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深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00604)

2026 INTERIM RESULTS ANNOUNCEMENT

The board (the "Board") of directors (the "Directors") of Shenzhen Investment Limited (the "Company") presents the unaudited interim consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 (the "Reporting Period").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Unaudited	
		Six months ended 30 June	
	Note	**2026**	2025
		HK$'000	*HK$'000*
Revenue	*4*	**10,139,138**	10,349,995
Cost of sales and services	*5*	**(8,711,384)**	(8,576,728)
Gross profit		**1,427,754**	1,773,267
Selling and distribution expenses	*5*	**(342,696)**	(242,900)
Administrative expenses	*5*	**(513,748)**	(491,482)
(Decrease)/increase in fair value of financial assets at fair value through profit or loss		**(5,903)**	1,118
Losses resulted from changes in fair value of and transfer to investment properties		**(222,653)**	(99,669)
Net impairment losses on financial assets		**(11,864)**	(10,364)
Other expenses	*5*	**(1,266,049)**	(336,844)
Other income	*6*	**64,266**	108,875
Other gains		**76,239**	2,386
Operating (loss)/profit		**(794,654)**	704,387

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

		Unaudited	
		Six months ended 30 June	
	Note	**2026**	2025
		HK$'000	*HK$'000*
Finance income	*7*	**22,485**	43,437
Finance costs	*7*	**(727,956)**	(731,125)
Finance costs – net	*7*	**(705,471)**	(687,688)
Share of results of joint ventures and associates		**(222,913)**	(666,569)
Impairment losses on investment in an associate		**–**	(1,257,004)
Loss before income tax		**(1,723,038)**	(1,906,874)
Income tax expenses	*8*	**(212,961)**	(600,459)
Loss for the interim period		**(1,935,999)**	(2,507,333)
Loss for the interim period attributable to:			
– Owners of the Company		**(1,985,855)**	(2,618,042)
– Non-controlling interests		**49,856**	110,709
		(1,935,999)	(2,507,333)
Losses per share for loss attributable to the owners of the Company (expressed in HK cents per share)	*9*		
– Basic and diluted		**(22.32)**	(29.42)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss for the interim period	**(1,935,999)**	(2,507,333)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
– Share of changes of other comprehensive income of an associate	**–**	1,238
– Surplus on revaluation of investment property transferred from property, plant and equipment	**3,776**	–
– Exchange differences on translation of foreign operations	**2,339,184**	936,496
Other comprehensive income for the interim period, net of tax	**2,342,960**	937,734
Total comprehensive income for the interim period	**406,961**	(1,569,599)
Total comprehensive income attributable to:		
– Owners of the Company	**9,198**	(1,786,071)
– Non-controlling interests	**397,763**	216,472
	406,961	(1,569,599)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,884,988**	8,450,440
Investment properties		**36,907,915**	34,814,088
Investments in joint ventures		**8,236,493**	8,205,132
Investments in associates		**182,790**	306,958
Intangible assets		**798,824**	844,236
Financial assets at fair value through profit or loss		**140,085**	140,253
Financial assets at fair value through other comprehensive income		**2,326**	2,237
Trade and other receivables	*11*	**821,327**	1,159,323
Deferred income tax assets		**2,101,951**	2,721,021
		57,076,699	56,643,688
Current assets			
Properties under development		**28,795,117**	32,324,877
Completed properties held for sale		**35,890,749**	35,780,907
Inventories		**144,795**	257,823
Trade and other receivables	*11*	**11,615,814**	10,950,414
Financial assets at fair value through profit or loss		**546**	333,352
Biological assets		**5,739**	5,175
Restricted cash and bank deposits		**3,254,734**	3,491,260
Cash and cash equivalents		**8,808,791**	4,812,533
		88,516,285	87,956,341
Total assets		**145,592,984**	144,600,029

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital	*14*	**22,071,756**	22,071,756
Capital reserve		**730,539**	59,019
Other reserves		**4,478,180**	2,483,127
Retained earnings		**9,040,788**	11,026,643
		36,321,263	35,640,545
Non-controlling interests		**10,411,766**	7,797,337
Total equity		**46,733,029**	43,437,882
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	*12*	**25,913,651**	26,028,825
Lease liabilities		**180,359**	198,056
Deferred income		**11,740**	17,505
Due to the ultimate holding company		**4,791,009**	2,775,145
Deferred income tax liabilities		**7,277,971**	7,090,558
		38,174,730	36,110,089
Current liabilities			
Bank and other borrowings	*12*	**12,889,208**	11,741,217
Contract liabilities		**10,434,003**	11,549,831
Trade and other payables	*13*	**14,089,267**	17,460,886
Lease liabilities		**61,035**	82,453
Due to the immediate holding company		**4,395,962**	4,174,740
Due to the ultimate holding company		**12,948,666**	11,295,793
Tax payable		**5,867,084**	8,747,138
		60,685,225	65,052,058
Total liabilities		**98,859,955**	101,162,147
Total equity and liabilities		**145,592,984**	144,600,029

1 General information

Shenzhen Investment Limited (the "Company") is a limited liability company incorporated in Hong Kong. The address of the Company's registered office is located at 8th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in property development, property investment, property management and manufacture operation.

In the opinion of the Directors, the immediate holding company of the Company is Shum Yip Holdings Company Limited ("Shum Yip Holdings", 深業（集團）有限公司), which is a private company incorporated in Hong Kong. The ultimate holding company of the Company is 深業集團有限公司 ("Shum Yip Group"), which is a state-owned company established in Shenzhen, the People's Republic of China (the "PRC").

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial information comprises the condensed consolidated statement of financial position as at 30 June 2026, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (the "Interim Financial Information").

The Interim Financial Information is presented in Hong Kong dollar ("HK$") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

This Interim Financial Information was approved for issue by the Board of the Company on 27 August 2026 and has not been audited.

2 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 financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The interim comparative financial information of the Group which comprises the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income of the Group for the six months ended 30 June 2025 and other explanatory information have not been audited or reviewed.

(a) New and amended standards adopted by the Group

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 amendments listed above did not have any impact on the interim condensed consolidated financial information.

(b) Impact of standards issued but not yet applied by the Group

The Group has not applied the following new and amended HKFRS Accounting Standards, that are expected to be relevant to the Group and have been issued but are not yet effective, in these interim financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

		Effective for the annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027

The Group has already commenced an assessment of the impact of these new or amended standards and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no material impact on the financial performance and position of the Group in the current or future reporting period and on foreseeable future transactions is expected when they become effective except HKFRS 18.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3 Segment information

The executive Directors (chief operating decision-maker) assess the performance of the operating segments based on a measurement of operating profit. Information of segment assets and liabilities for the interim period are not included in the reports reviewed by the executive Directors. Other information provided to the executive Directors is measured in a manner consistent with that in the 2025 financial statements.

Revenues between segments are carried out on terms agreed upon by the respective parties. The revenue from external parties reported to the executive Directors is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

The segment information provided to executive Directors for the reportable segments for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June 2026					
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property management** *HK$'000*	**Manufacturing** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Revenue from contracts with customers						
Recognised at a point of time	6,860,763	–	10,375	117,112	741,797	7,730,047
Recognised over time	–	–	1,731,435	–	158,063	1,889,498
Revenue from other sources						
Rental income	–	657,597	–	–	–	657,597
Total segment revenue	6,860,763	657,597	1,741,810	117,112	899,860	10,277,142
Inter-segment revenue	–	(21,010)	(102,465)	–	(14,529)	(138,004)
Revenue from external customers	6,860,763	636,587	1,639,345	117,112	885,331	10,139,138
Segment results before decrease in fair value of investment properties	(868,170)	253,381	126,094	8,801	(173,042)	(652,936)
Losses resulted from changes in fair value of and transfer to investment properties	–	(222,653)	–	–	–	(222,653)
Segment results after decrease in fair value of investment properties	(868,170)	30,728	126,094	8,801	(173,042)	(875,589)
Share of results of joint ventures and associates						(222,913)
Other income						64,266
Other gains						76,239
Fair value gains of financial assets measured at fair value through profit or loss, net						(5,903)
Corporate and other unallocated expenses						(53,667)
Finance costs, net						(705,471)
Loss before income tax						(1,723,038)

	Six months ended 30 June 2025					
	Property development *HK$'000*	Property investment *HK$'000*	Property management *HK$'000*	Manufacturing *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from contracts with customers						
Recognised at a point of time	7,463,987	–	9,443	231,863	167,517	7,872,810
Recognised over time	–	–	1,667,508	–	262,415	1,929,923
Revenue from other sources						
Rental income	–	656,308	–	–	–	656,308
Total segment revenue	7,463,987	656,308	1,676,951	231,863	429,932	10,459,041
Inter-segment revenue	–	(9,042)	(83,174)	–	(16,830)	(109,046)
Revenue from external customers	7,463,987	647,266	1,593,777	231,863	413,102	10,349,995
Segment results before decrease in fair value of investment properties	459,737	389,436	151,805	7,966	(268,600)	740,344
Losses resulted from changes in fair value of and transfer to investment properties	–	(99,669)	–	–	–	(99,669)
Segment results after decrease in fair value of investment properties	459,737	289,767	151,805	7,966	(268,600)	640,675
Share of results of joint ventures and associates						(666,569)
Impairment losses on investment in an associate						(1,257,004)
Other income						108,875
Other gains						2,386
Fair value gains of financial assets measured at fair value through profit or loss, net						1,118
Corporate and other unallocated expenses						(48,667)
Finance costs, net						(687,688)
Loss before income tax						(1,906,874)

As the Group generates substantially all of its revenues from customers domiciled in the Chinese mainland and majority of its non-current assets are located in Chinese mainland, no geographical information is presented.

4 Revenue

Revenue, represents sale of completed properties, commercial and industrial goods, rental income, property management service income and others.

Revenue from contracts with customers by major products and service lines is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sales of properties	**6,860,763**	7,463,987
Property management service income	**1,639,345**	1,593,777
Sales of industrial goods	**117,112**	231,863
Others	**885,331**	413,102
	9,502,551	9,702,729
Revenue from other sources		
Rental income	**636,587**	647,266
	10,139,138	10,349,995

No single customer contributed 10% or more of the Group's total revenue during the six months ended 30 June 2026 and 2025.

5 Expenses by nature

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Cost of properties and inventories sold	**6,166,585**	6,602,696
Cost of services provided	**2,544,799**	1,974,032
Employee benefit expenses	**421,760**	393,049
Write-down of properties under development and completed properties held for sale	**1,120,892**	186,422
Advertising and promotion costs	**234,758**	110,678
Depreciation of property, plant and equipment	**35,323**	37,925
Other taxes and levies	**86,638**	85,946
Others	**223,122**	257,206
Total cost of sales and services, selling and distribution expenses, administrative expenses and other expenses	**10,833,877**	9,647,954

6 Other income

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Government grant	**3,873**	4,621
Interest income from joint ventures and a non-controlling interest	**45,106**	87,252
Compensation income	**3,450**	3,402
Others	**11,837**	13,600
	64,266	108,875

7 Finance costs – net

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Finance income		
– Interest income from bank deposits	**(22,485)**	(43,437)
Finance costs:		
– Interest expenses of bank loans	**495,307**	617,662
– Interest expenses of other borrowings	**110,383**	111,359
– Lease liabilities	**3,953**	6,421
– Loans from the ultimate holding company	**231,616**	251,704
– Loans from the immediate holding company	**69,163**	82,958
– Loans from fellow subsidiaries	**17,856**	24,184
– Loans from a joint venture	**781**	1,216
– Loans from a related company	**–**	2,809
– Loans from non-controlling interests	**18,352**	37,880
	947,411	1,136,193
Less: amounts capitalised on qualifying assets	**(219,455)**	(405,068)
	727,956	731,125
Finance costs – net	**705,471**	687,688

8 Income tax expenses

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current income tax		
– Chinese mainland CIT	**219,297**	314,418
– LAT in Chinese mainland	**89,183**	337,430
	308,480	651,848
Deferred income tax		
– Chinese mainland CIT	**(109,876)**	(102,448)
– Withholding tax on dividend	**12,903**	2,799
– LAT in Chinese mainland	**1,454**	48,260
	(95,519)	(51,389)
Total	**212,961**	600,459

The provision for Hong Kong Profits Tax for the six months ended 30 June 2026 is calculated at 16.5% (six months ended 30 June 2025: 16.5%) of the estimated assessable profits for the interim period. No provision for Hong Kong Profits Tax was made as the Group has no assessable profits arising in or derived from Hong Kong for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

No provision for taxation has been recognised for companies incorporated in the British Virgin Islands ("BVI"), as they are not subject to any tax for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

Under the relevant income tax law, the Chinese mainland subsidiaries are subject to corporate income tax ("CIT") at a statutory rate of 25% on their respective taxable income during the interim period.

Land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

Dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to a withholding income tax of 10%. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are qualified as tax residents of Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

During the six months ended 30 June 2026 and 2025, deferred income tax liabilities had been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries in the PRC, as these earnings are expected to be distributed by the PRC subsidiaries and would be remitted to their overseas holding companies in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately HK$953 million at 30 June 2026 (31 December 2025: HK$1,397 million).

9 Losses per share

Basic losses per share are calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the interim period.

	Six months ended 30 June	
	2026	2025
Loss attributable to the owners of the Company (HK$'000)	**(1,985,855)**	(2,618,042)
Weighted average number of ordinary shares in issue	**8,898,793,115**	8,898,793,115

10 Dividends

On 27 August 2026, the Board has resolved not to declare the payment of any interim dividends for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

11 Trade and other receivables

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Included in non-current assets		
– Other receivables – net	**821,327**	1,159,323
Included in current assets		
– Trade receivables – net *(a)*	**1,241,960**	1,551,632
– Other receivables – net *(b)*	**10,266,815**	9,273,469
– Prepayments *(c)*	**107,039**	125,313
	11,615,814	10,950,414

(a) Details of trade receivables are as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Trade receivables	**1,442,922**	1,740,124
Less: provision for loss allowance	**(200,962)**	(188,492)
Trade receivables – net	**1,241,960**	1,551,632

The Group normally does not grant any credit terms to its customers for the sale of properties. The Group seeks to maintain strict control over its outstanding receivables. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

As at 30 June 2026, the Group's trade receivables with a net carrying value of approximately HK$51,458,000 (31 December 2025: HK$50,838,000) was pledged to secure other borrowings granted to the Group (note 12(a)).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the contract date, is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Within 1 year	**804,990**	1,186,562
1 to 2 years	**288,020**	328,853
2 to 3 years	**144,309**	86,582
Over 3 years	**205,603**	138,127
	1,442,922	1,740,124

(b) Details of other receivables are as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Prepaid tax	**3,920,171**	3,912,918
Dividend receivable from joint ventures and associates	**610,905**	689,484
Due from an associate	**28,457**	26,770
Due from joint ventures	**2,545,484**	2,350,377
Due from non-controlling interests	**1,070,381**	671,582
Due from fellow subsidiaries	**4,084**	3,782
Due from the ultimate holding company	**26,690**	28,696
Due from the immediate holding company	**1,258**	1,172
Others *(i)*	**2,416,521**	1,930,220
	10,623,951	9,615,001
Less: allowance for impairment	**(357,136)**	(341,532)
Other receivables – net	**10,266,815**	9,273,469

(i) Others mainly included deposits, dividends receivable and current amounts due from fellow subsidiaries of the Group.

(c) Details of prepayments are as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
For acquisitions of land	**12,963**	12,465
For construction costs and construction materials	**12,885**	7,118
Others	**81,191**	105,730
	107,039	125,313

12 Bank and other borrowings

	30 June 2026 HK$'000	31 December 2025 HK$'000
Non-current		
Bank loans – secured *(a)*	**1,292,342**	984,790
Bank loans – unsecured	**21,136,429**	17,891,540
Other borrowings – secured CMBS *(a)*	**3,484,880**	7,152,495
	25,913,651	26,028,825
Current		
Bank loans – secured *(a)*	**351,730**	389,570
Bank loans – unsecured	**8,496,895**	11,183,700
Other borrowings – secured CMBS *(a)*	**4,040,583**	167,947
	12,889,208	11,741,217
	38,802,859	37,770,042

All of the non-current interest-bearing borrowings are carried at amortised cost.

(a) At 30 June 2026, loans amounting to approximately HK$9,169,535,000 (31 December 2025: HK$8,694,802,000) were secured by certain of the Group's assets with carrying amounts as below:

	Carrying Amount 30 June 2026 HK$'000	31 December 2025 HK$'000
Property, plant and equipment (included land and buildings)	**1,030**	1,007
Properties under development	**4,407,963**	4,238,735
Completed properties held for sale	**1,366,357**	871,061
Trade receivables *(note 11)*	**51,458**	50,838
Investment properties	**12,172,396**	11,702,919
	17,999,204	16,864,560

(b) At 30 June 2026, bank borrowings of approximately HK$25,618,190,000 (31 December 2025: HK$25,202,033,000) were bearing floating rates.

(c) Except for the bank borrowings equivalent to approximately HK$13,634,410,000 (31 December 2025: HK$13,949,487,000), which are denominated in Hong Kong dollars, all other borrowings as at 30 June 2026 are denominated in RMB.

(d) For the six months ended 30 June 2026, the average effective interest rate of the bank and other borrowings was 3.17% per annum (six months ended 30 June 2025: 3.58% per annum).

13 Trade and other payables

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Trade payables *(a)*	**5,641,382**	7,791,632
Other payables and accruals *(b)*	**8,221,038**	9,528,162
Other taxes payables	**226,847**	141,092
	14,089,267	17,460,886

(a) Trade payables

The ageing analysis of the trade payables based on invoice date was as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Within 1 year	**5,055,428**	7,252,253
1 to 2 years	**199,532**	175,583
2 to 3 years	**134,336**	142,445
Over 3 years	**252,086**	221,351
	5,641,382	7,791,632

(b) Other payables and accruals

Other payables and accruals mainly included deposits from property buyers and current accounts due to joint ventures, fellow subsidiaries and non-controlling interests of the Group.

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Accruals and other payables	**3,823,836**	4,620,998
Output VAT to be transferred	**749,316**	965,762
Employee benefits payable	**809,179**	814,321
Dividend payables to non-controlling shareholders	**217,982**	231,416
Due to joint ventures	**19,959**	155,322
Due to fellow subsidiaries	**1,819,266**	1,788,299
Due to non-controlling interests	**781,500**	952,044
	8,221,038	9,528,162

14 Share capital

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Issued and fully paid:		
8,898,793,115 (31 December 2025: 8,898,793,115) ordinary shares	**22,071,756**	22,071,756

15 Commitments

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report were as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Commitments in respect of the acquisition of land and buildings, and development costs attributable to properties under development:		
Contracted, but not provided for	**7,515,079**	7,307,622

The Group agreed a maximum capital contribution to a joint venture, Shum King Company Limited, of HK$3,000,000,000 for its development of a piece of land in Hong Kong. As at 30 June 2026, the Group had an outstanding capital commitment to Shum King Company Limited of HK$1,360,000,000 (31 December 2025: HK$1,360,000,000).

16 Financial guarantees

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Financial guarantees		
– to the mortgage of purchasers of the Group's properties *(a)*	**9,164,129**	13,523,487
– to related parties of the Group *(b)*	**212,879**	223,419
– to the parties affected by the urban renewal project, using their demolished properties as collateral for the loan *(c)*	**284,250**	325,274

(a) Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends after the buyer of the Group's properties obtained the individual property ownership certificate.

The Directors consider that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty and therefore no provision has been made in connection with the guarantees.

(b) As at 30 June 2026, the Group has given guarantees amounted to HK$212,879,000 (31 December 2025: HK$223,419,000) in respect of bank loans and other borrowings to Taizhou Shum Yip Investment Development Limited, a joint venture of the Group.

(c) During the interim period, the Group provided loan guarantees to the parties affected by the urban renewal project, using their demolished properties as collateral for the loan.

Pursuant to the terms of the guarantees, if there is default on repayment by these affected parties, the Group is responsible for repaying the outstanding bank loans with any accrued interest and penalties owed to the bank. The Group is then entitled to take over the legal ownership of the repossessed properties. The Group's guarantee period extends from the date of signing the guarantee contract until the affected parties obtain the ownership certificate of the repossessed properties.

The Directors consider that in case of default in payment, the net realizable value of the related properties is sufficient to repay the outstanding loans along with any accrued interest and penalties, and therefore no provisions have been made in connection with the guarantees.

CHAIRMAN'S STATEMENT

In the first half of 2026, the domestic real estate market generally continued its bottoming-out trend. The supply-side in the industry continued to contract, with sales of new commercial housing, development investment, and new construction starts all recording double-digit year-on-year decline. On the demand side, market confidence and home-buying expectation remained generally weak. The real estate industry has now entered a development stage centred on property stock, with pronounced structural divergence in the market. First-tier and core second-tier cities demonstrated relatively strong resilience, while most third- and fourth-tier cities remained in a bottom-recovery phase. The overall operating environment for the industry remained challenging, with real estate enterprises generally facing considerable operational pressure. During the period, the Company firmly implemented the development initiatives outlined in the "15th Five-Year Plan", adhered to the direction of strategic transformation, vigorously safeguarded the bottom line of operational safety, coordinated the revitalisation of existing assets with the expansion of new operations, deepened the development of real-estate asset-management and operations business as the core segment, and witnessed the preliminary achievements in strategic transformation, with the Company's asset-liability structure keeping safe and manageable and the operation status remaining steady and orderly. As of 30 June 2026, the Company realised revenue of approximately HK$10.139 billion and gross profit of approximately HK$1.428 billion, with overall gross profit margin of approximately 14.08%. Due to unfavorable factors such as a decline in gross profit margin, impairment for real estate inventories and losses from associates and joint ventures, the operating loss was approximately HK$795 million, and the loss attributable to owners of the Company was approximately HK$1.986 billion, representing a year-on-year narrowing of 24.15%.

I. IMPLEMENTATION EFFECTIVENESS OF MAJOR TASKS FOR THE FIRST HALF OF THE YEAR

(I) Continuous Strengthening of Business Foundation through Orderly Advancement of Real-estate Development

Real-estate segment recorded stable sales. For the first half of the year, the Company achieved contracted sales of approximately RMB5.966 billion (equivalent to approximately HK$6.759 billion), with a contracted sales area of approximately 261,800 square meters, reaching approximately 52% of the annual sales target of HK$13 billion, with its overall progress meeting the annual operating expectations. Among these, Shum Yip Taifu Yin Ying Building completed a bulk transaction, demonstrating the value of the Company's core assets against a generally weak commercial office market; projects including Shenzhen Luxury Mansion, Natural City and Shanghai Shum Yip Jiading Mansion achieved phased sales breakthroughs as a result of adhering to the implementation of tailored strategies and precise marketing for different projects. During the period, a total of six projects completed construction acceptance registration, with an aggregate completed gross floor area of approximately 485,000 square meters, continuously consolidating market reputation and customer confidence through high quality and stable delivery. **Urban renewal progressed in an orderly manner.** Phase 2 of the First Renewal Unit in Chegongmiao in Shenzhen successfully obtained the construction project planning permit and progressed steadily according to the scheduled milestones, and equipped the largest single air-supported membrane system and intelligent monitoring system over a foundation pit in South China, addressing the challenge of construction disturbance in high-density urban areas with green and intelligent construction processes, thereby charting a practicable path for the transformation and upgrading of underperforming buildings in prime locations in Shenzhen and establishing itself as a benchmark project for renewal of legacy assets in the region.

(II) Accelerated Formation of the Second Growth Curve Leveraging the Proven Resilience of Asset Management Operations

The operation business serves as the cornerstone for the Company to resist the cyclical fluctuations in the industry. In the first half of the year, the scale and profitability of this business segment grew steadily, reinforcing its critical role in supporting the Company's overall performance. **Our commercial operations maintained a leading position.** UpperHills continued to sustain its market-leading position and delivered outstanding performance in office leasing, with an occupancy rate of premium enterprises consistently ranking among the top in the Shenzhen market, supported by the continuously enhanced clustering effect of high-end industrial tenants. Bay Front • UpperHills Water Street（灣中•上城水街）and the Magic World park in Zhongshan successfully opened, innovating a model of "commerce + theme parks" integrating culture, commerce and tourism and further expanding the Company's commercial presence in the Greater Bay Area. **The revitalisation of existing assets delivered notable results.** According to the principle of "revitalising in batches and releasing at favorable prices", the Company precisely advanced the gradual exit of legacy assets. During the period, the Company successfully completed the dealings of 7 office-related legacy assets, generating proceeds of approximately RMB120 million (equivalent to approximately HK$138 million), among which, the asset package of Diwang Tower（地王大廈）was disposed at a premium of approximately 40%, demonstrating a steady improvement in the efficiency of value realisation of legacy assets. **Our hotel operations delivered improved quality and garnered industry accolades.** The operating performance of the hotels under operation of the Company continued to recover and improve, and recorded an income of approximately HK$254 million for the first half of the year, representing an increase of 19.41% over the same period of last year. The gross operating profit of hotel operation business recorded a year-on-year increase of 43%, reflecting the steady recovery of profitability and the continuous improvement of operational efficiency of this segment. Among these, Mandarin Oriental Shenzhen was named to the 2026 "World's Best Awards" of Travel+Leisure, ranking 6th in "Best City Hotels in Asia", representing a further enhancement in brand influence and market premium of the Company's high-end hotels. **The property management business continued to expand.** As of the end of the Reporting Period, the Company recorded a managed area of approximately 106.91 million square meters, realised a revenue of approximately RMB1.447 billion (equivalent to HK$1.639 billion) for the first half of 2026, and recorded newly expanded area of approximately 9.263 million square meters. The Company successfully won the bid for the operation and maintenance service project of the new joint inspection building at Huanggang Port, the world's largest land port, while also expanding into key sectors including military supports and medical services, with newly added management area in public infrastructure segment accounting for over 90%. Leveraging its outstanding integrated urban operation and maintenance capabilities, the Company's operating subsidiary was ranked 13th in the "2026 Top 100 Property Service Enterprises in China", continuing to advance its industry ranking.

(III) Phased Results in Strategic Transformation through Successful Capital Operations

In the first half of the year, the Company took capital optimisation, structural reshaping and resource concentration as its core focus, efficiently implemented a series of key capital operation initiatives, driving the strategic transformation from the planning stage into a period of tangible results. **On the one hand,** the Company successfully completed the disposal of its equity interest in Jinghua Electronics to recover a sum of capital of approximately RMB274 million (equivalent to HK$315 million), realising the divestiture of non-core assets and effectively optimising its asset structure. **On the other hand,** the debt-to-equity swap plan of its subsidiary, Shum Yip Pengji, had been unanimously approved at the Annual General Meeting, and accordingly, the Company's controlling shareholders successfully converted the loans of approximately RMB2.604 billion (equivalent to approximately HK$2.998 billion) into equity interest, effectively reducing the Company's interest-bearing liabilities, substantially optimising its capital structure and financial fundamentals, and fully demonstrating the controlling shareholders' firm confidence in the Company's long-term development. Looking ahead, the Company will continue to promote the quality enhancement of its listed entities, optimise its asset and capital structure in response to changing circumstances, accelerate the value realisation of its strategic transformation, and build a healthier and more sustainable development model.

(IV) Further Solidifying the Basis for Steady Development with Ongoing Improvement of Governance System

In respect of financial management and control, the Company closely focused on the core objective of safeguarding financial security, coordinated financing management, and continued to improve its rolling forecast mechanism for cash flows. It further strengthened the internal control framework of its financial system and conducted a number of inspection and review activities on financial funds. It also accelerated the digital transformation of its finance function and expedited the establishment of a settlement centre and a treasury management system. As of 30 June 2026, the weighted average interest rate of the Company's bank and other borrowings was 3.17%, representing a decrease of 0.3 percentage points from 3.47% at the beginning of the year. The net gearing ratio (net debt excluding interest-bearing loans from related parties divided by equity attributable to owners of the Company) was 73.62%, representing a decrease of 9.06 percentage points from 82.68% at the beginning of the year. The asset-liability ratio, excluding advance receipts, was 65.42%, representing a decrease of 1.93 percentage points from 67.35% at the beginning of the year. **In respect of risk management and control,** the Company continued to improve its comprehensive risk management system. In accordance with the risk management requirement of "graded and classified, scientific assessment", it conducted regular rating and identification of major operational risks, specified the primary responsibility of each business segment for risk management, and refined the closed-loop process of pre-event risk assessment, in-event phased control, and post-event review and tracking, thereby establishing a whole-chain risk prevention and control mechanism. **In respect of compliance governance,** the Company continued to improve its systematic ESG governance structure, deeply embedded the concept of sustainability into the entire business chain of investment, development and operation, and steadily advanced special initiatives including green building certifications, energy-saving and low-carbon operations, and urban public service empowerment. During the period, the Company's MSCI-ESG rating was upgraded to AAA, fully reflecting the high recognition from capital markets and international rating agencies of the Company's compliance governance, green operations, social responsibility and long-term value development.

II. KEY DEVELOPMENT STRATEGIES FOR THE SECOND HALF OF THE YEAR

For the second half of 2026, the Company will firmly adhere to its strategic resolve, closely focus on four major operational priorities of "stabilising development, strengthening asset management, advancing transformation, and controlling risks", and continuously optimise its business structure, actively cultivate new growth drivers, making every effort to achieve its annual operating goals and promoting its strategic transformation to deliver substantive results.

(I) Stabilising development – relentlessly pursuing sales and de-stocking to safeguard cash flow safety

The Company will remain sharply focused on achieving its full-year real-estate contracted sales target of HK$13 billion, driving decisive sales execution. We will further refine our "one project, one strategy（一盤一策）" marketing approach, setting clear de-stocking targets, pricing policies, and payment collection milestones for each project. We will continue to execute on our initiative to expedite de-stocking and payment collection, reinforcing collection targets and enhancing liquidity coordination to safeguard the stability and controllability of our operating cash flows. The Company will accelerate the launch schedules of key projects by coordinating critical workstreams including construction progress, pre-sale approvals, and buyer cultivation to further enhance project turnover efficiency and overall operating performance. We will actively respond to the national policy direction of promoting high-quality residential development and deeply implement the concept of building "quality homes". Through the systematic refinement and implementation of the "Dual Excellence and Eight Good Practices" premium residential product framework, the Company will further strengthen its core product competitiveness, continuously enhance Shum Yip brand influence and market recognition.

(II) Strengthening asset management – elevating operational excellence to build sustainable growth drivers

In respect of commercial operations, we will continue to solidify the benchmark status of UpperHills, dynamically optimising its trade mix and curated tenant structure to maintain high occupancy rates and stable rental income, thereby reinforcing our core competitive advantage as a premier commercial hub in the region. We are advancing the operational ramp-up of the Bay Front • UpperHills Water Street（灣中 • 上城水街）and the Magic World theme park in Zhongshan in an orderly manner, accelerating the progress toward early steady-state operations and sound profitability. **In respect of asset revitalisation**, we will fully deepen targeted initiatives to revitalise underperforming and idle assets by rigorously implementing a "one asset, one strategy"（一資產一策略）mechanism to improve transaction conversion rates and realised asset values, thereby accelerating monetisation and capital recovery of existing assets. We will refine our long-term rental apartment operating system, brand matrix, and product standards, establishing this segment as an effective vehicle for asset revitalisation and stable yield generation. **In respect of urban integrated operations**, we will drive the transformation of property management business toward technology-enabled and platform-based models, actively expanding into integrated urban facilities management and diversified value-added services to further extend our industry leadership. We will advance the operational readiness of the new Huanggang Port to ensure a safe, orderly launch while developing a replicable and scalable standardised port operations system. We will deepen our smart city services footprint by expanding application scenarios of AI + urban operation, leveraging digital and intelligent enablement to drive both operational efficiency and service quality.

(III) Advancing transformation – optimising business structure to steadily shift growth drivers

In terms of resource expansion, we will accelerate the execution of urban renewal projects, driving forward the planning approvals for key initiatives such as Henggang South and Guangming Shangcun to secure critical prerequisites for project commencement. Adhering to a prudent and selective investment philosophy, we will conduct rigorous market analysis, customer segmentation, investment modeling, and product positioning, focusing on core cities to replenish high-quality land reserves at opportune moments. **In terms of asset management enhancement**, we will further expand our footprint in asset-light entrusted management for commercial and property operations, refining a holistic whole-chain closed-loop asset management system covering "investing – financing – developing – managing – exiting". We will proactively establish diversified exit channels and cultivate asset securitisation pathways such as REITs to lay the foundation for the revitalisation and circulation of existing assets. **In terms of organisational reform**, we will deepen the management system reform of "strengthen the headquarters and solidify second-tier subsidiaries", continuously optimising talent structures and incentive mechanisms to enhance synergy and resource sharing across business segments. We will pursue differentiated development strategies, guiding each business unit to leverage its unique strengths, clarify its market positioning, and solidify accountability. By establishing a closed-loop management cycle encompassing strategic decomposition, process oversight, and performance evaluation, we aim to fully activate organisational vitality and transformation momentum.

(IV) Controlling risks – safeguarding the bottom line of safety to ensure steady development

The Company will adhere a prudent operating philosophy, reinforcing the foundation for long-term, stable growth across multiple dimensions. **In terms of financial management**, we will maintain prudent and sound financial policies, preserve ample liquidity, and broaden diversified financing channels. We will accelerate the digitalisation of finance functions and deepen financial value management to continuously enhance financial flexibility and resilience against market cycles. **In terms of risk management and control**, we will refine a full-cycle risk management system, strengthening the closed-loop mechanism encompassing front-end prudent evaluation, mid-term penetrating oversight, and back-end dynamic assessment with corrective actions, thereby comprehensively enhancing our capability to mitigate risks across all business lines. In parallel, we will maintain close oversight of the operating performance of our investee companies and strictly discharge our disclosure obligations in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), continuously advancing the standardisation and transparency of company governance.

Riding the momentum, we forge ahead with determination. The Company will firmly anchor to our transformation towards "real estate asset management and urban integrated operation service". We will pursue pragmatic initiatives to drive operational excellence, leverage deep-seated reforms to empower growth, and uphold resilient operations to withstand market cycles. We are committed to diligently implementing our annual operating tasks, continuously enhancing our intrinsic enterprise value and capacity for long-term and sustainable development.

MANAGEMENT DISCUSSION AND ANALYSIS

I. OVERALL RESULTS AND KEY FINANCIAL INDICATORS

In the first half of 2026, the Company realized revenue of approximately HK$10.139 billion, representing a year-on-year decrease of approximately 2.04%. Gross profit was approximately HK$1.428 billion, representing a year-on-year decrease of approximately 19.48%, with overall gross profit margin of approximately 14.08%. Due to unfavorable factors such as a decline in gross profit margin, impairment for real estate inventories and losses from associates and joint ventures, the operating loss was HK$795 million, and the loss attributable to owners of the Company was approximately HK$1.986 billion, representing a year-on-year narrowing of approximately 24.15%.

During the reporting period, the Company's overall operating performance was primarily affected by the cyclical adjustment of the real estate development industry. First, against the backdrop of the continued and profound adjustment in the real estate market, industry demand and market conditions came under considerable pressure. The booked area of the Company's real estate development business contracted accordingly, resulting in year-on-year decreases in both revenue and gross profit margin. Second, in response to the continued downturn in the real estate market and adhering to the principles of prudent operations and proactive risk management, the Company conducted a comprehensive assessment of the net realizable value of its inventories during the reporting period and made provisions for inventory impairment totaling approximately HK$1.122 billion. Third, affected by industry headwinds and project operating performance, certain associates and joint ventures recorded operating losses during the period, which had an aggregate impact of approximately HK$223 million on the Company's results for the period. Although the above issues placed temporary pressure on the Company's profitability during the reporting period, they effectively addressed potential risks associated with existing assets, further strengthened the Company's overall asset quality, optimized its asset structure, and laid a solid foundation for the Company to move forward with a stronger balance sheet and achieve sustainable development. While the traditional property development business remained under pressure, the Company's real-estate asset management and urban integrated operations businesses maintained steady growth and enhanced quality despite challenging market conditions. The overall revenue increased year-on-year, becoming an important and stable pillar supporting the Company's business fundamentals.

Looking ahead, the Company will continue to advance in a steadfast manner the development initiatives outlined in the "15th Five-Year Plan", committed to transforming into a real estate asset management and urban integrated operation service provider. By leveraging the steady growth of operating business to hedge against the cyclical fluctuations of the traditional property development business, we will steadily optimize our revenue and profit structure and restore the Company's overall operating performance to a path of stable growth.

Breakdown of Revenue and Gross Profit Margin from Various Business Segments for the First Half of 2026

Business category	Segmented business	Amount of revenue *(HK$100 million)*	Year on-year changes	Gross profit margin
Real-estate development	Property sales	68.61	-8.08%	11.40%
Real-estate asset-management	Property investment	6.37	-1.65%	61.68%
	Hotel operation	2.54	19.41%	15.55%
Urban integrated operations	Property, commercial management	16.39	2.86%	14.26%
Others		7.48	73.13 %	-2.72 %
Total		101.39	-2.04%	14.08%

II. PROGRESS OF PRINCIPAL BUSINESSES

(I) Real Estate Development Business

1. Contracted Sales

In the first half of 2026, the Company achieved contracted sales of approximately RMB5.966 billion (equivalent to approximately HK$6.759 billion), representing a year-on-year decrease of approximately 8.54%. Contracted sales area was approximately 261,800 square meters, representing a year-on-year decrease of 12.73%. By geographical location, projects located in the Greater Bay Area accounted for 70% of contracted sales, while projects in the Yangtze River Delta region accounted for 18%, and projects in other 2nd-tier provincial capital cities accounted for 12%. By the types of products, residential products accounted for 71% of contracted sales, while non-residential products (including office, apartment and industrial park) accounted for 29%. During the period, the Company actively seized the policy tailwinds and market opportunities in the industry, focused on key projects available for sale, continuously strengthened marketing and promotion initiatives, and accelerated the destocking of existing inventories, with overall sales performance demonstrated resilience. Shum Yip Taifu Yinying Building completed a bulk transaction of approximately RMB1.249 billion, ranking second in terms of office property sales area in Shenzhen for the first half of 2026. Projects including Shenzhen Luxury Mansion, Natural City and Shanghai Shum Yip Jiading Mansion achieved steady sales progress, effectively supporting the stable release of contracted sales during the period.

Breakdown of Contracted Sales in the First Half of 2026 Note

Region	City	Type	Sales Area *(sq.m.)*	Sales *(HK$'000)*
Greater Bay Area	Shenzhen	Residential, apartment, office, industrial R&D	104,929	4,038,721
	Guangzhou	Residential, parking space	13,006	323,028
	Huizhou	Residential, commercial, parking space	28,830	205,557
	Zhongshan	Residential, commercial, office, parking space	11,469	158,121
	Foshan	Residential, parking space	394	3,084
	Heyuan	Parking space	1	59
Subtotal			158,629	4,728,571
Yangtze River Delta	Shanghai	Residential, parking space	17,938	568,071
	Nanjing	Residential	16,362	561,592
	Taizhou	Residential, commercial	5,869	54,682
	Wuxi	Industrial R&D,	3,403	17,313
	Ma'anshan	Commercial, parking space	2,876	14,072
	Chaohu	Residential	143	2,096
Subtotal			46,591	1,217,827
Other 2nd-tier provincial capital cities	Chengdu	Residential, parking space	36,893	540,440
	Wuhan	Residential	19,165	263,992
	Changsha	Residential, commercial, parking space	526	8,258
Subtotal			56,584	812,691
Total			261,804	6,759,088

Note: As all the contracted sales took place in Chinese mainland, which are expressed in Renminbi and calculated at the average exchange rate for the six months ended 30 June 2026 based on the central parity rate of RMB against HK$ published by the People's Bank of China.

2. Development Revenue Booked

In the first half of 2026, the Company recorded property sales revenue booked of approximately RMB6.055 billion (equivalent to approximately HK$6.861 billion) (net of value-added tax), representing a decrease of approximately 8.08% over the same period of last year, with the sales area booked of approximately 230,500 square meters (excluding interests attributable to the major associates), representing a decrease of approximately 21.21% over the same period of last year. The gross profit margin of property development sales was 11.40%, representing a decrease of 2.43 percentage points over the same period of last year.

Breakdown of Sales Booked in the First Half of 2026 *Note*

Region	City	Type	Booked Area *(sq.m.)*	Revenue booked *(HK$'000)*
Greater Bay Area	Shenzhen	Residential, apartment, industrial R&D	109,910	4,648,474
	Zhongshan	Residential, office, commercial	11,463	479,665
	Guangzhou	Residential	11,713	286,291
	Huizhou	Residential, commercial	30,275	220,787
	Foshan	Residential, commercial	508	5,081
Subtotal			163,869	5,640,298
Yangtze River Delta	Nanjing	Residential	11,067	336,667
	Shanghai	Residential	4,370	161,974
	Wuxi	Plant	4,026	19,517
	Ma'anshan	Commercial	406	3,615
	Taizhou	Residential	141	1,389
Subtotal			20,010	523,162
Other 2nd-tier provincial capital cities	Chengdu	Residential, commercial	40,374	580,205
	Wuhan	Residential, commercial	5,671	64,416
	Changsha	Residential, commercial	526	7,291
Subtotal			46,571	651,912
Others		Parking space	–	45,391
Total			230,450	6,860,763

Note: A total of 682 parking spaces were sold.

3. Project Development and Construction

In the first half of 2026, the Company's overall project development and construction progressed steadily. A total of six projects completed construction acceptance registration, with an aggregate completed gross floor area of approximately 485,000 square meters. During the period, Phase 2 of the First Renewal Unit in Chegongmiao in Shenzhen obtained the construction project planning permit. Given the project's proximity to surrounding residential communities and the complexity of construction conditions, the Company adopted innovative construction solutions, including an air-supported membrane system and intelligent monitoring systems over a foundation pit, effectively reduced construction noise and dust emissions, providing practical experience for green construction in high-density urban renewal projects.

In terms of project construction and delivery, Talent Mansion was successfully delivered, with the handover rate reaching 95% as at 30 June 2026. Phase 2 of Luxury Mansion completed construction acceptance registration, while ongoing projects including Upper Scholar and Shanghai Shenjia Hydrogen Valley continued to progress in an orderly manner as scheduled.

Newly Completed Projects in the First Half of 2026

Project	**City**	**Type**	**Newly Completed Area** *(sq.m.'000)*
Talent Mansion	Shenzhen	Residential	216.1
Phase 2 of Luxury Mansion	Shenzhen	Residential	56.2
Zhongshan G29 Phase 2	Zhongshan	Residential	67.3
Bay Front Project F25 Yuewan Mansion 1 & 2#	Zhongshan	Residential	38.0
Bay Front Project F25 Yuewan Mansion 3# & Basement	Zhongshan	Residential	42.0
Phase 2 of Bay Front Project (F36, 38 Water Street Commercial) Clubhouse	Zhongshan	Commercial services	65.0
Total			485

4. Provision for Impairment of Inventories

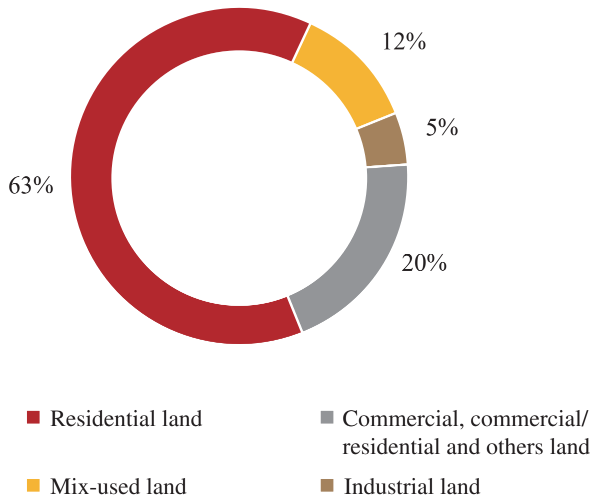
In the first half of 2026, affected by continued adjustments in the real estate market environment and sustained pressure on market prices, the Company adhered to the principle of prudent operation, proactively addressed potential risks, and strengthened asset quality by making provision for impairment of inventories. This initiative enables the Company to reflect the value of its assets in a more objective and truthful manner, optimize its financial structure, and further enhance financial resilience and risk management capabilities. During the period, the Company made impairment provisions on inventory of approximately HK$1.122 billion. The major projects affected by impairment provisions included Yinying Building, Shum Yip Cloud Center, Shum Yip Scenery Bay, Shum Yip Cloud Mansion and Shum Yip Taiyue Mansion.

5. Real Estate Investment and Reserves

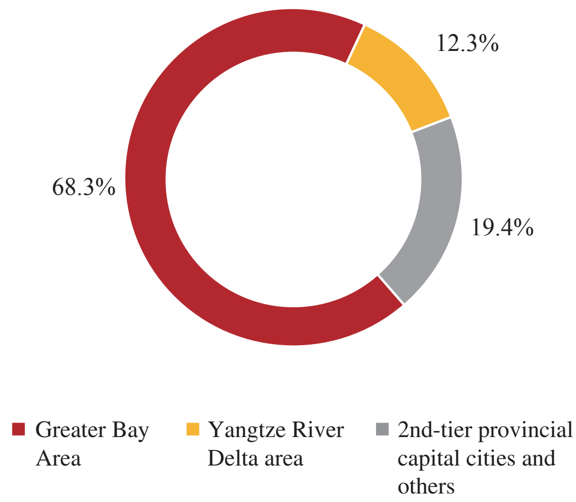
As at 30 June 2026, the Company had land reserves with a capacity building area of approximately 5,124,000 square meters. The structure of the land reserve remained reasonable and healthy, with land reserve in the Greater Bay Area, the Yangtze River Delta region and the 2nd-tier provincial capital cities and others accounting for approximately 68.3%, approximately 12.3% and approximately 19.4%, respectively. The proportion of high-quality land reserves in core regions remained stable, providing solid support for the Company's medium- and long-term sustainable development. During the period, the Company steadily advanced the implementation and transformation of interest coordination projects in Shenzhen. The planning proposal for the Henggang South Project successfully completed the relevant review procedures, further clarifying the project's development conditions. The Guangming Shangcun Project successfully entered into a supplementary preliminary service agreement, effectively strengthening the foundation for project cooperation and creating favorable conditions for future development, revitalization and implementation.

Distribution of Land Reserves (As of 30 June 2026)

By type – Capacity Building Area *Note* *(sq.m.)*



By region – Capacity Building Area *Note* *(sq.m.)*



Note: Capacity building area is the sum of the gross floor area which is used in the calculation of the plot ratio within the land for construction.

(II) Management of Real Estate Assets

The Company's management of real estate assets business focuses on the holding, operation, renovation, upgrading and inventory revitalisation of the Company's self-owned investment properties and hotel assets, continuously exploring the value of existing assets to deliver stable operating income and long-term asset appreciation.

As of 30 June 2026, the Company had a total investment property area of approximately 1,880,800 square meters, with a fair value of approximately HK$36.908 billion. During the period, the Company recorded an income from property investment of approximately HK$637 million, representing a year-on-year decrease of approximately 1.65%. The gross profit margin of property investment business was approximately 61.68%. Facing a complex and volatile macro environment and intensifying industry competition, the Company further advanced its refined operation management system, adopting multiple initiatives to strengthen tenant sourcing around diverse property types such as office buildings, industrial parks, integrated commercial complexes and specialised markets, and to steadily improve its asset operation efficiency. During the period, the overall occupancy rate of the Company's properties outperformed the average market level in the industry.

1. Optimisation and Revitalisation for Investment Properties

The flagship UpperHills Office Tower has fully introduced the service standards under the Golden Key International Alliance, deepening its dual-drive model of "hardware + service". Concurrently, it has innovatively introduced a "zero-cost" fine decoration delivery customization solution, persistently balancing lease renewals with new tenant acquisition. During the period, it bucked the trend by securing new rental areas of nearly 3,600 square meters. Currently, UpperHills Office Tower has totally attracted 14 Fortune Global 500 enterprises, with a occupancy rate of premium enterprises consistently ranking among the top in the market. The benchmark effect and counter-cyclical resilience of this core asset continue to stand out prominently. Projects including the Bay Front • UpperHills Water Street（灣中•上城水街）and the Magic World park in Zhongshan both successfully opened in June, innovating a model of "commerce + theme parks" integrating culture, commerce and tourism. The projects involve an indoor global IP-themed complex of 20,000 square meters with globally known IPs such as Barbie and Transformers, and has introduced 2 debut stores in Chinese mainland and over 10 debut stores in Zhongshan City, achieving the standardised cross-city rollout of the Company's commercial product line.

The Company continued to advance the quality improvement and efficiency enhancement of its existing assets, and successfully converted its 48 underperforming properties at Bagualing into "Shum Yip Neighborhood"（深業鄰里）long-term rental apartments, a government-subsidised rental apartment project, achieving an increase of 179% in monthly rent as compared with the pre-renovation level, and was recognised as an exemplary case of asset revitalisation among Shenzhen municipal state-owned enterprises. The Company accelerated the disposal of its scattered assets, implemented the "one asset, one strategy"（一資產一策略）mechanism, precisely advancing the gradual exit of existing assets. During the period, the Company successfully completed the dealings of 7 office-related existing assets, generating proceeds of approximately RMB120 million (equivalent to approximately HK$138 million), among which, the asset package of Diwang Tower（地王大廈）was transacted at a premium of approximately 40% after 117 rounds of bidding, achieving a virtuous cycle of asset value realisation and capital recovery.

2. Steady Progress amid Stability for Hotel Operations

In the first half of 2026, the Company recorded an income from hotel operation business (included under other operating segments) of approximately HK$254 million, representing an increase of 19.41% over the same period of last year. The gross profit margin of hotel operation business was approximately 15.55%, representing a year-on-year increase of 6.03 percentage points. As of 30 June 2026, the Company had a total of 12 hotels under operation and construction, of which, 6 hotels were already open for business, and 6 hotels were under construction. During the period, the hotel business demonstrated robust resilience and recovery momentum through precise market positioning and flexible operating strategies. 6 hotels under operation recorded a year-on-year increase of 43% in the gross operating profit and a gross operating profit margin of approximately 30%, representing a year-on-year increase of 6 percentage points, together with a year-on-year increase of 13% in the revenue per available room. The overall operating performance significantly outperformed the industry average.

The Company's flagship premium luxury project delivered outstanding performance, among which, Mandarin Oriental Shenzhen received awards including the One-Diamond rating of the Black Pearl and a place in Asia's 50 Best Bars, and recorded a year-on-year increase of 37.7% in catering revenue, which drove a year-on-year increase of 20% in the total revenue of the hotel. This hotel was also named to the 2026 "World's Best Awards" of Travel+Leisure, ranking 34th in the "World's 100 Best Hotels" and 6th in "Best City Hotels in Asia", making it the highest-ranked hotel in Chinese mainland. Character and boutique hotels maintained stable operations, with Shenzhen MUJI Hotel achieving an average occupancy rate of 89% and a gross operating profit margin of 55%, reaching record highs since its opening; Shenzhen Jingju Hotel precisely met family guest needs, with a year-on-year increase of 6% and 10% in occupancy rate and revenue, respectively. Meanwhile, the Company continued to optimise its membership management and revenue control systems, further strengthening the professional and refined operational capabilities of its hotel business.

Hotels in Operation

Hotel Name	**Guest Room**	**Operation Mode**
Mandarin Oriental Shenzhen	178 guest rooms	Held for operation
Shenzhen MUJI Hotel	79 guest rooms	Held for operation
Jingju Hotel in Shenzhen Women and Children Tower	194 guest rooms	Held for operation
Holiday Inn Resort Chaohu Hot Spring	203 guest rooms	Held for operation
Chaohu Royal Spring Garden Hot Spring Hotel	20 villas and 7 onsen suites	Held for operation
Suzhou Marriott Hotel	300 guest rooms	Held for operation

Hotels under Construction

Hotel Name	**Guest Room**	**Project Phase**
Shenzhen Marriott Luxury Collection Hotel（深圳萬豪豪華精選酒店）	173 guest rooms	Under construction
Shenzhen Marriott AC Hotel（深圳萬豪AC酒店）	207 guest rooms	Under construction
Zhongshan InterContinental Hotel（中山洲際酒店）	135 guest rooms	Under construction
Zhongshan EVEN Hotel（中山逸衡酒店）	225 guest rooms	Under construction
Somerset Chengdu（成都盛捷服務式公寓）	152 guest rooms	Under construction
Citadines Chengdu（成都馨樂庭服務式公寓）	228 guest rooms	Under construction

(III) Urban Integrated Operations Business

The urban integrated operations business of the Company primarily includes property services and commercial operation services. The Company continuously expands the business scale and delivers standardised operation services under an asset-light model. The property services cover a diverse range of scenarios including residential properties, public facilities, urban public services and industrial parks, providing full-cycle property management and urban integrated operation services to customers; while the commercial operation services focus on the professional operation management of commercial assets, with its business scope covering shopping centres, community commercial properties and other property types, it comprehensively carries out tenant sourcing, daily operations and refined management. In the first half of 2026, the urban integrated operations business of the Company recorded a revenue of approximately HK$1,639 million, representing an increase of 2.86% over the same period of last year, with a gross profit margin of approximately 14.26%, maintaining a steady growth overall.

1. Property Operations and Expansion

As of 30 June 2026, the Company's property operations subsidiaries recorded a managed area of approximately 106.91 million square meters, with independent third-party projects accounting for approximately 79.9%, and non-residential formats accounting for approximately 69.63%, both indicators exceeding industry averages. During the period, the Company recorded newly expanded area under management of approximately 9.263 million square meters, with a total contract value of RMB690 million (equivalent to HK$780 million), demonstrating robust and steady market-oriented expansion capabilities. At the same time, the Company continuously put efforts in the expansion of diversified property types, achieving ongoing business progress in property-managed cities, public infrastructure properties and other key areas.

In the field of public infrastructure services, the Company successfully won the bid for the operation and maintenance service project of the new joint inspection building at Huanggang Port, the world's largest land port, and newly acquired the service project for the Shenzhen Institute of Advanced Light Source Facilities and the Institute of Advanced Technology, as well as the railway joint defence and patrol project for the Shenzhen Railway Public Security Division. **In the field of urban services,** the Company successfully acquired projects including the integrated sanitation and greening service project for Dongpu Subdistrict, Yuancheng District, Heyuan City, and the comprehensive inspection project for Fubao Subdistrict. **In the field of enterprise clients,** the Company successfully acquired projects including the Weifang Project of China Mobile (Shandong) 2026-2028 Provincial Property Service Procurement and Liupanshui Property Service Project of China Mobile (Guizhou), demonstrating the evolution of its service capabilities from basic property services for residential and office properties to comprehensive management and maintenance of major public infrastructure. During the period, the property operations subsidiaries continuously enhanced their comprehensive strength and brand recognition in the industry, successively receiving a number of authoritative industry honours, including the 13th ranking among the "2026 Top 100 Property Service Enterprises in China" by China Index Academy, the 13th ranking in the "2026 Property Management Enterprises of Comprehensive Strength in China" by CRIC and other significant accolades, fully demonstrating the Company's robust operational strength and leading industry position.

2. Commercial Operations and Expansion

In the first half of 2026, the flagship project, UpperHills, maintained its leading position, adding 21 debut stores and successfully introducing international affordable luxury brands including Coach, marking a breakthrough in accessible luxury brands recruitment. The project's sales per unit area increased by 10% year-on-year, and newly registered members grew by 46% year-on-year. Shenzhen's first downtown duty-free store ranked first in sales among the eight stores nationwide. During the period, the Company's marketing activities achieved various highlights. Leveraging the Guangdong-Hong Kong-Macao Greater Bay Area Flower Show, the mall footfall exceeded 2.117 million visits at the shopping mall during the 11-day exhibition and the sales amounted to approximately RMB190 million, representing a year-on-year increase of 12%. The introduction of high-profile events such as the Spartan Race generated significant footfall. Seizing the opportunity of the APEC meeting, the Company accelerated the enhancement of its international consumption environment, taking the lead in achieving over 250 merchants being available to foreign card payments, 108 catering merchants being equipped with bilingual menus, and 40 retail merchants being available to offer departure tax refund services, and accordingly, the project had won industry accolades including the CSVB 2025 Gold Award for Urban District Commercial Benchmark. Other operating projects also performed well, supported by the introduction of the first flagship store of "Gree Dong Mingzhu Healthy Home" in Shenzhen at Shum Yip Taifu Square, as well as the improvement in footfall and occupancy rate of community commercial projects such as Sky Park, Tanglang City and Shum Yip Dongling.

The scale of the Company's asset-light management had steadily expanded. Shum Yip Commercial Management, a subsidiary of the Company, successively provided management services for a number of external projects, including the Huangmugang Metro Hub commercial project, Shenzhen Capital Plaza, the commercial project at the Global Headquarters Complex of China Merchants Bank, and "ShumYip Shiji"（深業拾集）at Huafu Village, the opening preparations, investment recruitment and operation of which are currently progressing in an orderly manner. Additionally, the Company newly secured the Hetao Center commercial project, which is adjacent to the new Huanggang Port, planning to create the integrated commercial new scenario between Shenzhen and Hong Kong of "commerce + park + port". The Company's commercial operation footprint continued to expand.

III. CAPITAL OPERATIONS

In the first half of 2026, the Company has carried out a series of capital operations to progressively reduce the proportion of its property development business, continuously optimise capital structure, improve overall financial quality and further consolidate the foundation for its prudent business operations. First, the Company disposed of its 70% equity interest in Jinghua Electronics to Shahe Industrial at a cash consideration of approximately RMB274 million (equivalent to approximately HK$315 million). Through the divestment of non-core assets, the Company has effectively consolidated and focused its corporate resources to support the development of its core business, with the cash proceeds mainly used to supplement the working capital for its daily operations. Second, Shum Yip Group, the controlling shareholder of the Company, converted its loan of approximately RMB2,604 million (equivalent to approximately HK$2,998 million) to Shum Yip Pengji, a subsidiary of the Company, into equity interests by way of capital increase. This debt-to-equity swap has effectively reduced the Company's interest-bearing debt scale and lowered finance costs such as interest expenses, while also reducing the scale and business proportion of the Company's property development assets in non-core regions such as Huizhou and Taizhou, thereby optimising the Company's asset and debt structure and enhancing its operational resilience and risk resistance capacity, without any impact on the consolidated profit or loss of the Company.

Looking ahead, the Company will continue to enhance quality as a listed company, and will, based on its own operational realities and the changing environment, persist in conducting quality enhancement studies covering areas such as capital and asset structure optimisation and key business refocusing. Besides, the Company will review the feasibility of quality enhancement implementation on an ongoing basis and pursue relevant measures as opportunities arise, with the aim of enhancing asset quality, operational efficiency and shareholder returns.

IV. FINANCIAL MANAGEMENT

(I) Finance and Capital

The Company optimized its capital and debt structure and continued to improve its financial condition through various means. As of 30 June 2026, the equity attributable to owners of the Company amounted to HK$36,321 million (31 December 2025: HK$35,641 million). The cash balance was HK$12,064 million (31 December 2025: HK$8,304 million), representing an increase of 45.28% from the beginning of the year. The asset-liability ratio, excluding advance receipts, decreased by 1.93 percentage points from the beginning of the year to 65.42%. The net gearing ratio (net debt excluding interest-bearing loans from related parties divided by equity attributable to owners of the Company) was 73.62%, representing a decrease of 9.06 percentage points from the beginning of the year.

Following the decline in the floating interest rate of Hong Kong dollar, the weighted average interest rate of the Company's bank and other borrowings decreased by 0.3 percentage points from 3.47% per annum for the year ended 31 December 2025 to 3.17% per annum for the six months ended 30 June 2026.

In the first half of 2026, the Company successfully arranged the replacement of a syndicated loan of HK$3.2 billion to secure funding. As of 30 June 2026, the Company's total bank and other borrowings amounted to HK$38.803 billion (31 December 2025: HK$37.770 billion). Floating rate borrowings and fixed-rate borrowings accounted for 66.02% and 33.98%, respectively; long-term borrowings and short-term borrowings accounted for 66.78% and 33.22%, respectively; borrowings denominated in Hong Kong dollars and Renminbi accounted for 35.14% and 64.86%, respectively.

Key Financial Indicators

Indicators	**As of 30 June 2026** ***(HK$100 million)***	As of 31 December 2025 *(HK$100 million)*
Bank and other borrowings	**388.03**	377.70
– Long-term borrowings	**259.14**	260.29
– Short-term borrowings	**128.89**	117.41
Cash	**120.64**	83.04
Net gearing ratio	**73.62%**	82.68%

(II) Effect of Exchange Rate Fluctuation

The Company's assets are mainly denominated in Renminbi, while Hong Kong dollar is adopted as the reporting currency in the Company's financial statements. During the period, the effect of the decrease in exchange rate of Hong Kong dollar against Renminbi on the Company's finance was mainly reflected in the appreciation of the asset and earnings denominated in Renminbi against Hong Kong dollar, the reporting currency. During the period, such fluctuations in the asset and earnings denominated in Renminbi against Hong Kong dollar, the reporting currency, of HK$2,339 million were included in other comprehensive income.

V. PERFORMANCE OF MAJOR ASSOCIATES AND JOINT VENTURES

In the first half of 2026, due to the impact of the real estate industry downturn, the overall performance of the Company's major associates and joint ventures was weak. The losses of joint ventures and associates led to a reduction of the Company's net profit with a total amount of approximately HK$223 million, primarily comprising the loss of approximately HK$33 million contributed by Shenzhen Tianan Cyber Park (Group) Co., Ltd. (a 37.5% owned company of the Company), the loss of approximately HK$40 million contributed by Shum King Company Limited (a 50% owned company of the Company), and the loss of approximately HK$133 million contributed by Road King Infrastructure Limited (1098.HK) (a 27% owned company of the Company). As of 30 June 2026, the remaining carrying amount of the Company's interest in Road King Infrastructure amounted to HK$nil, and therefore, any further loss incurred by Road King Infrastructure will not have an impact on the Company's performance.

VI. OTHERS

(I) Pledge of Assets and Provision for Contingent Liabilities

As of 30 June 2026, the Company had total loans of HK$9.17 billion (31 December 2025: HK$8.69 billion) that were pledged with assets.

As of 30 June 2026, the Company has given guarantees amounted to HK$9.661 billion (31 December 2025: HK$14.072 billion) in aggregate in respect of bank and other borrowings.

(II) Progress of the Litigation Involving Shum Yip Terra Company

On 29 November 2024, Chengdu Fengze Investment Co., Ltd（成都豐澤投資有限公司）("Chengdu Fengze") and Shum Yip Terra (Holdings) Company Limited（深業泰然（集團）股份有限公司）("Shum Yip Terra", together with Chengdu Fengze, the "Subsidiaries"), both being non-wholly-owned subsidiaries of the Company, received a statement of claim（民事起訴狀）from the Intermediate People's Court of Chengdu City（成都市中級人民法院）regarding the claims by Sichuan Haofu Industrial Co., Ltd.（四川浩福實業有限公司）(the "Claimant") against the Subsidiaries and four individuals (none of the individuals is a Director or senior management of the Company) regarding the disputes in earnings distribution over the investment of "198" Congshu Area ("198" 叢樹片區）in Chenghua district, Chengdu, the People's Republic of China (the "Litigation"), with an amount of the claim of approximately RMB220 million. The Subsidiaries have engaged legal advisers to handle the Litigation, and will rigorously defend the Litigation to protect their legitimate interests. The first trial of the case commenced on 24 December 2024 and no ruling has been issued to date. The Company will actively follow up and assess the financial impact of the Litigation on the Company.

(III) Employees and Remuneration Policy

As of 30 June 2026, the Company employed a total of 18,265 (30 June 2025: 20,261) employees, of whom 14 were stationed in Hong Kong (mainly managerial and finance related personnel), and the rest were in Chinese mainland. The total remuneration for the six months ended 30 June 2026 (excluding remuneration of the Directors and senior management) amounted to approximately RMB1.131 billion(six months from 1 January to 30 June 2025: approximately RMB1.228 billion).

The remuneration and bonuses of the Company's employees are determined based on their performance, the Company's profit condition, remuneration level of the industry and the current market condition. The remuneration packages are reviewed on an annual basis to ensure internal equity and its competitiveness in the market.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026.

EVENTS DURING THE REPORTING PERIOD

Retirement and appointment of executive Director

On 23 January 2026, Ms. Shi Xiaomei retired as an executive Director as she has reached retirement age. On 30 March 2026, the Company announced the appointment of Dr. Xiang Dong as an executive Director. For details, please refer to the Company's announcements dated 23 January 2026 and 30 March 2026.

Connected Transaction – Disposal of 70% equity interest in Jinghua Electronics

On 6 February 2026, Shum Yip Pengji Holdings Co., Ltd*（深業鵬基（集團）有限公司）(“Shum Yip Pengji”) (a wholly-owned subsidiary of the Company) entered into the share transfer agreement with Shahe Industrial Co., Ltd.*（沙河實業股份有限公司）(“Shahe Industrial”) and Shenzhen Jinghua Displays Electronics Co., Ltd.*（深圳晶華顯示電子股份有限公司）(“Jinghua Electronics”), pursuant to which Shum Yip Pengji has conditionally agreed to sell, and Shahe Industrial has conditionally agreed to purchase the 70% equity interest in Jinghua Electronics held by Shum Yip Pengji, for a total consideration of RMB273,752,500 in cash.

Shahe Industrial was controlled by Shum Yip Group, the controlling shareholder of the Company. Accordingly, Shahe Industrial was a connected person of the Company and the transaction constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the transaction exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. For details, please refer to the Company's announcements dated 6 February 2026 and 27 February 2026.

Connected Transaction – Offsetting Debt Arrangements

On 6 May 2026, Zhongshan Shenye Wansheng Investment Co., Ltd.*（中山市深業萬勝投資有限公司）(“Shenye Wansheng”) (a non-wholly owned subsidiary of the Company) entered into the offsetting debt agreements, pursuant to which, Shenye Wansheng shall transfer the title of the 57 units of office premises held by Shenye Wansheng (the “Offsetting Properties”) at an aggregate value of RMB30,358,512 to Zhongshan Wanye Property Development Company Limited*（中山市萬業房地產有限公司）(a 35.17% equity holder of Shenye Wansheng) for and on behalf of Shum Yip Group. The transfer of Offsetting Properties will be used to offset part of Shenye Wansheng's outstanding shareholder loan owed to Shum Yip Group.

Shum Yip Group, being the controlling shareholder of the Company, is a connected person of the Company under Chapter 14A of the Listing Rules. As the offsetting debt agreement involved Shenye Wansheng disposing of the Offsetting Properties to offset part of its outstanding shareholder loan owed to Shum Yip Group, the arrangement constituted a connected transaction of the Company. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the offsetting debt agreements exceeds 0.1% but is less than 5%, the offsetting debt agreements are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. For details, please refer to the Company's announcement dated 6 May 2026.

Major and Connected Transaction – Capital Increase and deemed disposal of equity interest in a subsidiary

On 30 March 2026 (after trading hours), the Company, Shum Yip Pengji and Shum Yip Group entered into the debt-to-equity swap agreement, pursuant to which Shum Yip Group agreed to make a capital contribution of RMB2,604,290,000 to Shum Yip Pengji by way of a debt-to-equity swap. Upon completion of the Capital Increase, the Company and Shum Yip Group will hold approximately 64.36% and 35.64% equity interest in Shum Yip Pengji, respectively. Shum Yip Pengji will continue to be a subsidiary of the Company and its financial results will continue to be consolidated into the financial statements of the Group.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the capital increase is more than 25% but less than 75%, the capital increase constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Shum Yip Group, being the controlling shareholder of the Company, is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Capital Increase constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The debt-to-equity swap agreement and the transactions contemplated thereunder were approved by the independent Shareholders at the annual general meeting held on 18 June 2026, at which Shum Yip Holdings and its associates abstained from voting on the relevant resolution. For details, please refer to the Company's announcements dated 30 March 2026 and 18 June 2026 and the Company's circular dated 21 May 2026.

EVENTS AFTER THE REPORTING PERIOD

Continuing Connected Transaction – Entering into the Shahe Century Valley Property Management and Relevant Services Framework Agreement

On 22 July 2026, Shum Yip Property Operation Group Co., Ltd.* (深業物業運營集團股份有限公司) ("Shum Yip Property Operation") (a non-wholly owned subsidiary of the Company) and Shum Yip Shahe Century Valley (Shenzhen) Investment Company Limited* (深業沙河世紀山谷(深圳)投資有限公司) ("Shahe Century Valley Company") (a subsidiary of Shum Yip Group) entered into the property management and relevant services framework agreement (the "Framework Agreement"), pursuant to which Shum Yip Property Operation and/or its subsidiaries agreed to provide certain property management and relevant services to Shahe Century Valley Company and/or its subsidiaries. The Framework Agreement shall become effective upon execution by the parties' authorised representatives and the affixing of their company seals, and shall have a term from 1 January 2026 to 31 December 2028. The proposed annual caps for the transactions contemplated under the Framework Agreement for each of the years ending 31 December 2026, 2027 and 2028 are RMB30,000,000, RMB30,000,000 and RMB30,000,000, respectively.

As Shahe Century Valley Company is a subsidiary of Shum Yip Group, the ultimate holding company of the Company, it is an associate of a connected person of the Company. Accordingly, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the annual caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the Company's announcement dated 22 July 2026.

Establishment of Sustainability Committee

On 27 August 2026, the Company announced the establishment of a Sustainability Committee consisting of two executive Directors and one independent non-executive Director. The Sustainability Committee is mainly responsible for guiding and monitoring the Group's environmental, social, and governance ("ESG") and corporate social responsibility strategy, managing ESG and climate-related risks and opportunities, ensuring regulatory and listing compliance, evaluating stakeholder impacts, and reviewing annual sustainability reports for Board approval. For details, please refer to the Company's announcement dated 27 August 2026.

Save as disclosed above, the Group had no significant events subsequent to the end of the Reporting Period and up to the date of this announcement.

MATERIAL CHANGES

Save as disclosed in this announcement, there have been no material changes in respect of the future development of the business of the Group (including the Company's prospects for the current financial year) since the publication of the Company's 2025 annual report.

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 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific inquiries of all the Directors, each has confirmed that he/she has complied with the Model Code during the Reporting Period.

CORPORATE GOVERNANCE

During the six months ended 30 June 2026, the Company has applied the principles and complied with all code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, except for the deviation of code provision C.2.1 of the CG Code as expressly stated below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the six months ended 30 June 2026, Mr. WANG Yuwen ("Mr. WANG") continued to act as the President of the Company after he assumed the role of the Chairman of the Board on 29 April 2025, which deviates from the above code provision C.2.1. However, such arrangement is temporary in nature and the Company is in the process of identifying a suitable candidate with appropriate experience as its President. The Board considers that Mr. WANG has extensive experience and knowledge in management and is familiar with the business operations of the Company. Having Mr. WANG as the Chairman of the Board and President before a new President takes office can ensure the stability of the Company's operations and facilitate the execution of the Company's business strategies. Under the supervision of other existing members of the Board, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors namely Mr. LI Wai Keung, Dr. WONG Yau Kar, David and Prof. GONG Peng. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2026. As at the end of the Reporting Period, the Company did not hold any treasury shares.

PUBLICATION OF THE INTERIM RESULTS AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shenzheninvestment.com), and the 2026 interim report containing all the information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

We take this opportunity to express our gratitude to our investors and shareholders for their trust and support and to thank our colleagues on the Board and the staff members of the Group for their hard work, loyal service and contributions during the Reporting Period.

By Order of the Board
SHENZHEN INVESTMENT LIMITED
WANG Yuwen
Chairman

Hong Kong, 27 August 2026

As at the date of this announcement, the Board comprises 7 Directors, of which Mr. WANG Yuwen, Ms. CAI Xun, Mr. YAN Zhongyu and Dr. XIANG Dong are the executive Directors of the Company, and Mr. LI Wai Keung, Dr. WONG Yau Kar, David and Prof. GONG Peng are the independent non-executive Directors of the Company.