation of a mixed used project.

Property management income for 1H 2026 grew moderately to RMB291 million (1H 2025: RMB281 million), of which RMB209 million (1H 2025: RMB200 million) was from services rendered to commercial properties, with the remaining income of RMB82 million (1H 2025: RMB81 million) attributable to residential properties.

Construction income generated by the construction business decreased to RMB97 million in 1H 2026 (1H 2025: RMB286 million). The decrease was due mainly to lower construction service income from the Group's joint ventures, including Riverville, which was completed in the second half of 2025.

Other revenue, primarily comprising asset management fee income, management services fee income from Asset-Light projects and hotel operation income, declined to RMB278 million in 1H 2026 (1H 2025: RMB397 million). Management services fee income is recognised and collected in accordance with the development progress of Asset-Light projects.

Gross profit in 1H 2026 fell 15% to RMB1,167 million (1H 2025: RMB1,369 million) in line with the lower Group's revenue, while ***gross profit margin*** rose slightly to 68% (1H 2025: 66%).

Selling and marketing expenses in 1H 2026 decreased 19% to RMB43 million (1H 2025: RMB53 million), with lower sales commission incurred.

General and administrative expenses, which comprise staff costs, depreciation charges and advisory costs incurred, remained stable at RMB381 million in 1H 2026 (1H 2025: RMB382 million).

Decrease in the fair value of investment properties totalled RMB110 million in 1H 2026 (1H 2025: RMB133 million). The investment property portfolio in Shanghai recorded a valuation gain of RMB38 million (1H 2025: RMB40 million), which was offset by a revaluation loss of RMB148 million (1H 2025: RMB173 million) in the investment property portfolio outside Shanghai.

Net other income recorded a net gain of RMB472 million in 1H 2026 (1H 2025: net gain of RMB173 million), comprised of:

	1H 2026 RMB'million	1H 2025 RMB'million
Interest income from banks	**26**	31
Interest income from loans to a joint venture	**15**	14
Government grants	**4**	4
Gain on derecognition of financial liabilities	**–**	38
Net loss on disposal of investment properties	**–**	(10)
Others*	**427**	96
TOTAL	**472**	**173**

* Included a gain of RMB356 million from purchase of interest in subsidiaries during six months ended 30 June 2026.

Share of results of associates and joint ventures recorded a net loss of RMB34 million in 1H 2026 (1H 2025: net loss of RMB73 million). The net loss arising from commercial properties totalled RMB44 million (1H 2025: net loss of RMB105 million) which included a net revaluation loss of RMB68 million (1H 2025: net loss of RMB76 million). The loss was partially offset by the gains from property sales of RMB10 million (1H 2025: RMB32 million) which were mainly from Riverville. In comparison, net gains from residential projects in 1H 2025 were mainly from KIC Wuhan amounting to RMB31 million.

Finance costs, inclusive of exchange differences, totalled RMB752 million in 1H 2026 (1H 2025: RMB888 million), comprising finance costs of RMB761 million (1H 2025: RMB801 million) and a net exchange gain of RMB9 million (1H 2025: net exchange loss of RMB87 million). Total interest costs receded by 4% to RMB793 million (1H 2025: RMB823 million) attributable to lower average cost of debt of 5.38% in 1H 2026 (1H 2025: 5.67%). Of the abovementioned interest costs, 4% (1H 2025: 3%) or RMB32 million (1H 2025: RMB22 million) was capitalised as the cost of property development, with the remaining 96% (1H 2025: 97%) of interest costs relating to mortgage loans on completed properties and borrowings for general working capital purposes being accounted for as expenses.

Taxation was recorded at RMB76 million in 1H 2026 (1H 2025: credit amount of RMB68 million). The change was primarily due to the increase in deferred tax. Chinese mainland 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 2026 was RMB243 million (1H 2025: RMB81 million).

Profit attributable to shareholders of the Company for 1H 2026 was RMB223 million (1H 2025: RMB51 million).

The core earnings of the Group were as follows:

	Six months ended 30 June		
	2026 RMB'million	2025 RMB'million	Change %
Profit attributable to shareholders of the Company	**223**	51	337%
Decrease in fair value of investment properties, net of tax	**108**	123	
Share of results of associates and joint ventures – decrease in fair value of investment properties, net of tax	**68**	76	
	176	199	
Non-controlling interests	**4**	13	
Net effect of changes in the valuation	**180**	212	
Profit attributable to shareholders of the Company before revaluation	**403**	263	53%
CORE EARNINGS OF THE GROUP	**403**	**263**	**53%**

Earnings per share for 1H 2026 were RMB2.78 cents, calculated based on a weighted average of approximately 8,009 million shares in issue in 1H 2026 (1H 2025: earnings per share of RMB0.64 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. In August 2026, the Group obtained the consents from the holders of the senior notes with respect to the proposed amendments to certain covenants. Details of the consent solicitations were set out in the announcements of the Company dated 27 July and 4 August 2026. The modified covenants better reflect our Asset-Light strategy and give additional flexibility to the Group.

To commemorate the 20th anniversary of the Group's listing on the Main Board of The Stock Exchange of Hong Kong Limited and having considered the Group's financial performance during the period, the Board has resolved to declare a special dividend of HKD0.04 per share.

Major Transaction

In February 2026, the Group entered into a cooperation agreement with Manulife LP, China Life Trustees Limited, Haikou Vision Co-Creation No. 1 Fund LP ("Dajia LP") and Dajia GP to restructure the investment holding structure of 5 Corporate Avenue and Xintiandi Hubindao through the formation of a limited partnership and equity transfer. The transaction was accounted for as a financing arrangement and the Group still holds 44.55% of the partnership interests of 5 Corporate Avenue and Xintiandi Hubindao upon completion. For details, please refer to the announcements issued by the Company dated 6 February 2026 and 17 March 2026.

Liquidity, Capital Structure, and Gearing Ratio

During 1H 2026, the following major financing matters were completed:

1) The Group issued an aggregate principal amount of USD450 million senior notes due 2029 with a coupon rate of 9.75% per annum.
2) The Group fully repaid an aggregate principal amount of USD400 million of senior notes.
3) In March 2026, the Group redeemed early all outstanding receipts under securitisation arrangements amounting to RMB4,285 million.

The structure of the Group's borrowings as of 30 June 2026 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	22,743	1,562	2,877	5,844	12,460
Bank borrowings – USD	1,985	1,985	–	–	–
Senior notes – USD	3,123	–	–	3,123	–
TOTAL	**27,851**	**3,547**	**2,877**	**8,967**	**12,460**

Cash and bank deposits as of 30 June 2026 totalled RMB6,142 million (31 December 2025: RMB6,451 million), which included RMB1,082 million (31 December 2025: RMB1,816 million) of deposits pledged to banks and RMB2,664 million (31 December 2025: RMB2,390 million) of restricted bank balances which can only be applied to designated projects of the Group.

As of 30 June 2026, the Group's net debt (excess of the sum of senior notes and bank and other borrowings net of bank balances and cash including pledged bank deposits and restricted bank deposits) was RMB21,709 million (31 December 2025: RMB19,843 million), and its total equity was RMB38,678 million (31 December 2025: RMB38,230 million). The Group's net gearing ratio was 56% as of 30 June 2026 (31 December 2025: 52%), calculated based on the net debt over the total equity.

As of 30 June 2026, total USD borrowings (including both hedged and unhedged positions) amounted to RMB5,108 million (31 December 2025: RMB5,120 million), accounting for 18% of total borrowings (31 December 2025: 19%).

The total undrawn banking facilities available to the Group amounted to approximately RMB3,170 million as of 30 June 2026 (31 December 2025: RMB4,015 million).

Pledged Assets

As of 30 June 2026, 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 RMB40,797 million (31 December 2025: RMB39,121 million) to secure the Group's borrowings totalling RMB19,205 million (31 December 2025: RMB18,765 million).

Capital and Other Development Related Commitments

As of 30 June 2026, the Group had contracted commitments for development costs, capital expenditure and other investments of RMB6,705 million (31 December 2025: RMB7,358 million). Excluding the non-controlling interest's share, total capital commitment attributable to the Group was RMB4,367 million (31 December 2025: RMB5,005 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. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the treasury. The treasury function monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements.

As of 30 June 2026, debt due within one year amounted to RMB3,547 million (31 December 2025: RMB6,894 million), accounting for 13% of total borrowings (31 December 2025: 26%).

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 foreign-currency-denominated debt obligations, such as bank borrowings and senior notes issued in 2026 denominated in USD. 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 2026, the Group had entered into USD254 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 2026, the Group had various outstanding loans that bear variable rates of interest linked to the Secured Overnight Financing Rate ("SOFR"), Offshore RMB Hong Kong Inter-bank Offered Rates 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 2026, 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.

INDEPENDENT REVIEW REPORT

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TO THE BOARD OF DIRECTORS OF SHUI ON LAND LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 34 to 56, which comprises the condensed consolidated statement of financial position of Shui On Land Limited (the "Company") and its subsidiaries (the "Group") as of 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
27 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June **2026** **RMB'million** **(Unaudited)**	 2025 RMB'million (Unaudited)
Revenue	3A	**1,711**	2,074
Cost of sales		**(544)**	(705)
Gross profit		**1,167**	1,369
Net other income	4	**472**	173
Selling and marketing expenses		**(43)**	(53)
General and administrative expenses		**(381)**	(382)
Decrease in fair value of the investment properties	10	**(110)**	(133)
Share of results of associates and joint ventures		**(34)**	(73)
Finance costs, inclusive of exchange differences	5	**(752)**	(888)
Profit before tax	6	**319**	13
Tax	7	**(76)**	68
Profit for the period		**243**	81
Attributable to:			
Shareholders of the Company		**223**	51
Non-controlling shareholders of subsidiaries		**20**	30
		243	81
Earnings per share attributable to shareholders of the Company	9		
– Basic		**RMB2.78 cents**	RMB0.64 cents
– Diluted		**RMB2.78 cents**	RMB0.64 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Profit for the period	**243**	81
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**58**	18
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	**(71)**	(21)
Reclassification from hedge reserve to profit or loss arising from hedging instruments	**48**	3
Share of other comprehensive income/(expense) of an associate and a joint venture	**29**	(12)
Other comprehensive income/(expense) for the period	**64**	(12)
Total comprehensive income for the period	**307**	69
Total comprehensive income attributable to:		
Shareholders of the Company	**287**	39
Non-controlling shareholders of subsidiaries	**20**	30
	307	69

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2026

	Notes	**30 June 2026 RMB'million (Unaudited)**	31 December 2025 RMB'million (Audited)
Non-current assets			
Investment properties	10	**42,475**	40,160
Interests in associates	11	**11,877**	11,888
Interests in joint ventures	12	**11,560**	12,282
Property and equipment		**748**	780
Right-of-use assets		**24**	26
Receivables, deposits, and prepayments	13	**190**	220
Pledged bank deposits		**666**	841
Loans to a non-controlling shareholder of a subsidiary		**13**	18
Deferred tax assets		**302**	301
Other non-current assets		**68**	60
		67,923	66,576
Current assets			
Properties under development for sale		**3,450**	3,227
Properties held for sale		**466**	470
Receivables, deposits, and prepayments	13	**629**	607
Amounts due from associates	11	**144**	150
Loans to/amounts due from joint ventures	12	**4,534**	3,949
Loan to a non-controlling shareholder of a subsidiary		**–**	3
Amounts due from related companies	15	**376**	390
Contract assets	14	**50**	45
Pledged bank deposits		**416**	975
Bank balances and cash		**5,060**	4,635
Assets classified as held for sale		**1,550**	1,550
		16,675	16,001

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 JUNE 2026

	Notes	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Current liabilities			
Accounts payable, deposits received, and accrued charges	16	**3,143**	3,786
Contract liabilities		**1,265**	522
Bank and other borrowings		**3,547**	4,040
Senior notes	17	**–**	2,809
Receipts under securitisation arrangements	18	**–**	45
Tax liabilities		**1,135**	2,836
Amounts due to non-controlling shareholders of subsidiaries		**29**	9
Amounts due to associates	11	**161**	61
Amounts due to joint ventures	12	**29**	15
Amounts due to related companies	15	**331**	331
Lease liabilities		**3**	3
Derivative financial instruments		**54**	37
		9,697	14,494
Net current assets		**6,978**	1,507
Total assets less current liabilities		**74,901**	68,083
Non-current liabilities			
Bank and other borrowings		**21,181**	15,160
Senior notes	17	**3,123**	–
Receipts under securitisation arrangements	18	**–**	4,240
Deferred tax liabilities		**2,764**	2,681
Accounts payable, deposits received, and accrued charges	16	**526**	507
Loans from an associate	11	**5,810**	5,735
Loans from joint ventures	12	**2,706**	1,484
Loans from non-controlling shareholders of subsidiaries		**14**	–
Lease liabilities		**45**	46
Derivative financial instruments		**54**	–
		36,223	29,853
Capital and reserves			
Share capital		**146**	146
Reserves		**36,618**	36,331
Equity attributable to shareholders of the Company		**36,764**	36,477
Non-controlling interests		**1,914**	1,753
Total equity		**38,678**	38,230
Total equity and non-current liabilities		**74,901**	68,083

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to shareholders of the Company					
	Share capital RMB'million	Reserves RMB'million	Retained earnings RMB'million	Sub-total RMB'million	Non-controlling interests RMB'million	Total RMB'million
On 1 January 2026 (audited)	146	16,416	19,915	36,477	1,753	38,230
Profit for the period	–	–	223	223	20	243
Exchange differences arising on translation of foreign operations	–	58	–	58	–	58
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	–	(71)	–	(71)	–	(71)
Reclassification from hedge reserve to profit or loss arising from hedging instruments	–	48	–	48	–	48
Share of other comprehensive income of an associate and a joint venture	–	29	–	29	–	29
Total comprehensive income for the period	–	64	223	287	20	307
Capital injection by non-controlling shareholders of subsidiaries	–	–	–	–	167	167
Dividend declared to a non-controlling shareholder of a subsidiary	–	–	–	–	(21)	(21)
Caption reduction by non-controlling shareholders of subsidiaries	–	–	–	–	(5)	(5)
On 30 June 2026 (unaudited)	146	16,480*	20,138*	36,764	1,914	38,678

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to shareholders of the Company					
	Share capital RMB'million	Reserves RMB'million	Retained earnings RMB'million	Sub-total RMB'million	Non-controlling interests RMB'million	Total RMB'million
On 1 January 2025 (audited)	146	16,374	21,965	38,485	4,184	42,669
Profit for the period	–	–	51	51	30	81
Exchange differences arising on translation of foreign operations	–	18	–	18	–	18
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	–	(21)	–	(21)	–	(21)
Reclassification from hedge reserve to profit or loss arising from hedging instruments	–	3	–	3	–	3
Share of other comprehensive expense of an associate and a joint venture	–	(12)	–	(12)	–	(12)
Total comprehensive income for the period	–	(12)	51	39	30	69
Capital injection by non-controlling shareholders of subsidiaries	–	–	–	–	38	38
Distribution after restructuring the equity holding of subsidiaries	–	–	–	–	(2,622)	(2,622)
Partial disposal of a subsidiary without losing control	–	–	–	–	106	106
2024 final dividend	–	–	(268)	(268)	–	(268)
On 30 June 2025 (unaudited)	146	16,362*	21,748*	38,256	1,736	39,992

* These reserve accounts comprise the consolidated reserves of RMB36,618 million and RMB38,110 million as of 30 June 2026 and 30 June 2025, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating cash flow before changes in working capital	**789**	958
Increase in properties under development for sale and held for sale	**(187)**	(306)
Decrease in receivables, deposits, and prepayments	**20**	61
(Increase)/decrease in contract assets	**(5)**	12
(Decrease)/increase in accounts payable, deposits received, and accrued charges	**(617)**	187
Increase in contract liabilities	**743**	187
Other changes in working capital	**215**	112
Cash generated from operations	**958**	1,211
Tax paid	**(1,683)**	(1,041)
Net cash (used in)/generated from operating activities	**(725)**	170
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**26**	37
Additions to investment properties	**(25)**	(14)
Advance to a joint venture	**(685)**	(258)
Investments in joint ventures	**(25)**	(1,317)
Repayments from a joint venture	**47**	1,280
Proceeds from disposal of investment properties	**–**	68
Proceeds from disposal of subsidiaries	**–**	5,811
Dividend received from a joint venture	**–**	142
Other investing cash flows	**28**	(30)
Net cash (used in)/generated from investing activities	**(634)**	5,719

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	**7,323**	2,198
Repayments of bank and other borrowings	**(3,089)**	(2,807)
Repayment of receipts under securitisation arrangements	**(4,288)**	(20)
Decrease in pledged bank deposits	**734**	1,162
Issue of senior notes, net	**3,090**	–
Repayment of senior notes	**(2,788)**	(3,512)
Interest paid	**(604)**	(805)
Payment of dividends	**–**	(268)
Partially disposal of a subsidiary without losing of control	**–**	106
Capital reduction to non-controlling shareholders of subsidiaries	**(5)**	–
Capital injected by non-controlling shareholders of subsidiaries	**167**	38
Distribution to a non-controlling shareholder of subsidiaries after restructuring the shareholders of subsidiaries	**–**	(2,513)
Loans from non-controlling shareholders of subsidiaries	**14**	–
Repayment to a non-controlling shareholder of subsidiaries	**–**	(932)
Loans from joint ventures	**1,250**	490
Repayment of loan from a joint venture	**(30)**	–
Other financing cash flows	**13**	(9)
Net cash generated from/(used in) financing activities	**1,787**	(6,872)
Net increase/(decrease) in cash and cash equivalents	**428**	(983)
Cash and cash equivalents at the beginning of the period	**4,635**	4,954
Effect of foreign exchange rate changes, net	**(3)**	(89)
Cash and cash equivalents at the end of the period	**5,060**	3,882
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**5,060**	3,882

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2026

1. GENERAL

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). 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 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Annual Improvement to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

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

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3A. REVENUE INFORMATION

Set out below are disaggregation of revenue from contracts with customers and the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information.

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Property development:		
Property sales	**7**	145
Property management:		
Property management fee income	**291**	281
Construction	**97**	286
Others	**278**	397
Revenue from contracts with customers	**673**	1,109
Geographical markets:		
Shanghai	**450**	757
Wuhan	**107**	226
Foshan	**72**	74
Chongqing	**28**	30
Nanjing	**16**	22
	673	1,109
Timing of revenue recognition		
At a point in time	**7**	145
Over time	**666**	964
	673	1,109
Property investment		
(property investment segment)		
Rental income from investment properties	**900**	856
Rental-related income	**138**	109
	1,038	965
Total	**1,711**	2,074

3B. 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

For the six months ended 30 June 2026 (Unaudited)

	Reportable segment						
	Property development RMB'million	Property investment RMB'million	Property management RMB'million	Construction RMB'million	Total RMB'million	Others RMB'million	Consolidated RMB'million
SEGMENT REVENUE							
Segment revenue of the Group	7	1,038	291	97	1,433	278	1,711
SEGMENT RESULTS							
Segment results of the Group	(64)	666	68	(2)	668	152	820
Share of results of associates and joint ventures							(34)
Finance costs, inclusive of exchange differences							(752)
Net other income							472
Unallocated expenses							(187)
Profit before tax							319

3B. SEGMENTAL INFORMATION (continued)

For the six months ended 30 June 2025 (Unaudited)

	Reportable segment						
	Property development RMB'million	Property investment RMB'million	Property management RMB'million	Construction RMB'million	Total RMB'million	Others RMB'million	Consolidated 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
Share of results of associates and joint ventures							(73)
Finance costs, inclusive of exchange differences							(888)
Net other income							173
Unallocated expenses							(188)
Profit before tax							13

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

4. NET OTHER INCOME

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Interest income from banks	**26**	31
Interest income from loans to a joint venture	**15**	14
Government grants	**4**	4
Gain on derecognition of financial liabilities	**–**	38
Net loss on disposal of investment properties	**–**	(10)
Others*	**427**	96
	472	173

* Included a gain of RMB356 million from purchase of interest in subsidiaries during six months ended 30 June 2026.

5. FINANCE COSTS, INCLUSIVE OF EXCHANGE DIFFERENCES

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Interest on bank and other borrowings	**520**	491
Interest on receipts under securitisation arrangements	**38**	92
Interest on loans from an associate and joint ventures	**39**	37
Interest on senior notes	**142**	131
Interest expenses from lease liabilities	**–**	1
Total interest costs	**739**	752
Less: Amount capitalised to investment properties under construction or development and properties under development for sale	**(32)**	(22)
Interest expenses charged to profit or loss	**707**	730
Net exchange (gain)/loss	**(9)**	87
Others	**54**	71
	752	888

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Depreciation of property and equipment	**36**	37
Depreciation of right-of-use assets	**2**	2
Employee benefit expenses		
Directors' emoluments		
Fees	**2**	2
Salaries, bonuses and other benefits	**11**	13
	13	15
Other staff costs		
Salaries, bonuses and other benefits	**371**	377
Retirement benefit costs	**24**	24
	395	401
Total employee benefit expenses	**408**	416
Less: Amount capitalised to investment properties under construction or development and properties under development for sale	**(16)**	(15)
	392	401
Lease payments relating to short-term leases and low-value leases	**3**	2

7. TAX

	Six months ended 30 June	
	2026 **RMB'million** **(Unaudited)**	2025 RMB'million (Unaudited)
Chinese mainland enterprise income tax ("EIT")		
– Charge for the period	**9**	44
Deferred tax		
– Charge/(credit) for the period	**98**	(97)
Chinese mainland land appreciation tax ("LAT")		
– Credit for the period	**(37)**	(24)
Chinese mainland withholding tax		
– Charge for the period	**6**	9
	76	(68)

Chinese mainland EIT was provided for at the applicable income tax rate of 25% on the estimated assessable profits of the Group's subsidiaries established in the Chinese mainland during the period.

The provision of LAT of Chinese mainland is estimated according to the requirements as stipulated in the relevant tax laws and regulations. The LAT has been provided for at progressive rates of the appreciation value, with certain allowable deductions, including land costs, borrowing costs, and the relevant property development expenditures.

8. DIVIDENDS

	Six months ended 30 June	
	2026 **RMB'million** **(Unaudited)**	2025 RMB'million (Unaudited)
No final dividend in 2025 (2025: final dividend paid in respect of 2024 of HKD0.036 per share)	**–**	268

To commemorate the 20th anniversary of the Group's listing on the Main Board of The Stock Exchange of Hong Kong Limited and having considered the Group's financial performance during the period, the Board of Directors has resolved to declare a special dividend of HKD0.04 per share.

9. 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	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Earnings		
Earnings for basic/diluted earnings per share, being profit for the period attributable to shareholders of the Company	**223**	51

	Six months ended 30 June	
	2026 million (Unaudited)	2025 million (Unaudited)
Number of shares		
The weighted average number of ordinary shares for basic earnings per share (note (a))	**8,009**	8,009
Effect of dilutive potential ordinary shares	**–**	–
The weighted average number of ordinary shares for diluted earnings per share	**8,009**	8,009
Basic earnings per share (note (b))	**RMB2.78 cents**	RMB0.64 cents
	HKD3.16 cents	HKD0.70 cents
Diluted earnings per share (note (b))	**RMB2.78 cents**	RMB0.64 cents
	HKD3.16 cents	HKD0.70 cents

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 2025: 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 were arrived at based on the exchange rates of RMB1.000 to HKD1.1374 for the six months ended 30 June 2026 and RMB1.000 to HKD1.0865 for the six months ended 30 June 2025, being the average exchange rates during the respective periods.

10. INVESTMENT PROPERTIES

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Completed investment properties held to earn rentals or for capital appreciation or both	**40,637**	38,322
Investment properties under construction or development,		
stated at fair value	**1,760**	1,760
stated at cost	**78**	78
	1,838	1,838
	42,475	40,160

The fair values of the Group's investment properties on 30 June 2026 and 31 December 2025 have been arrived at on the basis of valuations carried out on those dates by Knight Frank Petty Limited, independent qualified professional valuers not connected to the Group.

For completed investment properties, the valuations have been arrived at by using the income approach term and reversion method by capitalizing the net income shown on tenancy schedules, and the market rentals of all lettable units of the properties which are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted refers to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

For the investment properties under construction or development that are measured at fair value, the valuations have been arrived at assuming that the investment properties will be completed accordance to the development plans and the relevant approvals for the plans have been obtained. The key input in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for differences in locations and other factors specific to the respective properties based on the valuers' judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as the developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing the properties to completion status, which is determined by the valuers based on the analyses of recent land transactions and market values of similar completed properties in the respective locations.

On 30 June 2026, the Group's investment properties with a total carrying amount of RMB36,066 million (31 December 2025: RMB33,686 million) were pledged to secure banking facilities granted to the Group (note 19).

11. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM/LOANS FROM/ AMOUNTS DUE TO ASSOCIATES

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Share of net assets	**11,877**	11,888
Amounts due from associates – current		
– Unsecured, interest-free and repayable on demand	**144**	150
Amounts due to associates – current		
– Unsecured, interest-free and repayable on demand	**161**	61
Loans from an associate – non-current		
– Unsecured, fixed at 1.2% (2025: 1.2%) and repayable within four years	**5,767**	5,729
– Unsecured, interest-free and repayable within four years	**43**	6
	5,810	5,735

12. INTERESTS IN JOINT VENTURES/LOANS TO/LOANS FROM/AMOUNTS DUE FROM/AMOUNTS DUE TO JOINT VENTURES

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Share of net assets	**10,750**	10,590
Amounts due from joint ventures – non-current		
– Unsecured, interest-free	**810**	1,692
	11,560	12,282
Loans to joint ventures – current		
– Unsecured, fixed rate at 1% (2025: 1%) and repayable within one year	**3,481**	3,513
Amounts due from joint ventures – current		
– Unsecured, interest-free and repayable on demand	**1,053**	436
	4,534	3,949
Loans from joint ventures – non-current		
– Unsecured, fixed rate at 1% (2025: 1%) and repayable within four years	**2,700**	1,480
– Unsecured, interest-free and repayable within four years	**6**	4
	2,706	1,484
Amounts due to joint ventures – current		
– Unsecured, interest-free and repayable on demand	**29**	15

13. RECEIVABLES, DEPOSITS, AND PREPAYMENTS

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Trade receivables (note (a))	**460**	507
Prepayments of relocation costs	**–**	17
Other deposits, prepayments, and other assets (note (b))	**335**	295
Value-added tax recoverable	**24**	8
	819	827
Less: non-current portion	**(190)**	(220)
	629	607

Notes:

(a) As of 30 June 2026 and 31 December 2025, trade receivables with issuance of debit notes to the tenants amounted to RMB44 million and RMB32 million, respectively. As of 30 June 2026 and 31 December 2025, trade receivables from contracts with customers amounted to RMB154 million and RMB166 million, respectively.

(b) As of 30 June 2026 and 31 December 2025, other deposits and prepayments amounted to RMB125 million and RMB85 million, respectively.

Included in the Group's receivables, deposits, and prepayments are trade receivable balances of RMB460 million (2025: RMB507 million), of which 67% (2025: 64%) are not yet past due, 10% (2025: 15%) are past due less than 90 days, and 23% (2025: 21%) are past due over 90 days, as compared to when revenue was recognised.

Out of the past due balances, RMB108 million (2025: RMB106 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 credit worthiness of each customer.

14. CONTRACT ASSETS

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Construction	**50**	45

The contract assets primarily relate to the Group's rights to consideration for work completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date on construction. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group typically achieves specified milestones and thus have the right to bill the customers when the progress certificate, settlement letter or payment notice is obtained.

15. AMOUNTS DUE FROM/TO RELATED COMPANIES

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Amounts due from related companies comprise:		
Fellow subsidiaries	**376**	390
Amounts due to related companies comprise:		
Fellow subsidiaries	**331**	331

All of the amounts due from related companies are non-trade in nature, unsecured and interest-free. In the opinion of the directors of the Company, the amounts due from related companies are expected to be repaid within twelve months after the end of the reporting period. Accordingly, the amounts are classified as current assets.

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

16. ACCOUNTS PAYABLE, DEPOSITS RECEIVED, AND ACCRUED CHARGES

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Current portion comprises:		
Trade payables (note)	**865**	1,288
Deed tax and other tax payables	**45**	56
Deposits received in advance for the rental of investment properties	**409**	390
Value-added tax payables	**70**	83
Value-added tax arising from contract liabilities	**76**	31
Cash received in respect of land resumption	**870**	870
Other payables and accrued charges	**808**	1,068
	3,143	3,786
Non-current portion comprises:		
Deposits received in advance for the rental of investment properties	**426**	407
Other payables	**100**	100
	526	507

Note:

Included in the Group's accounts payable, deposits received, and accrued charges are trade payable balances of RMB865 million(2025: RMB1,288 million), of which 80% (2025: 81%) are aged less than 30 days, 9% (2025: 3%) are aged between 31 and 90 days, and 11% (2025: 16%) are aged more than 90 days, based on the invoice date.

17. SENIOR NOTES

	For the six months ended 30 June 2026 RMB'million (Unaudited)	For the year ended 31 December 2025 RMB'million (Audited)
At the beginning of period/year	**2,809**	6,437
Issue of senior notes	**3,095**	–
Interest charged during the period/year	**142**	211
Less: Interest paid	**(29)**	(253)
Less: Redemption of senior notes	**(2,788)**	(3,512)
Less: Transaction costs directly attributable to issue of senior notes	**(5)**	–
Exchange realignment	**(101)**	(74)
At the end of period/year	**3,123**	2,809
Less: Amount due within one year shown under current liabilities	**–**	(2,809)
At the end of period/year and payable after one year	**3,123**	–

As of 30 June 2026, the effective interest rate on the senior notes was 10.13% (2025: 5.59%) per annum. The senior notes are unsecured and guaranteed by the Company.

18. RECEIPTS UNDER SECURITISATION ARRANGEMENTS

On 27 April 2023, Shanghai Rui Qiao Property Development Co., Ltd., a wholly-owned subsidiary of the Company, obtained financing under securitisation arrangements (the "Receipts Under Securitisation Arrangements") with an aggregate principal amount of RMB4,401 million at 100% of face value, comprising (i) RMB4,400 million with a term of fixed annual coupon rate of 3.9% with interest being paid quarterly, and (ii) RMB1 million bearing nil annual coupon rate. The Receipts Under Securitisation Arrangements are listed on the Shanghai Stock Exchange and will be repaid by instalments till 26 March 2041. The Receipts Under Securitisation Arrangements are assets backed securitisation collateralised by certain commercial assets held by Shanghai Rui Qiao Property Development Co., Ltd. and its certain future rental income.

The Receipts Under Securitisation Arrangement were fully redeemed in March 2026.

19. PLEDGE OF ASSETS

The following assets are pledged to banks as security to obtain certain banking facilities at the end of the reporting period:

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Investment properties	**36,066**	33,686
Property and equipment	**319**	327
Right-of-use assets	**5**	5
Properties under development for sale	**441**	369
Receivables	**69**	91
Bank deposits	**1,082**	1,816
	37,982	36,294

In addition, the equity interest in a Group's subsidiary with a carrying amount of net assets of RMB2,815 million as of 30 June 2026 (31 December 2025: RMB2,827 million) was pledged to banks as securities to obtain banking facilities granted to the Group at the end of the reporting period.

20. COMMITMENTS AND CONTINGENCIES

(a) Capital and other commitments

At the end of the reporting period, the Group has the following commitments:

	30 June 2026 RMB'million (Unaudited)	31 December 2025 RMB'million (Audited)
Contracted but not provided for:		
Development costs for properties under development held for sale	**241**	197
Investments in joint ventures (Note)	**6,464**	7,161
	6,705	7,358

As of 30 June 2026, total capital commitment attributable to the Group, excluding the non-controlling interest's share, was RMB4,367 million (31 December 2025: RMB5,005 million).

Note:
The Group agreed to contribute capital to certain joint venture companies for property development or urban village renewal projects.

(b) Contingent liabilities

The Group provided guarantees to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the home-buyers as a pledge for security to the mortgage loans granted. On 30 June 2026, the Group considered these outstanding guarantees amount to be insignificant.

In determining whether financial liabilities should be recognised in respect of the Group's financial guarantee contracts, the directors of the Company exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation.

In the opinion of the directors of the Company, the fair values of the financial guarantee contracts of the Group were insignificant at initial recognition, and the directors consider that the possibility of default of the parties involved is remote, and accordingly, no provision was made in the condensed consolidated financial information as of 30 June 2026 and 31 December 2025. Should the actual outcome differ from the expected, provisions for losses would be recognised in the condensed consolidated financial statements.

21. RELATED PARTY TRANSACTIONS

Apart from the related party transactions and balances disclosed elsewhere in the condensed consolidated financial information, the Group had the following transactions with related parties during the current and prior periods:

	Six months ended 30 June	
	2026 RMB'million (Unaudited)	2025 RMB'million (Unaudited)
Shui On Company Limited ("SOCL") (note i) and its subsidiaries other than those of the Group		
Rental expense*	**2**	2
Renovation expense*	**–**	1
Service cost reimbursement*	**1**	1
SOCAM Development Limited ("SOCAM") (note ii) and its subsidiaries		
Smart facility enhancement work expenditure**	**–**	1
Great Eagle Holdings Limited (note iii) and its subsidiaries		
Hotel management fee*	**2**	2
Associates		
Revenue from construction services	**1**	1
Revenue from real estate asset management service and lease commission	**52**	17
Interest expense	**37**	36
Service cost reimbursement	**11**	–
Joint ventures		
Interest income	**15**	14
Revenue from real estate asset management service	**60**	102
Revenue from project management service and sales commission	**116**	130
Revenue from construction services	**65**	154
Service cost reimbursement	**6**	27
Interest expense	**2**	1
Rental and building management fee expenses	**4**	3
Non-controlling shareholders of subsidiaries		
Management service fee expense*	**4**	7
Key management personnel		
Short-term benefits*	**36**	39

Notes:

(i) SOCL is a private limited liability company incorporated in the British Virgin Islands, and Mr. Vincent H. S. LO, who is also the chairman and an executive director of the Company, is a shareholder of SOCL.

(ii) SOCAM Development Limited, a subsidiary of SOCL, is listed on the Hong Kong Stock Exchange.

(iii) Great Eagle Holdings Limited is listed on the Hong Kong Stock Exchange. Dr. Lo Ka Shui is a substantial shareholder of Great Eagle Holdings Limited, and he is an associate of Mr. Vincent H. S. LO.

21. RELATED PARTY TRANSACTIONS (continued)

The related party transactions were conducted in compliance with the Listing Rules.

* Certain above disclosed related party transactions constituted continuing connected transactions of the Company and fully exempt from the connected transaction requirements under Chapter 14A of the Listing Rules.

** Smart facility enhancement work expenditures were the continuing connected transactions subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the Board of Directors on 27 August 2026.

SPECIAL DIVIDEND

The Board of Directors of the Company (the "Board") has resolved not to declare an interim dividend for the six months ended 30 June 2026 (2025: Nil).

The Board has declared a special dividend of HKD0.04 per share, amounting to approximately HKD321 million in aggregate, which is payable on or about 18 September 2026 to shareholders whose names appear on the register of members of the Company on 10 September 2026, being the record date for determining shareholders' entitlement to the special dividend. Currently, there is no treasury share held by the Company (whether held or deposited in the Central Clearing and Settlement System or otherwise).

To qualify for the special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 10 September 2026.

DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long position in the shares and the underlying shares of the Company

	Number of ordinary shares				
Name of Directors	Personal interests	Family interests	Other interests	Total	Approximate percentage of interests to the issued share capital of the Company (Note 3)
Mr. Vincent H. S. LO ("Mr. Lo")	–	1,849,521 (Note 1)	4,511,756,251 (Note 2)	4,513,605,772	56.23%
Ms. Stephanie B. Y. LO ("Ms. Lo")	–	–	4,511,756,251 (Note 2)	4,511,756,251	56.21%
Ms. Jessica Y. WANG ("Ms. Wang")	670,500	–	–	670,500	0.008%

Notes:

(1) These shares were beneficially owned by Ms. Loletta CHU ("Mrs. Lo"), the spouse of Mr. Lo. Mr. Lo was deemed to be interested in 1,849,521 shares under Part XV of the SFO.

(2) These shares were held by Shui On Company Limited ("SOCL") through its controlled corporations, comprising 1,725,493,996 shares, 2,756,414,318 shares, and 29,847,937 shares held by Shui On Properties Limited ("SOP"), Shui On Investment Company Limited ("SOI"), and New Rainbow Investments Limited ("NRI"), respectively, whereas SOP was a wholly-owned subsidiary of SOI. NRI was a wholly-owned subsidiary of SOCAM Development Limited ("SOCAM") which in turn was held by SOCL as to approximately 63.29% as of 30 June 2026. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. ("Bosrich"). The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC International Trustee Limited ("HSBC Trustee") as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.

(3) These percentages have been compiled based on the total number of issued shares (i.e., 8,027,265,324 shares) of the Company at 30 June 2026.

(b) Long position in the shares of the associated corporation of the Company – SOCAM

Name of Directors	Number of ordinary shares – Personal interests	Family interests	Other interests	Total	Approximate percentage of interests to the issued share capital (Note 3)
Mr. Lo	–	312,000 (Note 1)	236,309,000 (Note 2)	236,621,000	63.37%
Ms. Lo	–	–	236,309,000 (Note 2)	236,309,000	63.29%

Notes:

(1) These shares were beneficially owned by Mrs. Lo, the spouse of Mr. Lo. Mr. Lo was deemed to be interested in 312,000 shares under Part XV of the SFO.

(2) These shares were beneficially owned by SOCL. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC Trustee as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.

(3) These percentages have been compiled based on the total number of issued shares (i.e., 373,346,164 shares) of SOCAM at 30 June 2026.

Save as disclosed above, at 30 June 2026, none of the Directors or the chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

At 30 June 2026, the persons or corporations (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of shareholders	Capacity/ Nature of interests	Total number of ordinary shares and underlying shares	Approximate percentage of interests to the issued share capital of the Company (Note 4)
Mrs. Lo	Family and personal interests	4,513,605,772 (Notes 1 & 3)	56.23%
HSBC Trustee	Trustee	4,511,756,251 (Notes 2 & 3)	56.21%
Bosrich	Trustee	4,511,756,251 (Notes 2 & 3)	56.21%
SOCL	Interests of controlled corporation	4,511,756,251 (Notes 2 & 3)	56.21%

Notes:

(1) These shares comprised 1,849,521 shares beneficially owned by Mrs. Lo and 4,511,756,251 shares in which Mr. Lo, the spouse of Mrs. Lo, had a deemed interest under Part XV of the SFO as mentioned in Note (2) below. Accordingly, Mrs. Lo was also deemed to be interested in 4,511,756,251 shares under Part XV of the SFO.

(2) These shares were held by SOCL through its controlled corporations, comprising 1,725,493,996 shares, 2,756,414,318 shares, and 29,847,937 shares held by SOP, SOI, and NRI, respectively, whereas SOP was a wholly-owned subsidiary of SOI. NRI was a wholly-owned subsidiary of SOCAM which in turn was held by SOCL as to approximately 63.29% as of 30 June 2026. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC Trustee as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.

(3) All the interests stated above represent long positions.

(4) These percentages have been compiled based on the total number of issued shares (i.e., 8,027,265,324 shares) of the Company at 30 June 2026.

Save as disclosed above, at 30 June 2026, the Directors are not aware of any other person or corporation (other than a Director or chief executive of the Company), having an interest or short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME AND SHARE AWARD SCHEMES

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 24 May 2017 for a period of 10 years commencing on the adoption date and ending on 23 May 2027. No share option has been granted under the Share Option Scheme since its adoption. Therefore, there was no share option outstanding as at the beginning and the end of the six months ended 30 June 2026 and no share option lapsed or was exercised or cancelled during the six months ended 30 June 2026. At the beginning and the end of the six months ended 30 June 2026, the number of options available for grant in respect thereof is 802,663,018 shares of the Company (the "Shares").

Shares Award Schemes

The connected employee share award scheme (the "Connected Employee Share Award Scheme") and the employee share award scheme (the "Employee Share Award Scheme") (collectively, the "Share Award Schemes") were adopted by the Company on 1 April 2015. The Connected Employee Share Award Scheme was adopted for chief executive officers, directors, or employees who are connected persons of the Company. The Employee Share Award Scheme was adopted for employees other than those covered under the Connected Employee Share Award Scheme.

On 1 April 2015, the Board resolved to grant (i) Awards (as defined in the Share Award Schemes) for a total of 17,149,000 Award Shares (as defined in the Share Award Schemes) to 15 connected employees [Note] of the Group under the Connected Employee Share Award Scheme and (ii) Awards for a total of 7,705,000 Award Shares to 13 employees of the Group under the Employee Share Award Scheme respectively at no consideration (collectively, the "Awarded Shares").

The Awarded Shares shall vest upon conditions relating to the Group's performance, and the individual performance being met during the period from 2014 to 2016. The key performance measures were taken with reference to the Group's financial performance and strategic growth. All the Awarded Shares disclosed above were either vested in tranches or lapsed between 2015 and 2019. At the beginning and the end of the six months ended 30 June 2026, there were no unvested Awards granted under the Share Award Schemes.

During the six months ended 30 June 2026, no Award has been granted under the Share Award Schemes. During the six months ended 30 June 2026, no Award under the Share Award Schemes was vested, cancelled, or lapsed.

Since the adoption of the Share Award Schemes, 7,143,750 Award Shares (excluding the 17,710,250 Shares lapsed and held in the trusts for the Share Award Schemes, which comprise 13,725,875 Shares for grant under the Connected Employees Share Award Scheme and 3,984,375 Shares for grant under the Employee Share Award Scheme) were utilised under such scheme mandate. Accordingly, the total number of Award Shares available for grant under the Share Award Schemes at the beginning and the end of the six months ended 30 June 2026 (based on the then issued Shares) were both 394,219,516 Award Shares.

The number of shares that may be issued in respect of options and awards granted under the Share Option Scheme and the Share Award Schemes during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue for the year ended 30 June 2026 is not applicable since there was no grant of options or awards during the period.

Note: The 15 connected employees of the Group were Mr. Daniel Yim Keung Wan, Mr. Philip Kun To Wong, Mr. Tang Ka Wah, Mr. Charles Wing Ming Chan, Ms. Jessica Ying Wang, Mr. Matthew Qing Guo, Mr. Willie Kim Lun Uy, Mr. Bryan Kin Wang Chan, Mr. Timmy Tat Man Leung, Mr. Adam Kim Fung Li, Mr. Dixon Man, Mr. Allan Bin Zhang, Ms. Sarah Ying Xian Zhang, Mr. Alfred Jun Ao Wu, and Mr. Frankie Kwok Fai Lai. Mr. Daniel Yim Keung Wan, Mr. Philip Kun To Wong, Mr. Tang Ka Wah, Mr. Charles Wing Ming Chan, Mr. Bryan Kin Wang Chan, Mr. Alfred Jun Ao Wu, Mr. Frankie Kwok Fai Lai, and Mr. Timmy Tat Man Leung have left the Group. Mr. Matthew Qing Guo left the Group in 2018 and rejoined the Group in 2022. The award shares granted but unvested to Mr. Guo lapsed in 2018 when he left the Group.

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 Listing Rules. The Board believes that good corporate governance is essential to the success of the Company, the enhancement of shareholder value, and stakeholders' confidence in the Company.

Compliance with the CG Code

During the six months ended 30 June 2026, the Company has applied the principles of and complied with all the applicable code provisions of the CG Code, except for a deviation as specified 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. Ms. Ya Ting WU ("Ms. Wu"), an Independent Non-executive Director ("INED") of the Company, could not attend the annual general meeting of the Company held on 27 May 2026 (the "2026 AGM") due to other business engagements. Save for the above, all the INEDs attended the 2026 AGM.

Model Code for Securities Transactions

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.

Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

To comply with the CG Code, the Company has established and adopted a Code for Securities Transactions by Relevant Employees (as defined in the Listing Rules), on terms no less exacting than the Model Code, to regulate dealings in the securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of unpublished inside information in relation to the Company or its securities because of their offices or employment.

No incident of non-compliance with the Model Code by the Directors and the Code for Securities Transactions by Relevant Employees was noted by the Company during the six months ended 30 June 2026.

Board Composition

As a commitment to good corporate governance, the Company's Articles of Association stipulate that subject to the provisions contained therein, the Board shall include a majority of INEDs. Mr. Stuart MERCIER ("Mr. Mercier") has been appointed as an INED of the Company with effect from 3 August 2026, as of the date of this report, the Board comprises eleven members in total, with four Executive Directors and seven INEDs.

Following the sad passing away of Mr. Gregory K. L. SO in December 2025, the Company did not meet the requirements under the Listing Rules that the Audit and Risk Committee must comprise a minimum of three members, nor the requirement that the Remuneration Committee must comprise a majority of independent non-executive directors. After having considered the background of Ms. Randy W. S. LAI ("Ms. Lai") and Mr. Clement K. M. KWOK ("Mr. Kwok"), and after consultation with the respective chair of the Board Committees, the Nomination Committee recommended to the Board to appoint Ms. Lai as a member of the Audit and Risk Committee and Mr. Kwok as a member of the Remuneration Committee to fill the vacancy in such committees in March 2026. Following the aforementioned appointment, the Company is in compliance with the requirements of the Listing Rules.

In conformity with the Board Diversity Policy adopted by the Company, the composition of the Board reflects the necessary balance of gender, skills, experience, and diversity of perspectives desirable for effective leadership of the Company and independence in decision-making.

In addition, the respective functions of the Board and the management are established and set out in writing for the delegation of day-to-day operational responsibility to the management of the Company.

Chairman and Chief Executive

The roles of the Chairman and the Chief Executive of the Company are separated and performed by Mr. Lo and Ms. Wang, respectively. In May 2024, Ms. Lo was appointed as the Vice Chairman of the Company to assist Mr. Lo in leading the Board in deciding on the direction and future development of the Company. The division of responsibilities between the Chairman and the Chief Executive is established and set out in writing, a copy of which has been published on the Company's website.

Board Committees

The Board has established five Board committees with defined terms of reference, namely the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee, and the Strategy Committee, for overseeing particular aspects of the Company's affairs.

Audit and Risk Committee

The Audit and Risk Committee was established to review the financial information of the Group, oversee the Group's financial reporting system, risk management and internal control systems, and assist the Board and its Chairman in performing the corporate governance functions of the Company. The Audit and Risk Committee also reviews the relationship with the external auditor including but not limited to their work, fees, and terms of engagement, and makes recommendations to the Board on the appointment, reappointment, and removal of the external auditor.

The Audit and Risk Committee consists of three members, namely Mr. Albert K. P. NG ("Mr. Ng"), Mr. Kwok, and Mr. Mercier, all of whom are INEDs. The Chairman of the Audit and Risk Committee is Mr. Ng who possesses appropriate professional qualifications, accounting, and related financial management expertise.

The Audit and Risk Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026, including the accounting principles and practices and internal control systems adopted by the Company. The Audit and Risk Committee does not disagree with the accounting treatments adopted.

Remuneration Committee

The Remuneration Committee was established to evaluate the performance of the Directors and senior management and make recommendations on their remuneration packages and evaluate and make recommendations on employee benefit arrangements.

The Remuneration Committee consists of three members, namely Mr. Anthony J. L. NIGHTINGALE ("Mr. Nightingale") (Chairman of the Remuneration Committee), Mr. Lo, and Mr. Kwok. The majority of the members of the Remuneration Committee are INEDs.

Nomination Committee

The Nomination Committee was established to review the structure, size, and composition of the Board and the Board Diversity Policy, identify individuals suitably qualified to become members of the Board, and assess the independence of INEDs.

The Nomination Committee consists of three members, namely Mr. Shane TEDJARATI ("Mr. Tedjarati") (Chairman of the Nomination Committee), Ms. Lai, and Ms. Lo. The majority of the members of the Nomination Committee are INEDs.

Sustainability Committee

The Sustainability Committee was established to assist the Board in producing enhanced shareholder value by providing ongoing insights into sustainable development trends and market practices and to advise the Board on the development and implementation of the sustainable development strategy of the Group and compliance with the Environmental, Social and Governance ("ESG") Reporting Guide or such equivalent guide, practice note or code set out in the Listing Rules and amended from time to time and other third party's ESG disclosure requirements.

The Sustainability Committee consists of four members, namely Ms. Wu (Chairman of the Sustainability Committee), Ms. Lai, Ms. Lo, and Ms. Wang. Half of the members of the Sustainability Committee are INEDs.

Strategy Committee

The Strategy Committee was established to provide guidance on the long-term strategic positioning, the vision plan, and the medium to long-term challenges of the Group and review and make recommendations to the Board on the formulation of the near to medium-term strategic focus.

The Strategy Committee consists of seven members, namely Mr. Lo (Co-chair of the Strategy Committee), Mr. Tedjarati (Co-chair of the Strategy Committee), Mr. Nightingale, Mr. Ng, Mr. Kwok, Ms. Lo, and Mr. Douglas H. H. SUNG. The majority of the members of the Strategy Committee are INEDs.

Induction, Training, and Continuing Development for Directors

The Directors are continually updated on legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities. During the six months ended 30 June 2026, the Directors attended several training sessions organised by the Company and external professional organisations.

In addition, individual Directors participated in forums and workshops organised by external professional consultants for continuous professional development.

Annual General Meeting

The Chairman of the Board, most of the Directors, the Chairmen of the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee, and the Strategy Committee, or in their absence, another member of the committees and the external auditor were present at the 2026 AGM, and the meeting provided a useful forum for shareholders to exchange views with the Board.

PURCHASE, SALE, OR REDEMPTION/CANCELLATION OF LISTED SECURITIES

On 29 June 2021, Shui On Development (Holding) Limited ("SODH") issued USD400 million in 5.50% senior notes due 2026 (the "2026 SODH Notes"). On 19 January 2026, SODH commenced the Tender Offer to the Eligible Holders of 2026 SODH Notes. On 27 January 2026, the Company determined to accept USD295,218,000 in aggregate principal amount of the 2026 SODH Notes validly submitted for the Tender Offer, representing 73.80% of the total aggregate principal amount of the outstanding 2026 SODH Notes. Following the settlement of the Tender Offer and cancellation of the 2026 SODH Notes purchased pursuant to the Tender Offer, the outstanding aggregate principal amount of the 2026 SODH Notes was USD104,782,000. On 29 June 2026, SODH fully repaid the principal amount of the outstanding 2026 SODH 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 2026.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 29 June 2021, a written agreement (the "2026 SODH Indenture") was entered into between the Company as guarantor, SODH as issuer, and DB Trustee (Hong Kong) Limited ("DB") as trustee of the 2026 SODH Notes, pursuant to which the 2026 SODH Notes were issued. The 2026 SODH Indenture provides that upon the occurrence of a change of control (as defined in the 2026 SODH Indenture), the Company or SODH will make an offer to repurchase all outstanding 2026 SODH Notes, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, at the date of repurchase. Details of the transaction were set out in the announcement of the Company dated 29 June 2021.

On 19 January 2026, SODH commenced the Tender Offer to the Eligible Holders of 2026 SODH Notes. On 27 January 2026, the Company determined to accept USD295,218,000 in aggregate principal amount of the 2026 SODH Notes validly submitted for the Tender Offer, representing 73.80% of the total aggregate principal amount of the outstanding 2026 SODH Notes. Following the settlement of the Tender Offer and cancellation of the 2026 SODH Notes purchased pursuant to the Tender Offer, the outstanding aggregate principal amount of the 2026 SODH Notes was USD104,782,000. Details of the transaction were set out in the announcements of the Company dated 19 January 2026, 28 January 2026, and 30 January 2026. On 29 June 2026, SODH fully repaid the principal amount of the outstanding 2026 SODH Notes and the accrued and unpaid interest upon its maturity date.

On 26 January 2026, a written agreement (the "2029 SODH Indenture") was entered into between the Company as guarantor, SODH as issuer, and DB as trustee of the USD300 million in 9.75% senior notes due 2029 issued by SODH (the "2029 SODH Notes"), pursuant to which the 2029 SODH Notes were issued. The 2029 SODH Indenture provides that upon the occurrence of a change of control (as defined in the 2029 SODH Indenture), the Company or SODH will make an offer to repurchase all outstanding 2029 SODH Notes, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, at the date of repurchase. Details of the transaction were set out in the announcement of the Company dated 26 January 2026. On 27 April 2026, the Company and SODH entered into a purchase agreement with UBS AG Hong Kong Branch in connection with the further issue of USD150 million in 9.75% senior notes due 2029 (the "Additional USD Notes"), which were consolidated and formed a single series with the 2029 SODH Notes with the aggregate principal amount of USD450 million. The Additional USD Notes were issued pursuant to the 2029 SODH Indenture. Details of the transaction were set out in the announcement of the Company dated 27 April 2026.

Any breach of the above obligations will cause a default in respect of the 2029 SODH Notes, which may trigger cross defaults in other outstanding debts of the Group, in the aggregate amount of approximately RMB4,754 million at 30 June 2026.

CHANGES IN INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the biographical details of the Directors of the Company are as follows:

Name of Director	Details of Change
Mr. Nightingale	stepped down as chairperson of The Sailors Home and Missions to Seafarers effective from 26 June 2026.

Save as disclosed above, after having made all reasonable enquiries, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Company's annual report 2025.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, the number of employees in the Group was 2,793 (31 December 2025: 2,776); which included the headcount of the property management business at 1,495 (31 December 2025: 1,480), and the headcount of the construction and fitting out business at 106 (31 December 2025: 106). 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Vincent H. S. LO (Chairman)
Ms. Stephanie B. Y. LO (Vice Chairman)
Ms. Jessica Y. WANG (Chief Executive Officer)
Mr. Douglas H. H. SUNG
(Chief Financial Officer and Chief Investment Officer)

Independent Non-executive Directors

Mr. Anthony J. L. NIGHTINGALE
Mr. Shane TEDJARATI
Ms. Ya Ting WU
Mr. Albert K. P. NG
Ms. Randy W. S. LAI
Mr. Clement K. M. KWOK
Mr. Stuart MERCIER

AUDIT AND RISK COMMITTEE

Mr. Albert K. P. NG (Chairman)
Mr. Clement K. M. KWOK
Mr. Stuart MERCIER

REMUNERATION COMMITTEE

Mr. Anthony J. L. NIGHTINGALE (Chairman)
Mr. Vincent H. S. LO
Mr. Clement K. M. KWOK

NOMINATION COMMITTEE

Mr. Shane TEDJARATI (Chairman)
Ms. Randy W. S. LAI
Ms. Stephanie B. Y. LO

SUSTAINABILITY COMMITTEE

Ms. Ya Ting WU (Chairman)
Ms. Randy W. S. LAI
Ms. Stephanie B. Y. LO
Ms. Jessica Y. WANG

STRATEGY COMMITTEE

Mr. Vincent H. S. LO (Co-chair)
Mr. Shane TEDJARATI (Co-chair)
Mr. Anthony J. L. NIGHTINGALE
Mr. Albert K. P. NG
Mr. Clement K. M. KWOK
Ms. Stephanie B. Y. LO
Mr. Douglas H. H. SUNG

COMPANY SECRETARY

Mr. UY Kim Lun

AUDITOR

Ernst & Young
Registered Public Interest Entity Auditor

LEGAL ADVISERS

Freshfields
Johnson Stokes & Master

REGISTERED OFFICE

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

CORPORATE HEADQUARTERS

(Shanghai)	26/F, Shui On Plaza 333 Huai Hai Zhong Road Shanghai 200021 PRC
(Hong Kong)	34/F, Shui On Centre 6-8 Harbour Road Wan Chai Hong Kong

PLACE OF BUSINESS IN HONG KONG

34/F, Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1–1100
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Limited
Bank of China Limited
China Merchants Bank Co., Limited
Industrial and Commercial Bank of China Limited
Shanghai Pudong Development Bank Co., Limited
United Overseas Bank Limited

STOCK CODE

272

WEBSITE

www.shuionland.com

INVESTOR RELATIONS

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