瑞安房地產
SHUI ON LAND

BUILDING A FUTURE SHARING A DREAM

新可能 新天地

INTERIM REPORT 2025

二零二五年度中期業績報告

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

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A Leading Urban Solution Provider in China

Founded in 2004 and listed on the Hong Kong Stock Exchange 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 property investment & 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".

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, 2025, the company holds a land bank of 7.8 million sq.m. in prime locations across key Chinese cities. Its wholly owned subsidiary, Shui On Xintiandi, serves as the property investment and management arm, making it one of the largest private commercial property managers in Shanghai. This subsidiary oversees a portfolio of RMB 79 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."

CHAIRMAN'S STATEMENT

"Notwithstanding the difficult macroeconomic conditions, our investment property portfolio remains resilient, achieving modest growth in rental and related income in the first half of 2025."

The first half of 2025 was a very challenging market for our businesses, marked by increased trade tension, geopolitical uncertainty and low consumer confidence. The impact of the property stimulus measures in 2024 and subsequent monetary easing was less positive than expected, with the volume and value of nationwide property sales decreasing by 3.5% and 5.5% year-on-year respectively in the first six months of 2025. The weaker-than-expected outcome largely reflects a fundamental shift in the supply-and-demand dynamics of the housing market. The market is undergoing adjustment as the Central Government promotes a new development model for the property sector, away from the previous "high leverage and high turnover" approach towards a greater focus on quality.

Despite the subdued market, the Group was able to record a profit of RMB81 million in the first six months of 2025, with profit attributable to shareholders of RMB51 million. Revenue was RMB2,074 million, which was substantially the same as the previous year.

VINCENT H. S. LO
Chairman

The Group remains financially stable, with a net gearing ratio of 51% and cash and bank deposits totalling RMB5,500 million. This reflects the high quality of our asset portfolio and a prudent and proactive capital management strategy. Most of the debt maturing in 2025, including USD490 million senior notes due on 3 March this year, has been repaid as at 30 June 2025, demonstrating the Group's strong commitment to meeting its financial obligations.

Resilient Commercial Property Performance

Domestic consumption is an important component of economic activity, but has been held back by weak consumer confidence, restraining growth. Stimulating domestic demand will therefore continue to be a key task in the years ahead. Notwithstanding the difficult macroeconomic conditions, our investment property portfolio remains resilient, achieving modest growth in rental and related income in the first half of 2025. Total rental and related income (including joint ventures and associates) increased by 1% year-on-year to RMB1,781 million for the period.

China's retail landscape is undergoing a major change, with fluctuating consumer attitudes and an uncertain economic outlook, as consumption transitions from being largely price-oriented to more value-oriented and experience-led. Our Xintiandi retail properties are benefitting from this shift thanks to the unique lifestyle experiences they offer. Consequently, they were able to maintain high occupancy rates, averaging 94% in the first six months of the year. In addition, footfall and sales at our Xintiandi communities, which celebrate the cultural and natural heritage of their urban locations, has continued to increase by 10.5% during the period. Panlong Tiandi in Shanghai, our flagship "Urban Retreat" showcasing the unique Jiangnan heritage in a modern context, has attracted over 45 million visitors in just two years since opening. This new landmark project recently won a 2025 ULI Asia Pacific Award for Excellence, recognising its innovation, architectural quality and positive community impact.

CHAIRMAN'S STATEMENT

China's office market has remained subdued, however, with continued oversupply and weak demand suppressing rents. Although new completions faced severe pressure, our recently completed office properties nonetheless managed to attract multinational companies which is a reflection of the attractiveness of our assets in the face of decreased foreign direct investments. Meanwhile, our mature assets in prime locations were stable, with an average occupancy of 90% as at 30 June 2025. This is a testimony to our high-quality assets and services.

Two new commercial projects, KIC Park in Wuhan and Xintiandi Dongtai Li in Shanghai, are slated to open in late 2025. The high-tech enterprises located in KIC Wuhan and leading global corporations in CPIC Xintiandi Commercial Centre will bring a sizeable consumer base to these projects that will stimulate foot traffic, thereby supporting future rental income growth for the Group.

Strong Residential Market in Shanghai

For the first six months of 2025, the Group achieved contracted property sales of RMB3,473 million. In addition, the Group had recorded a total of RMB699 million of subscribed sales, which are expected to be turned into contracted property sales in the following months.

While broad-based recovery of the Chinese residential market remains a gradual process, the Shanghai market has been very active, with rising land prices bolstering market sentiment. Robust growth in the city's registered population, boosted by returning overseas graduates and an influx of skilled talent, continues to drive demand for housing upgrades. At the same time, Shanghai's premium segment has maintained its strong appeal to high-net-worth buyers. In the first half of 2025, 313,000 sq.m. of homes priced above RMB30 million per unit were sold, lifting Shanghai's share of luxury home sales among first-tier cities to 58% and further strengthening its leading position in the high-end market.

The next batch of Lakeville VI's sales is scheduled for later this year. Over the past two decades, our Lakeville brand, which is based on an exclusive community lifestyle, has represented the epitome of luxury living in Shanghai. The heritage-inspired villas and townhouses of Lakeville VI, designed under our Best-in-Class product strategy, are tailor made for loyal customers seeking a traditional oriental aesthetic and a secluded, peaceful courtyard life within the city centre. Given the stable demand in Shanghai for luxury units, together with our Lakeville brand, we are optimistic about the sale of these properties, which will raise the bar for heritage-inspired villas in the Shanghai market.

Wuhan remains our largest regional market outside Shanghai. We have deep roots in the city stretching back two decades to our redevelopment of the Yongqing area in 2005. Our three developments spanning over 3 million sq.m. have contributed significantly to Wuhan's evolution as a national central city. In April, the Group celebrated its 20th anniversary in Wuhan, further raising its brand awareness and supporting our residential sales. Although this market faces ongoing pressures, high quality offerings that meet customer needs continue to perform well. The residential developments in Wuhan Tiandi have consistently been highly sought-after and the final residential phase will be launched in the fourth quarter of this year. We expect strong demand for this project and will continue to prioritise customer preferences in order to maximise the community value of Wuhan Tiandi.

Our Sustainability Efforts

Community lies at the heart of our 5C Sustainability Strategy, driving us to create vibrant, inclusive spaces where people, nature and culture flourish together. We brought this vision alive in the first half of 2025 through a series of nature-focused events, immersive campaigns and forward-looking biodiversity planning to deepen connections between people, communities and the natural environment.

The Shanghai International Flower Show at Shanghai Xintiandi and the Flower Market at Ruihong Tiandi successfully wove nature more deeply into daily life. Along with our month-long Green Xintiandi Festival across ten properties in five cities, they brought sustainable living to life through community activities.

We see biodiversity as fundamental to building more resilient communities and Zhaolou Xintiandi in Shanghai's Minhang District is taking this commitment a step further. This latest Urban Retreat project is rich in natural resources. The areas covered by greenery and water features will reach 90,000 sq.m. and 100,000 sq.m. respectively, making it a pioneering example of the Group's biodiversity efforts.

Following a comprehensive assessment and baseline analysis, we have established a strategic approach to integrating biodiversity considerations into our planning and design. These are laying the foundation for a decade-long transformation, one that will see native species return and habitats flourish within a community where people and nature thrive in harmony with every passing season.

To safeguard our communities against evolving climate risks, we are now developing comprehensive climate adaptation guidelines that embed proactive measures across all project phases. This reinforces our commitment to excellence in sustainability, which continues to earn prestigious recognition, with 5 Corporate Avenue in Shanghai having recently secured LEED O+M Platinum certification and CPIC Xintiandi Towers 1 and 2 achieving LEED Core & Shell Platinum certification.

Outlook

The Chinese property market continues to undergo adjustment amid a highly uncertain external environment. Current government policy efforts are focused on "stopping the fall" and containing financial risks, indicating that the bottoming-out process still has some way to run, particularly in the lower-tier cities. At the same time, the changing structure of the market means that some development opportunities still exist, especially in segments supported by upgrading demand and high-end residential properties in the core urban areas.

Given this situation, the Group will continue to build on its core strengths and proven track record in urban regeneration, cultural preservation and community operations to pursue new opportunities in top-tier cities in both the Yangtze River Delta and Greater Bay Area on a selective basis. Our most recent project, Zhaolou Xintiandi, follows on the success of Panlong Tiandi. With it, we are creating a "Xintiandi Community" that blends thousand-year-old cultural heritage with modern living. Covering a total land area of about 71 hectares and an estimated gross floor area of 420,000 sq.m., the project has three major components, namely a resort-lite area centring on parkland and lakes for outdoor and leisure activities, a cultural and commercial area in the ancient town and a collection of international residences. Construction of the public infrastructure began in early July and we target to complete construction and launch the project in 2030.

At the same time, we are building on our Asset-Light Strategy of partnering with strong local players to expand our businesses while mitigating financial risks. We continue our partnership with Shanghai Yong Ye Enterprise (Group) Company Limited ("Yong Ye Group") on the Asset-Light project "Yong Nian Li", a high-end residential project under the Lakeville brand within the Shanghai Xintiandi Community. We have now established a new joint venture with Tian An China Investments Company Limited ("Tian An") to participate in another project of Yong Ye Group. This has succeeded in the acquisition via public tender in June of Yong Ye Group's 50% equity interest in a company holding three residential and commercial land parcels to the east of Shanghai Xintiandi, which together form the "Yong Xin Li" project. The Group effectively owns a 15% interest in the project. The "Yong Nian Li" and "Yong Xin Li" projects will improve the functional and ecological layout of Shanghai Xintiandi and reinforce our presence in the Greater Xintiandi community. Giving full play to our experience in the development and operation of high-end residential properties and to the Lakeville brand, the two projects will increase our scale and build a new source of income for the Group.

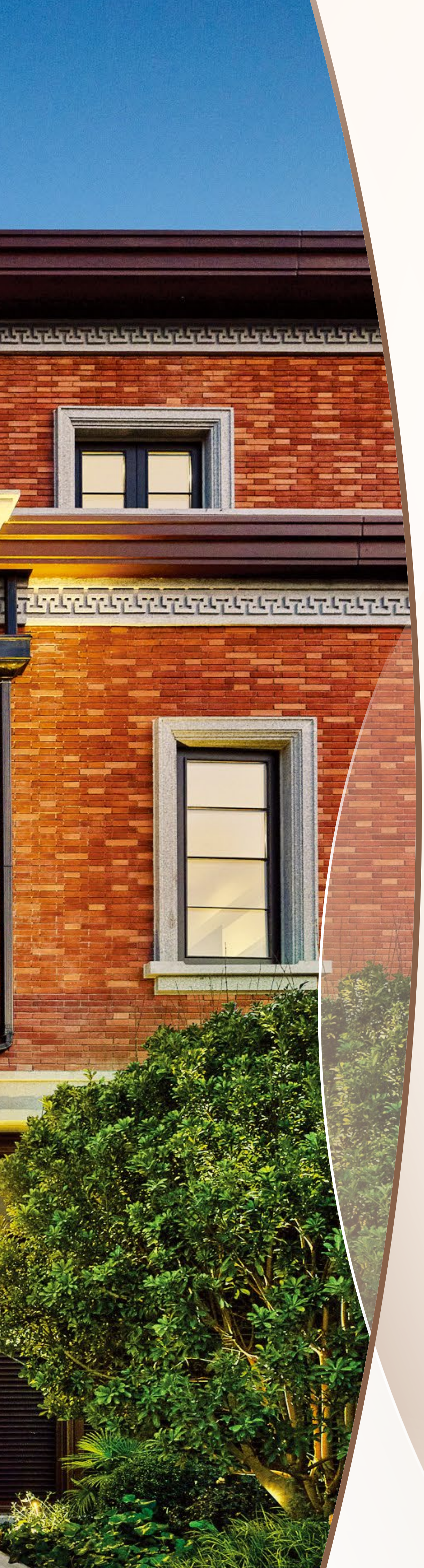
Appreciation to all our Stakeholders

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

VINCENT H. S. LO
Chairman
Hong Kong, 28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW



Profitability under prolonged market challenges: The first half of 2025 ("1H 2025") was marked by increased trade tensions, geopolitical uncertainty and low consumer confidence, resulting in ongoing challenges in the China property sector. Despite a subdued market, the Group was able to record a profit of RMB81 million in the first six months of 2025, with profit attributable to shareholders of RMB51 million.

Resilient commercial property performance: Total rental and related income (including joint ventures and associates) for the period recorded modest growth and increased to RMB1,781 million. The retail portfolio benefited from strong support by consumers and saw double-digit growth in both retail sales and shopper traffic at 10.5%.

Prudent capital management strategy: The Group has consistently maintained a stable balance sheet. As of 30 June 2025, the net gearing ratio remained stable at 51%, while cash and bank deposits totalled RMB5,500 million. The Group's net debt declined 9% to just over RMB20.2 billion. In March 2025, the Group fully repaid USD490 million senior notes and as of 27 August 2025 has repaid offshore debt totalling RMB46.2 billion (gross amount) since 2021. This reflects the Group's strong commitment to meeting its financial obligations.

Building more partnerships with the Asset-Light strategy: To further its Asset-Light strategy, the Group formed a new joint venture with Tian An China Investments Limited ("Tian An") in June 2025. This partnership has succeeded in the acquisition of the 50% equity interest of Yong Ye Enterprise (Group) Co. Ltd. ("Yong Ye") in a company holding three residential and commercial land parcels to the east of Shanghai Xintiandi, which together form the Yong Xin Li project. The Group effectively owns a 15% interest in the project.

Global recognition for sustainability: During 1H 2025, the Group was named in the CDP 2024 Climate Change "A-list" in recognition of its transparency and progress toward its 1.5°C-aligned science-based targets. The Group was the only real estate company in Mainland China to be named on the list. At the project level, Panlong Tiandi earned the prestigious 2025 ULI Asia Pacific Award for Excellence, while 5 Corporate Avenue achieved LEED Platinum O+M and the new CPIC Xintiandi Tower 1 & 2 attained LEED Core & Shell Platinum, demonstrating operational excellence across our portfolio.

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, with a total portfolio of 2.8 million square metres ("sq.m.") of office and retail premises under its management, including its flagship project Shanghai Xintiandi.

KEY ACHIEVEMENTS IN 1H 2025

- The Group recorded property sales of RMB145 million in 1H 2025. Including joint ventures and associates, property sales totalled RMB1,193 million. Contracted sales were RMB3,473 million, comprising residential property sales of RMB3,290 million and commercial property sales of RMB183 million. This represented a 457% year-on-year increase in contracted sales as we launched the pre-sale of some townhouses of Lakeville VI in Shanghai during the period. Total locked-in sales, including that of joint ventures and associates, was RMB17,521 million for delivery and to be recognised in the second half of 2025 ("2H 2025") and beyond.

- Our commercial property portfolio has delivered growing recurrent rental income. Including properties held by joint ventures and associates, total rental and related income increased by 1% year-on-year to RMB1,781 million in 1H 2025, of which 78% was contributed by our portfolio in Shanghai. This bears testimony of the success of the more recent openings that continued to show strong performances, while our more mature assets demonstrated their resilience. Shopper traffic and retail sales both reflected high year-on-year growth at 10.5%.

- In June 2025, the Group formed a new 30/70 joint venture with Tian An to participate in a project in Shanghai. This joint venture succeeded in acquiring a 50% equity interest in a company

- owned by Yong Ye which holds three residential and commercial land parcels to the east of Shanghai Xintiandi that together form the Yong Xin Li project. This project will further strengthen our presence in the Greater Xintiandi Community.

- In June 2025, the Group entered into an agreement with Qingdao Ruijian Private Equity Investment Fund Partnership (Limited Partnership) ("the Fund") to transfer its 100% interest in Fo Shan Shui On Property Development Co., Ltd. and Fo Shan An Ying Property Development Co., Ltd. (collectively, "Foshan Project Companies") to the Fund. Upon completion, the Group will hold 57.63% of the partnership interests of the Fund. After deducting taxes and transaction costs, the total net proceeds from the transaction would be approximately RMB683 million.

- Our sustainability goal is "to be a pioneer of sustainable premium urban communities" and our sustainability efforts have widely been recognised by global organisations. During the period, we were named in the CDP 2024 Climate Change "A-list" in recognition of our transparency and progress toward our 1.5°C-aligned science-based targets. These efforts are also realised on the project level. Panlong Tiandi earned the prestigious 2025 ULI Asia Pacific Award for Excellence, while 5 Corporate Avenue achieved LEED Platinum O+M and the new CPIC Xintiandi Tower 1 & 2 attained LEED Core & Shell Platinum. Together, these accolades reinforced our capability to transform sustainability commitments into competitive advantage and sustainable value creation.

PROPERTY SALES PERFORMANCE

Recognised Property Sales

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

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

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

Notes:

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

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

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

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

As of 30 June 2025:

i) total subscribed sales of RMB699 million were subject to formal sales and purchase agreements in the coming months.

ii) total locked-in sales of RMB17,521 million were recorded and available for delivery to customers and to be recognised in the Group's financial results in 2H 2025 and beyond.

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

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

Notes:

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

2 The Group holds 49.5% of the property.

3 The Group holds 80% of the property.

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

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

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

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

PROPERTY DEVELOPMENT

Residential Development Saleable Resources as of 30 June 2025

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

Notes:

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

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

Residential Properties under Development

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

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

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

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

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

Commercial Properties under Development as of 30 June 2025

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

Note:

1 Hotel use.

INVESTMENT PROPERTIES

Valuation of Investment Properties

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

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

Project	Leasable GFA	Increase/(decrease) in fair value for 1H 2025	Carrying value as of 30 Jun 2025	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 Taipingqiao Community					
Shanghai Xintiandi and Xintiandi Style II	80,000	(11)	8,345	(0.1%)	8,326
Shui On Plaza and Xintiandi Plaza	53,000	(17)	3,943	(0.4%)	3,195
5 Corporate Avenue, Hubindao	79,000	(42)	6,619	(0.6%)	2,949
CPIC Xintiandi Commercial Centre	274,000	33	21,497	0.2%	5,374
Ruihong Tiandi	441,000	(139)	15,280	(0.9%)	7,564
The Hub	263,000	(36)	8,740	(0.4%)	8,740
KIC Shanghai	253,000	(37)	8,641	(0.4%)	4,003
Inno KIC	45,000	(6)	1,466	(0.4%)	1,466
Panlong Tiandi	42,000	110	1,498	7.4%	1,198
Hong Shou Fang	62,000	4	2,677	0.1%	937
Wuhan Tiandi	401,000	(73)	8,983	(0.8%)	8,983
Lingnan Tiandi	158,000	(30)	4,373	(0.7%)	4,373
Chongqing Tiandi	117,000	(25)	1,393	(1.8%)	1,379
Nanjing IFC	100,000	(36)	2,831	(1.3%)	1,416
SUBTOTAL	**2,368,000**[1]	**(305)**	**96,286**	**(0.3%)**	**59,903**
INVESTMENT PROPERTIES UNDER DEVELOPMENT AT VALUATION					
Foshan Lot A	254,000	(45)	1,805	(2.5%)	1,805
SUBTOTAL	**254,000**	**(45)**	**1,805**	**(2.5%)**	**1,805**
GRAND TOTAL	**2,622,000**	**(350)**	**98,091**	**(0.4%)**	**61,708**
GRAND TOTAL (excluding associates and joint ventures)	**1,413,000**	**(133)**	**40,546**	**(0.3%)**	**39,465**

Note:

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

SXTD: The Group's Flagship Commercial Business Unit

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

Commercial Properties Portfolio

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

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

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

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

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

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

Note:

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

Real Estate Asset Management

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

Our Projects and Latest Updates

Shanghai Taipingqiao:

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

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

The Hub:

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

Ruihong Tiandi:

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

Panlong Tiandi:

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

KIC Shanghai:

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

Inno KIC:

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

Hong Shou Fang:

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

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

Wuhan Tiandi:

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

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

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

Lingnan Tiandi:

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

Chongqing Tiandi:

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

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

Nanjing IFC:

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

Strategy Going Forward

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

Project	Product	Estimated residential GFA	Estimated commercial GFA	The Group's interests
		sq.m.	sq.m.	
Shanghai Yong Nian Li	Mixed-use development	105,000	57,000	–
Shanghai Beigang Urban Village	Mixed-use development	326,000	95,000	5%
Shanghai Yong Xin Li	Mixed-use development	159,000	58,000	15%
GRAND TOTAL		**590,000**	**210,000**	

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

LANDBANK

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

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

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

Notes:

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK

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

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

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

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

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The core earnings of the Group are as follows:

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

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

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

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

Major Transaction

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

Liquidity, Capital Structure, and Gearing Ratio

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

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

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

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

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

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

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

Pledged Assets

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

Capital and Other Development Related Commitments

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

Cash Flow Management and Liquidity Risk

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

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

Exchange Rate and Interest Rate Risks

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

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

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

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

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

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 30 to 57, 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 2025 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
28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	**2025 RMB'million (Unaudited)**	2024 RMB'million (Unaudited)
Revenue	3A	**2,074**	2,073
Cost of sales		**(705)**	(718)
Gross profit		**1,369**	1,355
Other income	4	**65**	308
Selling and marketing expenses		**(53)**	(54)
General and administrative expenses		**(382)**	(408)
Decrease in fair value of the investment properties	10	**(133)**	(33)
Other gains and losses	4	**108**	(53)
Share of results of associates and joint ventures		**(73)**	243
Finance costs, inclusive of exchange differences	5	**(888)**	(1,076)
Profit before tax	6	**13**	282
Tax	7	**68**	(99)
Profit for the period		**81**	183
Attributable to:			
Shareholders of the Company		**51**	72
Non-controlling shareholders of subsidiaries		**30**	111
		81	183
Earnings per share attributable to shareholders of the Company	9		
– Basic		**RMB0.64 cents**	RMB0.90 cents
– Diluted		**RMB0.64 cents**	RMB0.90 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

	Notes	**30 June 2025 RMB'million (Unaudited)**	31 December 2024 RMB'million (Audited)
Non-current assets			
Investment properties	10	**40,624**	40,964
Interests in associates	11	**12,098**	8,641
Interests in joint ventures	12	**12,135**	14,806
Property and equipment		**808**	829
Right-of-use assets		**26**	14
Receivables, deposits, and prepayments	13	**265**	262
Pledged bank deposits		**643**	416
Loans to a non-controlling shareholder of a subsidiary		**18**	–
Deferred tax assets		**221**	259
Other non-current assets		**59**	59
		66,897	66,250
Current assets			
Properties under development for sale		**3,081**	2,694
Properties held for sale		**765**	817
Receivables, deposits, and prepayments	13	**675**	714
Amounts due from associates	11	**175**	178
Loans to/amounts due from joint ventures	12	**4,000**	11,006
Loan to a non-controlling shareholder of a subsidiary		**7**	4
Amounts due from related companies	15	**397**	407
Contract assets	14	**81**	93
Pledged bank deposits		**975**	2,364
Bank balances and cash		**3,882**	4,954
Assets classified as held for sale		**2,457**	2,457
		16,495	25,688
Current liabilities			
Accounts payable, deposits received, and accrued charges	16	**3,769**	3,723
Contract liabilities		**188**	1
Bank and other borrowings		**3,321**	4,655
Senior notes	17	**2,859**	3,569
Receipts under securitisation arrangements	18	**40**	40
Tax liabilities		**3,159**	4,171
Loans from/amounts due to non-controlling shareholders of subsidiaries		**11**	943
Amounts due to associates	11	**70**	216
Loans from/amounts due to joint ventures	12	**352**	48
Amounts due to related companies	15	**335**	339
Lease liabilities		**4**	8
		14,108	17,713

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 JUNE 2025

	Notes	**30 June 2025 RMB'million (Unaudited)**	31 December 2024 RMB'million (Audited)
Net current assets		**2,387**	7,975
Total assets less current liabilities		**69,284**	74,225
Non-current liabilities			
Bank and other borrowings		**15,283**	14,622
Senior notes	17	**–**	2,868
Receipts under securitisation arrangements	18	**4,258**	4,173
Deferred tax liabilities		**3,263**	3,398
Accounts payable, deposits received, and accrued charges	16	**525**	537
Loans from an associate	11	**5,663**	5,825
Loans from joint ventures	12	**226**	36
Lease liabilities		**48**	92
Defined benefit liabilities		**2**	2
Derivative financial instruments		**24**	3
		29,292	31,556
Capital and reserves			
Share capital		**146**	146
Reserves	19	**38,110**	38,339
Equity attributable to shareholders of the Company		**38,256**	38,485
Non-controlling interests		**1,736**	4,184
Total equity		**39,992**	42,669
Total equity and non-current liabilities		**69,284**	74,225

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to shareholders of the Company					
	Share capital RMB'million	Reserves RMB'million (Note 19)	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 difference 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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to shareholders of the Company				Non-controlling interests RMB'million	Total RMB'million
	Share capital RMB'million	Reserves RMB'million (Note 19)	Retained earnings RMB'million	Sub-total RMB'million		
On 1 January 2024 (audited)	146	16,513	22,204	38,863	5,286	44,149
Profit for the period	–	–	72	72	111	183
Exchange difference arising on translation of foreign operations	–	(88)	–	(88)	–	(88)
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	–	27	–	27	–	27
Reclassification from hedge reserve to profit or loss arising from hedging instruments	–	(5)	–	(5)	–	(5)
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	–	3	–	3	1	4
Share of other comprehensive income of an associate and a joint venture	–	24	–	24	–	24
Total comprehensive income for the period	–	(39)	72	33	112	145
Capital injection by a non-controlling shareholder of a subsidiary	–	–	–	–	1	1
Capital reduction by non-controlling shareholders of subsidiaries	–	–	–	–	(24)	(24)
Dividend declared to non-controlling shareholders of subsidiaries	–	–	–	–	(15)	(15)
Repayment of equity loans from a non-controlling shareholder of subsidiaries	–	–	–	–	(60)	(60)
2023 final dividend	–	–	(423)	(423)	–	(423)
On 30 June 2024 (unaudited)	146	16,474*	21,853*	38,473	5,300	43,773

* These reserve accounts comprise the consolidated reserves of RMB38,110 million and RMB38,327 million as of 30 June 2025 and 30 June 2024, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months ended 30 June	
		2025 **RMB'million** **(Unaudited)**	2024 RMB'million (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flow before changes in working capital		**958**	968
Increase in properties under development for sale and held for sale		**(306)**	(44)
Decrease in receivables, deposits, and prepayments		**61**	116
Decrease in contract assets		**12**	41
Increase/(decrease) in accounts payable, deposits received, and accrued charges		**187**	(219)
Increase in contract liabilities		**187**	94
Other changes in working capital		**112**	58
Cash generated from operations		**1,211**	1,014
Tax paid		**(1,041)**	(574)
Net cash generated from operating activities		**170**	440
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**37**	63
Additions to investment properties		**(14)**	(15)
Loans to joint ventures		**–**	(118)
Advance to a joint venture		**(258)**	–
Investments in joint ventures		**(1,317)**	(45)
Repayments from a joint venture		**1,280**	–
Proceeds from disposal of investment properties		**68**	–
Proceeds from disposal of subsidiaries	12	**5,811**	–
Proceeds from disposal of partial equity interest in a subsidiary		**106**	–
Proceeds from disposal of assets classified as held for sale		**–**	1,206
Repayments from a non-controlling shareholder of a subsidiary		**–**	8
Dividend received from a joint venture		**142**	279
Other investing cash flows		**(30)**	(35)
Net cash generated from investing activities		**5,825**	1,343

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 **RMB'million** **(Unaudited)**	2024 RMB'million (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of lease liabilities	**(1)**	(7)
Direct transaction costs related to issue of receipts under securitisation arrangements	**(8)**	(4)
Repayment of receipts under securitisation arrangements	**(20)**	(20)
Drawdown of bank and other borrowings	**2,198**	6,051
Repayments of bank and other borrowings	**(2,807)**	(4,517)
Decrease in pledged bank deposits	**1,162**	84
Repayment of senior notes	**(3,512)**	–
Interest paid	**(805)**	(1,176)
Payment of dividends	**(268)**	(423)
Dividend payment to non-controlling shareholders of subsidiaries	**–**	(15)
Capital injected by non-controlling shareholders	**38**	1
Distribution to a non-controlling shareholder of subsidiaries after restructuring the equity holding of subsidiaries	**(2,513)**	–
Repayment to a non-controlling shareholder of subsidiaries	**(932)**	(60)
Loans from a joint venture	**490**	100
Net cash (used in)/generated from financing activities	**(6,978)**	14
Net (decrease)/increase in cash and cash equivalents	**(983)**	1,797
Cash and cash equivalents at the beginning of the period	**4,954**	5,745
Effect of foreign exchange rate changes, net	**(89)**	(87)
Cash and cash equivalents at the end of the period	**3,882**	7,455
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**3,882**	7,455

1. GENERAL

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 21	*Lack of Exchangeability*

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

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

3A. REVENUE INFORMATION

Disaggregation of revenue from contracts with customers

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

3A. REVENUE INFORMATION (continued)

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

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

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

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
Interest income							45
Share of results of associates and joint ventures							(73)
Finance costs, inclusive of exchange differences							(888)
Other gains and losses							108
Unallocated income							19
Unallocated expenses							(187)
Profit before tax							13

3B. SEGMENTAL INFORMATION (continued)

For the six months ended 30 June 2024 (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	143	1,257	303	170	1,873	200	2,073
SEGMENT RESULTS							
Segment results of the Group	22	900	58	(1)	979	48	1,027
Interest income							287
Share of results of associates and joint ventures							243
Finance costs, inclusive of exchange differences							(1,076)
Other gains and losses							(53)
Unallocated income							24
Unallocated expenses							(170)
Profit before tax							282

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

4. OTHER INCOME, OTHER GAINS AND LOSSES

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

5. FINANCE COSTS, INCLUSIVE OF EXCHANGE DIFFERENCES

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

6. PROFIT BEFORE TAX

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

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

7. TAX

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

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

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

8. DIVIDENDS

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

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

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:

Earnings

	Six months ended 30 June	
	2025 RMB'million (Unaudited)	2024 RMB'million (Unaudited)
Earnings for basic/diluted earnings per share, being profit for the period attributable to shareholders of the Company	**51**	72

Number of shares

	Six months ended 30 June	
	2025 million (Unaudited)	2024 million (Unaudited)
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))	**RMB0.64 cents**	RMB0.90 cents
	HKD0.70 cents	HKD1.00 cents
Diluted earnings per share (note (b))	**RMB0.64 cents**	RMB0.90 cents
	HKD0.70 cents	HKD1.00 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 2024: 17,710,250) shares held by a share award scheme trust.

(b) The figures expressed in Hong Kong dollars presented above are shown for reference only and have been arrived at based on the exchange rates of RMB1.000 to HKD1.0865 for the six months ended 30 June 2025 and RMB1.000 to HKD1.1003 for the six months ended 30 June 2024, being the average exchange rates that prevailed during the respective periods.

10. INVESTMENT PROPERTIES

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Completed investment properties held to earn rentals or for capital appreciation or both	**38,741**	38,923
Investment properties under construction or development,		
stated at fair value	**1,805**	1,850
stated at cost	**78**	78
	1,883	1,928
Investment property – sublease of right-of-use assets	**–**	113
	40,624	40,964

The movements of investment properties during the current and prior periods are as follows:

	Completed investment properties at fair value RMB'million	Investment properties under construction or development at fair value RMB'million	Investment properties under construction or development at cost RMB'million	Investment property – sublease of right-of-use assets RMB'million	Total RMB'million
On 1 January 2025 (audited)	**38,923**	**1,850**	**78**	**113**	**40,964**
Increase	**14**	**–**	**–**	**–**	**14**
Transfer to right-of-use assets	**–**	**–**	**–**	**(14)**	**(14)**
Disposals	**(108)**	**–**	**–**	**(99)**	**(207)**
Decrease in fair value recognised in profit or loss	**(88)**	**(45)**	**–**	**–**	**(133)**
On 30 June 2025 (unaudited)	**38,741**	**1,805**	**78**	**–**	**40,624**
On 1 January 2024 (audited)	47,581	1,871	78	74	49,604
(Decrease)/increase	(31)	–	–	52	21
Transfer from property and equipment	47	–	–	–	47
Decrease in fair value recognised in profit or loss	(6)	(21)	–	(6)	(33)
On 30 June 2024 (unaudited)	47,591	1,850	78	120	49,639

10. INVESTMENT PROPERTIES (continued)

The fair values of the Group's investment properties on 30 June 2025 and 31 December 2024 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 and investment properties sublease of right-of-use assets, 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 is made by reference 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 in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key input in the valuations is the market value of the completed investment properties, which is 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 them 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 2025, the Group's investment properties with a total carrying amount of RMB35,968 million (31 December 2024: RMB34,031 million) were pledged to secure banking facilities granted to the Group (note 20).

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

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Share of net assets (note (a))	**12,098**	8,641
Amounts due from associates – current		
– Unsecured, interest-free and repayable on demand	**175**	178
Amounts due to associates – current		
– Unsecured, interest-free and repayable on demand	**70**	216
Loans from an associate – non-current		
– Unsecured, interest-bearing and repayable within five years	**5,482**	5,825
– Unsecured, interest-free and repayable within five years	**181**	–
	5,663	5,825

Notes:

(a) Due to the change of required proportion of votes for board resolution in the board of directors of Shanghai Rui Yong Jing Real Estate Development Company Limited ("Shanghai Rui Yong Jing"), the investment in Shanghai Rui Yong Jing was reclassified from a joint venture to an associate during the period.

(b) The interest rate of loans from an associate, ranging between 1.2% and 3.85%, is agreed between the Group and the associate with reference to the prevailing market interest rate.

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

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Share of net assets	**10,372**	13,035
Amounts due from joint ventures – non-current		
– Unsecured, interest-free	**1,763**	1,771
	12,135	14,806
Loans to joint ventures – current		
– Unsecured, interest-bearing and repayable within one year	**3,675**	5,108
Amounts due from joint ventures – current		
– Unsecured, interest-free and repayable on demand	**325**	87
– Arising from disposal of equity interests in the Group's subsidiaries (note a)	**–**	5,811
	4,000	11,006
Loans from joint ventures – non-current		
– Unsecured, interest-bearing and repayable within three years	**226**	36
Loans from joint ventures – current		
– Unsecured, interest-bearing and repayable within one year	**330**	30
Amounts due to joint ventures – current		
– Unsecured, interest-free and repayable on demand	**22**	18
	352	48

Notes:

(a) The amount represented the remaining consideration for the disposal of the equity interests in Shanghai Yangpu Centre Development Co., Ltd. ("YPU") and Shanghai Knowledge and Innovation Community Development Co., Ltd. ("KIC") in 2024, and has been received in February 2025.

(b) The interest rates of loans to joint ventures, ranging between 1% and 7%, and loans from joint ventures, ranging between 1% and 3.65%, are agreed between the Group and the joint ventures with reference to prevailing market interest rates.

13. RECEIVABLES, DEPOSITS, AND PREPAYMENTS

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

Notes:

(a) As of 30 June 2025 and 31 December 2024, trade receivables with issuance of debit notes to the tenants amounted to RMB67 million and RMB62 million, respectively. As of 30 June 2025 and 31 December 2024, trade receivables from contracts with customers amounted to RMB189 million and RMB200 million, respectively.

(b) The balances represent the amounts that will be compensated by the government upon the completion of the relocation.

(c) As of 30 June 2025 and 31 December 2024, other deposits and prepayments amounted to RMB100 million and RMB130 million, respectively.

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

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

14. CONTRACT ASSETS

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Construction	**81**	93

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 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Amounts due from related companies comprise:		
Fellow subsidiaries	**397**	407
Amounts due to related companies comprise:		
Fellow subsidiaries	**335**	339

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

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

Note:

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

17. SENIOR NOTES

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
At the beginning of period/year	**6,437**	9,898
Interest charged during the period/year	**131**	503
Less: interest paid	**(176)**	(565)
Less: redemption of senior notes	**(3,512)**	(3,520)
Exchange realignment	**(21)**	121
At the end of period/year	**2,859**	6,437
Less: amount due within one year shown under current liabilities	**(2,859)**	(3,569)
At the end of period/year and payable after one year	**–**	2,868

As of 30 June 2025, the effective interest rate on the senior notes was 5.59% (2024: 5.50% to 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% and quarter distribution, and (ii) RMB1 million with a term of no 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.

19. RESERVES

	Share premium RMB'million	Merger reserve RMB'million	Special reserve RMB'million	Share award reserve RMB'million	Exchange reserve RMB'million	Hedge reserve RMB'million	Other reserves RMB'million	Property revaluation reserves RMB'million	Total RMB'million
On 1 January 2025 (audited)	18,052	122	(135)	10	(1,577)	(3)	(211)	116	16,374
Exchange difference arising on translation of foreign operations	–	–	–	–	18	–	–	–	18
Reclassification from hedge reserve to profit or loss arising from hedging instruments	–	–	–	–	–	3	–	–	3
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	–	–	–	–	–	(21)	–	–	(21)
Share of other comprehensive expense of an associate and a joint venture	–	–	–	–	–	–	(12)	–	(12)
Total other comprehensive expenses for the period	–	–	–	–	18	(18)	(12)	–	(12)
On 30 June 2025 (unaudited)	18,052	122	(135)	10	(1,559)	(21)	(223)	116	16,362

19. RESERVES (continued)

	Share premium RMB'million	Merger reserve RMB'million	Special reserve RMB'million	Share award reserve RMB'million	Exchange reserve RMB'million	Hedge reserve RMB'million	Other reserves RMB'million	Property revaluation reserves RMB'million	Total RMB'million
On 1 January 2024 (audited)	18,052	122	(135)	10	(1,399)	(20)	(230)	113	16,513
Exchange difference arising on translation of foreign operations	–	–	–	–	(88)	–	–	–	(88)
Reclassification from hedge reserve to profit or loss arising from hedging instruments	–	–	–	–	–	(5)	–	–	(5)
The effective portion of changes in the fair value of hedging instruments designated as cash flow hedges	–	–	–	–	–	27	–	–	27
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	–	–	–	–	–	–	–	3	3
Share of other comprehensive income of an associate and a joint venture	–	–	–	–	–	–	24	–	24
Total other comprehensive expenses for the period	–	–	–	–	(88)	22	24	3	(39)
On 30 June 2024 (unaudited)	18,052	122	(135)	10	(1,487)	2	(206)	116	16,474

20. 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 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Investment properties	**35,968**	34,031
Property and equipment	**343**	59
Right-of-use assets	**5**	5
Properties under development for sale	**286**	–
Receivables	**171**	185
Bank deposits	**1,618**	2,780
	38,391	37,060

In addition, the equity interests in a certain subsidiary with a carrying amount of net assets of RMB2,872 million as of 30 June 2025 (31 December 2024: RMB2,924 million) are pledged to banks as securities to obtain banking facilities granted to the Group at the end of the reporting period.

21. COMMITMENTS AND CONTINGENCIES

(a) Capital and other commitments

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

	30 June 2025 RMB'million (Unaudited)	31 December 2024 RMB'million (Audited)
Contracted but not provided for:		
Development costs for properties under development held for sale	**187**	21
Investments in joint ventures (Notes)	**4,554**	5,078
	4,741	5,099

Notes:

(i) The Group agreed to contribute additional capital to a joint venture company for properties development in Wuchang District, Wuhan City.

(ii) The Group agreed with a joint venture partner to contribute capital and establish a joint venture company for property development.

21. COMMITMENTS AND CONTINGENCIES (continued)

(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 2025, the Group considered these outstanding guarantees amount is not significant.

In determining whether provision for losses 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 outflow of resources that will be required and the assessment of whether a reliable estimate of the amount of the obligation can be made.

In the opinion of the directors of the Company, the provision for losses for the financial guarantee contracts of the Group was insignificant at initial recognition as the guaranteed amounts should be significantly lower than the values of properties. The Group is entitled to possess a property if there is any default by a customer, and the directors of the Company consider that the possibility of default of the parties involved is remote, and accordingly, no value has been recognised in the condensed consolidated statement of financial position as of 30 June 2025. Should the actual outcome be different from the expected, provisions for losses will be recognised in the condensed consolidated financial information.

22. 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	
	2025 RMB'million (Unaudited)	2024 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**	1
Service cost reimbursement	**1**	1
SOCAM Development Limited ("SOCAM") (note ii) and its subsidiaries		
Rental and building management fee income	**–**	1
Smart facility enhancement work expenditure	**1**	1
Great Eagle Holdings Limited ("GE") (note iii) and its subsidiaries		
Hotel management fee	**2**	1
Associates		
Revenue from construction services	**1**	1
Revenue from real estate asset management service and lease commission	**17**	15
Interest expense	**36**	110
Joint ventures		
Interest income	**14**	224
Revenue from real estate asset management service	**102**	57
Revenue from project management service and sales commission	**130**	33
Revenue from construction services	**154**	156
Rental and building management fee income	**3**	1
Revenue from consulting service	**–**	4
Service cost reimbursement	**27**	16
Interest expense	**1**	3
Rental and building management fee expenses	**3**	2
Non-controlling shareholders of subsidiaries		
Management service fee expense	**7**	9
Key management personnel		
Short-term benefits	**39**	42

Notes:

(i) SOCL is a private limited liability company incorporated in the British Virgin Islands. SOCL is the ultimate holding company of the Company.

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

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

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

23. EVENT AFTER THE REPORTING PERIOD

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

For the details of the transaction, please refer to the Company's circular dated 31 July 2025.

24. 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 28 August 2025.

INTERIM DIVIDEND

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

DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2025, 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 2025. 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 2025.

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

	Number of ordinary shares				
Name of Directors	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 2025.

Save as disclosed above, at 30 June 2025, 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 2025, 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 2025. 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 2025.

Save as disclosed above, at 30 June 2025, 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 2025 and no share option lapsed or was exercised or cancelled during the six months ended 30 June 2025. At the beginning and the end of the six months ended 30 June 2025, 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 2025, there were no unvested Awards granted under the Share Award Schemes.

During the six months ended 30 June 2025, no Award has been granted under the Share Award Schemes. During the six months ended 30 June 2025, 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 2025 (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 2025 divided by the weighted average number of Shares in issue for the year ended 30 June 2025 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, and Mr. Frankie Kwok Fai Lai 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 it complies with all the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules and aligns with its latest developments. 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 2025, the Company has applied the principles of and complied with all the applicable code provisions of the CG Code, except for a deviation as specified in the section headed "Annual General Meeting" below.

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 2025.

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 2025.

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 Independent Non-executive Directors ("INEDs"). Mr. Clement K. M. KWOK ("Mr. Kwok") was appointed as an INED of the Company with effect from 1 July 2025. Subsequent to Professor Gary C. BIDDLE's retirement as an INED of the Company at the conclusion of the annual general meeting of the Company held on 16 May 2025 (the "2025 AGM") and as of the date of this report, the Board comprises eleven members in total, with four Executive Directors and seven INEDs.

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. 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. Gregory K. L. SO ("Mr. So"), and Mr. Kwok, 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 2025, 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. So. 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 S. TEDJARATI ("Mr. Tedjarati") (Chairman of the Nomination Committee), Ms. Randy W. S. LAI ("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. Ya Ting 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 2025, the Directors attended several training sessions organised by the Company including one session on the latest ESG trends.

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 2025 AGM, and the meeting provided a useful forum for shareholders to exchange views with the Board. Code provision C.1.5 of the CG Code stated that independent non-executive directors and other non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Tedjarati and Ms. Lai, the INEDs of the Company, could not attend the 2025 AGM due to other business engagements. Save for the above, all the INEDs attended the 2025 AGM.

PURCHASE, SALE, OR REDEMPTION/CANCELLATION OF LISTED SECURITIES

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

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

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 3 March 2020, a written agreement (the "2025 SODH Indenture") was entered into between the Company as guarantor, SODH as issuer, and DB Trustee (Hong Kong) Limited ("DB") as trustee of the 2025 SODH Notes, pursuant to which the 2025 SODH Notes were issued. The 2025 SODH Indenture provides that upon the occurrence of a change of control (as defined in the 2025 SODH Indenture), the Company or SODH will make an offer to repurchase all outstanding 2025 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 3 March 2020.

On 20 February 2020, SODH commenced the Exchange and Tender Offer to the Eligible Holders of the 2021 Notes and the 2021 SODH Notes. On 28 February 2020, the Company determined to accept USD64,972,000 for the exchange of the 2021 Notes and USD24,942,000 for the exchange of the 2021 SODH Notes. Pursuant to the Exchange Offer, USD89,914,000 new notes (the "New Notes") were issued which formed a single series with the 2025 SODH Notes with the aggregate principal amount of USD489,914,000. Details of the transaction were set out in the announcements of the Company dated 20 February 2020, 21 February 2020, 2 March 2020, and 3 March 2020. On 3 March 2025, SODH fully repaid the principal amount of the outstanding 2025 SODH Notes (inclusive of the New Notes) and the accrued and unpaid interest upon its maturity date.

On 29 June 2021, a written agreement (the "2026 SODH Indenture") was entered into between the Company as guarantor, SODH as issuer, and DB as trustee of the USD400 million in 5.50% senior notes due 2026 issued by SODH (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.

Any breach of the above obligations will cause a default in respect of the 2026 SODH Notes, which may trigger cross defaults in other outstanding debts of the Group, in the aggregate amount of approximately RMB7,544 million at 30 June 2025.

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. So	ceased as a member of the Law Society of Ontario with effect from 23 June 2025.

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 2024.

EMPLOYEES AND REMUNERATION POLICY

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

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

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 S. TEDJARATI
Ms. Ya Ting WU
Mr. Albert K. P. NG
Mr. Gregory K. L. SO
Ms. Randy W. S. LAI
Mr. Clement K. M. KWOK

AUDIT AND RISK COMMITTEE

Mr. Albert K. P. NG (Chairman)
Mr. Gregory K. L. SO
Mr. Clement K. M. KWOK

REMUNERATION COMMITTEE

Mr. Anthony J. L. NIGHTINGALE (Chairman)
Mr. Vincent H. S. LO
Mr. Gregory K. L. SO

NOMINATION COMMITTEE

Mr. Shane S. 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 S. 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

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WEBSITE

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