上海實業城市開發集團有限公司
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Shanghai Industrial Urban Development Group Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
REVENUE			
Goods and services	4	**853,775**	1,463,008
Leases		**417,929**	364,827
Total revenue		**1,271,704**	1,827,835
Cost of sales		**(931,962)**	(1,557,961)
Gross profit		**339,742**	269,874
Other income		**26,881**	33,150
Other expenses, gains and losses, net, including expected credit losses on financial assets		**(30,260)**	(63,501)
Fair value loss on investment properties, net		**(60,480)**	(151,069)
Distribution and selling expenses		**(196,565)**	(101,616)
General and administrative expenses		**(189,690)**	(197,546)
Finance costs	5	**(294,580)**	(284,560)
Share of results of associates		**(34,082)**	609
Share of results of joint ventures		**(16,352)**	13,410
Loss before tax		**(455,386)**	(481,249)
Income tax expense	6	**(33,700)**	(81,178)
LOSS FOR THE PERIOD	7	**(489,086)**	(562,427)
Loss for the period attributable to:			
Owners of the Company	8	**(414,448)**	(492,139)
Non-controlling interests		**(74,638)**	(70,288)
		(489,086)	(562,427)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD			
Basic and diluted *(HK cents)*	8	**(8.67)**	(10.29)

	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation from functional currency to presentation currency	**801,320**	643,733
Items that will not be reclassified to profit or loss:		
Exchange differences on translation from functional currency to presentation currency	**(121,254)**	(118,089)
Changes in fair value on equity instruments designated at fair value through other comprehensive income, net of tax	**(1,844)**	1,448
OTHER COMPREHENSIVE INCOME FOR THE PERIOD,NET OF TAX	**678,222**	527,092
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**189,136**	(35,335)
Attributable to:		
Owners of the Company	**97,713**	(72,342)
Non-controlling interests	**91,423**	37,007
	189,136	(35,335)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2026

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Investment properties	*9*	**22,562,033**	21,784,418
Property, plant and equipment		**1,681,880**	1,670,581
Right-of-use assets		**480,029**	479,356
Goodwill		**—**	23,604
Intangible assets		**59,139**	56,993
Interests in associates		**1,659,409**	1,632,286
Interests in joint ventures		**2,525,473**	2,449,488
Equity instruments at fair value through other comprehensive income		**24,625**	26,135
Restricted and pledged bank deposits		**178,063**	149,180
Deferred tax assets		**92,569**	93,121
Total non-current assets		**29,263,220**	28,365,162
CURRENT ASSETS			
Inventories		**586**	438
Properties under development for sale and properties held for sale		**16,117,775**	12,737,528
Trade and other receivables	*10*	**917,636**	929,471
Amounts due from related companies		**6,259**	1,710
Prepaid income tax and land appreciation tax		**528,218**	492,979
Restricted and pledged bank deposits		**5,032**	9,485
Bank balances and cash		**4,455,544**	4,571,721
Total current assets		**22,031,050**	18,743,332

	Notes	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
CURRENT LIABILITIES			
Trade and other payables	*11*	**4,215,844**	4,325,142
Amounts due to related companies		**588,982**	579,597
Pre-sale proceeds received on sales of properties		**921,605**	509,437
Bank and other borrowings	*12*	**4,993,696**	8,123,276
Lease liabilities		**17,356**	17,214
Income tax and land appreciation tax payables		**783,536**	803,636
Dividends payable		**23,641**	23,641
Total current liabilities		**11,544,660**	14,381,943
NET CURRENT ASSETS		**10,486,390**	4,361,389
TOTAL ASSETS LESS CURRENT LIABILITIES		**39,749,610**	32,726,551
NON-CURRENT LIABILITIES			
Deferred revenue	*11*	**26,471**	25,808
Bank and other borrowings	*12*	**18,008,571**	11,234,605
Lease liabilities		**106,463**	113,981
Deferred tax liabilities		**2,631,331**	2,548,339
Total non-current liabilities		**20,772,836**	13,922,733
NET ASSETS		**18,976,774**	18,803,818
CAPITAL AND RESERVES			
Share capital		**191,217**	191,217
Reserves		**12,603,527**	12,463,890
Equity contributable to owners of the Company		**12,794,744**	12,655,107
Non-controlling interests		**6,182,030**	6,148,711
Total equity		**18,976,774**	18,803,818

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), and all values are rounded to the nearest thousand except when otherwise indicated, which is different from the Company's functional currency of Renminbi ("**RMB**"), as the Company is listed on the Stock Exchange and most of its investors are located in Hong Kong.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

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

3. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and performance assessment focuses on revenue analysis. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customer and geographic information are presented.

The Group's operations are located in the Chinese mainland. All revenue and non-current assets of the Group, except for certain property and equipment, are generated from and located in the Chinese mainland. No revenue from a single customer amounted to over 10% of the total revenue of the Group for the six months ended 30 June 2026 and 2025.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Types of goods or services		
Sales of properties	**737,860**	1,336,687
Hotel operations	**105,986**	119,528
Property management	**9,929**	6,793
Total	**853,775**	1,463,008
Timing of revenue recognition		
At a point in time	**737,860**	1,336,687
Over time	**115,915**	126,321
	853,775	1,463,008

All the revenue of the Group generated from contracts with customers was originated in the Chinese mainland.

(ii) Leases

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue arising from operating leases	**417,929**	364,827

5. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**292,243**	283,734
Interest on amounts due to related companies	**344**	5,394
Interest on lease liabilities	**2,224**	2,793
Total finance costs	**294,811**	291,921
Less: Amounts capitalised into properties under development for sale	**(231)**	(7,361)
	294,580	284,560

6. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
PRC Corporate Income Tax	**38,006**	26,962
PRC Land Appreciation Tax	**4,761**	82,810
	42,767	109,772
Deferred tax	**(9,067)**	(28,594)
Income tax for the period	**33,700**	81,178

7. LOSS FOR THE PERIOD

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of properties held for sale recognised as an expense	**695,347**	1,312,537
Impairment loss recognised on goodwill	**23,604**	—
Impairment of financial assets:		
Impairment of amounts due from a related company	**296**	44,183
Reversal of impairment of trade and other receivables	**(102)**	(137)
Depreciation for property, plant and equipment	**58,655**	65,259
Depreciation of right-of-use assets	**14,379**	33,933
Interest income on bank deposits	**(6,009)**	(7,401)
Exchange differences, net	**3,222**	10,284

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of calculating basic loss per share:		
Loss for the period attributable to owners of the Company	**(414,448)**	(492,139)

	For the six months ended 30 June	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**4,780,415**	4,780,415

9. INVESTMENT PROPERTIES

The fair values of the Group's investment properties as at 30 June 2026 have been arrived at on the basis of valuation carried out on the respective dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), an independent qualified professional valuer. JLL has appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The fair value is determined mainly using the income approach by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. The resulting net decrease in fair values of the Group's investment properties of HK$60,480,000 (six months ended 30 June 2025: HK$151,069,000) was recognised directly in profit or loss for the six months ended 30 June 2026.

During the six months ended 30 June 2026, the Group has no expenditures on certain investment properties under development (six months ended 30 June 2025: HK$234,000).

During the six months ended 30 June 2026, the management of the Group changed the intention from selling the commercial units of several residential property projects to lease them out for rental. Accordingly, properties held for sale with a carrying amount of HK$18,457,000 (six months ended 30 June 2025: HK$2,313,000) were transferred to investment properties upon inception of lease agreements with the tenants. In the opinion of the management of the Group, the fair value gain or loss in respect of these properties at the date of transfer was considered to be insignificant.

The Group did not dispose of any investment properties during the six months ended 30 June 2026 and 2025.

10. TRADE AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Trade receivables		
— Contracts with customers		
Sales of properties	**323,032**	310,400
Hotel operations and others	**21,665**	24,532
— Lease receivables	**13,670**	39,503
	358,367	374,435
Less: expected credit losses ("**ECLs**") allowance	**(96)**	(93)
	358,271	374,342
Other receivables	**261,360**	277,150
Receivable from a former subsidiary	**427,175**	411,764
Advance payments to contractors	**19,931**	21,290
Prepaid other taxes	**276,480**	254,628
Deposits and prepayments	**1,594**	2,061
	1,344,811	1,341,235
Less: ECLs allowance	**(427,175)**	(411,764)
	917,636	929,471

The following is an ageing analysis of trade receivables, net of ECL allowance, presented based on the date of billing at the end of the reporting period:

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 90 days	**37,238**	54,332
Within 91 days to one year	**38,449**	53,757
Over one year	**282,584**	266,253
	358,271	374,342

11. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Trade and other payables recognised as current liabilities		
Trade payables	**967,015**	989,161
Accrued expenditure on properties under development for sale	**2,108,705**	2,607,566
Rental deposits and receipts in advance from tenants	**252,729**	222,942
Payables to the Shanghai government department	**8,952**	8,626
Accrued charges and other payables	**704,216**	351,749
Other taxes payable	**174,227**	145,098
	4,215,844	4,325,142
Deferred revenue recognised as non-current liabilities		
Deferred revenue	**26,471**	25,808

The following is an ageing analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within one year	**467,511**	779,881
Over one year	**499,504**	209,280
	967,015	989,161

12. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2026, the Group obtained new bank and other borrowings of HK$9,929,023,000 (six months ended 30 June 2025: HK$3,737,793,000). As at 30 June 2026, the bank and other borrowings carried variable interest at rates ranging from 2.11% to 3.50% (31 December 2025: 1.99% to 6.69%) per annum and are payable from three months to over five years (31 December 2025: three months to over five years). The borrowings have been obtained for the purpose of property development projects and general working capitals of the Group.

During the six months ended 30 June 2026, the Group repaid the bank and other borrowings of HK$7,018,525,000 (six months ended 30 June 2025: HK$3,814,550,000).

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY MARKET REVIEW

In the first half of 2026, China's property market was in a phase of bottoming out and adjustment. With concerted efforts from both the policy and market sides, some cities showed signs of stabilisation, though polarisation between cities remained pronounced. The central government adhered to the principles of "housing being for living but not for speculation" and "city-specific policies", continuing to refine the new model for property development. Supportive policies, such as those relating to mortgages and taxes, continued to take effect, leading to the orderly release of rigid and upgrading housing demand. Urban renewal, urban village renovations, the construction of affordable housing and the acquisition of existing commodity housing progressed steadily, whilst substantial progress was made in addressing industry risks, such as the debt restructuring of property developers and guaranteed delivery of property projects. At the market level, the new-build market continued to recover and the secondary market remained active; first-tier and core second-tier cities were the first to stabilise, whilst ordinary second-tier cities as well as third- and fourth-tier cities continued to face pressure to reduce inventory. According to the National Bureau of Statistics, in the first half of 2026, national property development investment fell by 18.0% year-on-year, whilst total sales and gross floor area sold for newly-constructed commodity housing declined by 13.6% and 11.6% year-on-year, respectively. Looking ahead, the industry is expected to achieve more robust and sustainable development as supply-demand dynamics improve, risks are resolved in an orderly manner, and the development model undergoes transformation.

BUSINESS REVIEW

Overview

In the first half of 2026, the property sector entered a period of profound transformation, with product quality and operational capabilities becoming the competitive barriers that enable companies to weather market cycles. In response to changes in the market environment, the Group proactively fostered its strategic upgrade, focusing on the three key directions of "urban renewal, asset operation and capital operation". It took the lead in implementing the "3+4+4" standard system for good communities, creating comprehensive communities through "good housing, good amenities and good services", thereby continuously enhancing operational resilience. During the period, the construction of two flagship projects — Xi'an ARIA and Shanghai Industrial Yunxiu — duly commenced, marking the transition of the "good communities" standard system from planning to implementation. Among key projects, Ocean Times in Shanghai, Qiyuan in Xi'an, Felicity Mansion in Yantai, Summitopia in Tianjin, Ocean One in Shanghai and Cloud Vision in Shanghai all demonstrated robust sales performance, continuing to contribute to the Group's revenue. The Group will adhere to its development direction of "centering on urban renewal and focusing on core cities", deepening its presence in Shanghai and other core first- and second-tier cities, whilst striving to enhance profitability and comprehensive strengths to further consolidate the Group's leading market position.

Contract Sales

During the six months ended 30 June 2026, the Group's contract sales from commodity housing increased by 87.1% year-on-year to RMB1,289,520,000 (six months ended 30 June 2025: RMB689,140,000). Total contract sales in terms of G.F.A. were 75,000 sq.m., up 82.9% year-on-year, with a total average selling price of approximately RMB17,200 per sq.m. This was mainly attributable to the higher proportion of sales in second-tier cities during the period.

During the period, the Group's key projects for sale were Ocean Times in Shanghai, Qiyuan in Xi'an, Felicity Mansion in Yantai, Summitopia in Tianjin, Ocean One in Shanghai and Cloud Vision in Shanghai, which accounted for approximately 40.9%, 27.3%, 11.6%, 8.1%, 7.3% and 2.9% of total contract sales, respectively.

Land Bank

During the six months ended 30 June 2026, the Group's land bank was developed into 28 property projects located in 10 major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Wuxi, Shenyang, Yantai, Shenzhen and Wuhan, and comprised medium to high class residential and commercial properties, most of which were completed or still under development. The Group has a land bank with a future saleable planned G.F.A. of approximately 3,179,000 sq.m. to support its development for the next three to five years.

In the first half of 2026, China's land market continued to follow the trend of "quantity reduction and quality enhancement", with both the overall transaction volume and market activity declining, and property developers generally adopting a cautious approach to land acquisition. However, prime land parcels in core cities remained highly sought after, and the intensity of bidding showed no sign of abating. Adhering to a prudent land acquisition strategy, the Group carefully selected suitable land parcels and precisely secured scarce resources in prime locations. During the period, the Group successfully acquired a land parcel in the Lingyun Community of Xuhui District, Shanghai at approximately RMB2,675,000,000. With a site area of 27,571 sq. m., the land parcel is for a mixed-use development and may be developed into approximately 75% of residential development with 25% commercial facilities, adding high-quality reserves for future project development.

Property Development

During the six months ended 30 June 2026, the Group had five projects with a total G.F.A. of 758,000 sq.m. under construction, which primarily included Ocean Times in Shanghai, Originally in Xi'an, TODTOWN in Shanghai, Felicity Mansion in Yantai and Qiyuan in Xi'an. The Group delivered a total G.F.A. of 29,000 sq.m., which mainly comprised Ocean Times in Shanghai, Ocean One in Shanghai, Summitopia in Tianjin and Felicity Mansion in Yantai.

In the first half of 2026, the rollout of favourable policies for the property sector continued. The Group capitalised on this market opportunity to accelerate the sales launch of several residential projects in a timely manner. Projects such as Ocean Times in Shanghai, Qiyuan in Xi'an, Felicity Mansion in Yantai, Summitopia in Tianjin, Ocean One in Shanghai and Cloud Vision in Shanghai have received enthusiastic response and strong recognition from the market since their launches. Notably, Ocean Times in Shanghai was the Group's largest sales contributor.

Investment Properties

During the six months ended 30 June 2026, the Group had a number of completed commercial projects in seven cities of major development, namely Shanghai, Beijing, Tianjin, Chongqing, Shenyang, Xi'an and Shenzhen. The investment properties held by the Group had a total G.F.A. of approximately 1,324,000 sq.m. During the period, the overall rental income of the Group increased by 14.6% year-on-year to HK$417,929,000 (six months ended 30 June 2025: HK$364,827,000).

In line with its strategy of focusing on both leasing and sales, the Group continued to deepen its presence in residential leasing, with its long-term rental brand "U CHANGE" having established a solid market position. The three major communities — U CHANGE • Hui community, U CHANGE • Xin community and U CHANGE • Neo community — collectively provide 5,500 units of high-quality properties to the market, serving nearly 10,000 tenants with consistently industry-leading occupancy rates, firmly establishing it among the top brands for affordable rental housing in Shanghai. Furthermore, the Group has expanded its business footprint to Hong Kong, establishing its presence through the operation of student hostel. This expansion will help to optimise the Group's geographical footprint, broaden its revenue base and strengthen its competitive position in the region.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, the Group's revenue decreased by 30.4% year-on-year to HK$1,271,704,000 (six months ended 30 June 2025: HK$1,827,835,000), mainly due to lower sales delivered by a number of projects compared with the same period last year. During the period, property sales remained as the Group's main source of revenue and amounted to HK$737,860,000 (six months ended 30 June 2025: HK$1,336,687,000), accounting for 58.0% (six months ended 30 June 2025: 73.1%) of the Group's total revenue. Revenue contributions from Ocean Times in Shanghai, Ocean One in Shanghai, Summitopia in Tianjin and Felicity Mansion in Yantai accounted for 45.0%, 24.3%, 13.8% and 10.0% of property sales revenue, respectively.

Revenue from leasing, property management and hotel operations continued to provide stable revenue sources for the Group, contributing HK$417,929,000, HK$9,929,000 and HK$105,986,000 (six months ended 30 June 2025: HK$364,827,000, HK$6,793,000 and HK$119,528,000) respectively and accounting for 32.9%, 0.8% and 8.3% (six months ended 30 June 2025: 20.0%, 0.4% and 6.5%) of the total revenue, respectively.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2026, the Group's gross profit amounted to HK$339,742,000, representing an increase of 25.9% as compared to that of the same period in 2025. The gross profit margin was 26.7%, an increase of 11.9 percentage points from the same period in 2025. This was mainly attributable to a higher proportion of high-margin projects delivered during the period compared with the same period last year.

Investment Property Revaluation

For the six months ended 30 June 2026, the Group recorded a net loss on the revaluation of investment properties of approximately HK$60,480,000 (six months ended 30 June 2025: loss of HK$151,069,000), primarily attributable to a slight decline in the fair value of several investment properties.

Distribution and Selling Expenses

For the six months ended 30 June 2026, the Group's distribution and selling expenses increased by 93.4% year-on-year to HK$196,565,000 (six months ended 30 June 2025: HK$101,616,000), which was mainly attributable to enhanced sales promotion during the period.

General and Administrative Expenses

For the six months ended 30 June 2026, the Group's general and administrative expenses decreased by 4.0% year-on-year to HK$189,690,000 (six months ended 30 June 2025: HK$197,546,000). This was mainly attributable to the continual stringent implementation of effective cost control measures during the period.

Other Expenses, Gains and Losses, Net

For the six months ended 30 June 2026, the Group recorded a net loss of approximately HK$30,260,000 in other expenses, gains and losses (six months ended 30 June 2025: net loss of HK$63,501,000) primarily due to the goodwill impairment of a subsidiary.

Loss for the Period

During the six months ended 30 June 2026, the Group recorded a loss of HK$489,086,000 (six months ended 30 June 2025: loss of HK$562,427,000), mainly attributable to a decrease in sales from several projects. The loss attributable to owners of the Company amounted to approximately HK$414,448,000 (six months ended 30 June 2025: loss of HK$492,139,000), and the basic losses per share amounted to 8.67 HK cents (six months ended 30 June 2025: losses of 10.29 HK cents).

Liquidity and Capital Resources

The Group manages its capital to ensure that entities within the Group will be able to operate on a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, cash and cash equivalents, and equity attributable to owners of the Company (comprising issued share capital and reserves).

As at 30 June 2026, bank balances and cash of the Group were HK$4,455,544,000 (31 December 2025: HK$4,571,721,000). The net debt to total equity of the Group (net debt (total bank and other borrowings less bank balances and cash and restricted and pledged bank deposits) to total equity) increased from 77.8% as at the end of last year to 96.8%, primarily due to the successful bidding of a land parcel during the period. Current ratio was 1.9 times (as at 31 December 2025: 1.3 times).

As at 30 June 2026, the total borrowings of the Group, including bank borrowings, other borrowings, advanced bonds, medium term notes and domestic corporate bonds, amounted to approximately HK$23,002,267,000 (31 December 2025: HK$19,357,881,000), which included the short-term borrowings from a subsidiary of Shanghai Industrial Holdings Limited of RMB360,000,000 (31 December 2025: RMB600,000,000). The Group will continue to optimise the RMB-denominated and HKD-denominated borrowings based on its business needs.

The Group maintained sufficient cash balance. The management believes that the Group's financial resources and future revenue will be sufficient to support the current working capital requirements and future expansion of the Group.

Foreign Exchange Risks

During the period, most of the Group's revenue and operating costs were denominated in Renminbi. Except for the bank deposits and loans denominated in foreign currencies, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements to control its exposure to exchange rate fluctuations as at 30 June 2026. However, the Group will adopt necessary measures whenever appropriate to minimize the impact arising from exchange rate fluctuations.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed 685 employees (including Hong Kong and PRC offices). The remuneration policies for the employees of the Group are determined according to the performance, qualification, experience and competence of the employees. The emoluments of the directors of the Company (the "**Directors**") are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics. Staff benefits include discretionary bonus payments which are linked to the profitability of the Group and individual performances and contributions to the Mandatory Provident Fund Schemes.

During the six months ended 30 June 2026, the Group provided training programs relating to work to employees. Activities aiming at building up team spirit were regularly organised for employees, so as to enhance the human capital of the Group and the sense of belonging of the staff.

OUTLOOK

Looking ahead to the second half of 2026, stabilising the property market will remain the core direction of macroeconomic policy, whilst economic efforts will continue to centre on expanding domestic demand. The property sector not only meets people's housing needs but also bridges the investment and consumption sectors; its stable development provides fundamental support for the overall functioning of the economy. With the full implementation of the "15th Five-Year Plan for Urban Renewal", the sector has officially entered an era of quality enhancement in the existing assets. Although the market is currently still bottoming out and the pattern of polarisation remains unchanged, with policies continuing to provide support on both the supply and demand sides, and key initiatives such as the construction of "good housing", urban renewal and the revitalisation of existing assets progressing in an orderly manner, market confidence is expected to rise gradually, paving the way for a more stable and healthy development landscape.

At the age of thirty, SIUD will capitalise on its solid foundation to comprehensively accelerate the pace of its transformation. The Group will maintain Shanghai as its primary base for development whilst expanding in an orderly manner into other core first- and second-tier cities. Aligning closely with national policy directions and guided by the "3+4+4" standard for good communities, the Group will continue to deepen its involvement in urban renewal, refine and optimise its residential leasing business, and also drive the development of high-quality property projects, striving to create a high-quality lifestyle characterised by "good housing" for residents. Furthermore, the Group will steadily foster its transformation towards asset securitisation, focusing on strengthening its capital operation capabilities, enhancing capital efficiency, optimising its debt structure and unlocking asset value. This will ensure the improvement in the quality and efficiency of state-owned assets, thereby laying a foundation for long-term, stable returns for shareholders.

INTERIM DIVIDEND

Taking into account the future plans, the financial position and cash flow position of the Company, the Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

SHARE CAPITAL

The Company's issued and fully paid share capital as at 30 June 2026 amounted to HK$191,216,607.56 divided into 4,780,415,189 ordinary shares of HK$0.04 each.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders of the Company (the "**Shareholders**").

CORPORATE GOVERNANCE

During the six months ended 30 June 2026, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the Directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the "**Guidelines for Securities Transactions by Relevant Employees**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2026.

In addition, no incident of non-compliance of the Guidelines for Securities Transactions by Relevant Employees by the relevant employees of the Group was noted by the Company throughout the six months ended 30 June 2026.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") currently consists of three independent non-executive Directors, namely Mr. Li Ka Fai, David, *M.H.* (Committee Chairman), Mr. Doo Wai-Hoi, William, *B.B.S., J.P.* and Dr. Fan Ren Da, Anthony. The Audit Committee is primarily responsible for reviewing the accounting principles and practices adopted by the Group; reviewing the financial reporting process, risk management and internal controls system of the Group; and reviewing the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor. During the six months ended 30 June 2026, the Audit Committee has reviewed the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor for the Board's approval. The Audit Committee has also reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2026 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group, risk management and internal controls matter, final results and financial statements and the terms of reference for the Audit Committee.

The Group's external auditor, Ernst & Young, has reviewed the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.siud.com). The interim report of the Company for the six months ended 30 June 2026 containing all the applicable information required by the Listing Rules will be despatched to the Shareholders as well as published on the above websites in due course.

APPRECIATION

I would like to express my sincere gratitude to the Board, our management and all our staff for their dedicated efforts as well as to our customers, suppliers, business partners and Shareholders for their continued enthusiastic support to our Group.

By order of the Board of
Shanghai Industrial Urban Development Group Limited
Huang Haiping
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises Mr. Huang Haiping, Mr. Li Zhonghui and Ms. Zhou Yadong as executive Directors and Mr. Doo Wai-Hoi, William, B.B.S., J.P., Dr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David, M.H. and Dr. Chan Ho Wah, Terence as independent non-executive Directors.