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上海實業城市開發集團有限公司

SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Shanghai Industrial Urban Development Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the corresponding period in 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue			
Goods and services	3	1,463,008	2,599,495
Leases		364,827	381,338
Total revenue		1,827,835	2,980,833
Cost of sales		(1,557,961)	(2,360,312)
Gross profit		269,874	620,521
Other income		33,150	43,447
Other expenses, gains and losses, net		(63,501)	(19,850)
Fair value loss on investment properties, net		(151,069)	(210,465)
Distribution and selling expenses		(101,616)	(107,098)
General and administrative expenses		(197,546)	(216,773)
Finance costs	5	(284,560)	(282,266)
Share of results of associates		609	95,859
Share of results of joint ventures		13,410	10,693
Loss before tax		(481,249)	(65,932)
Income tax	6	(81,178)	(122,369)
Loss for the period	7	(562,427)	(188,301)
Other comprehensive income (expense) for the period			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		525,644	(465,037)
Fair value gain (loss) on equity instruments at fair value through other comprehensive income, net of tax		1,448	(12,290)
Revaluation of properties upon transfer of property, plant and equipment to investment properties, net of tax		—	10,541
Other comprehensive income (expense) for the period		527,092	(466,786)
Total comprehensive expense for the period		(35,335)	(655,087)

		Six months ended 30 June	
		2025	2024
<i>NOTE</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
(Loss) profit for the period attributable to:			
Owners of the Company		(492,139)	(231,564)
Non-controlling interests		(70,288)	43,263
		<u>(562,427)</u>	<u>(188,301)</u>
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(72,342)	(574,499)
Non-controlling interests		37,007	(80,588)
		<u>(35,335)</u>	<u>(655,087)</u>
Loss per share			
Basic (<i>HK cents</i>)	8	<u>(10.29)</u>	<u>(4.84)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Non-current assets			
Investment properties	9	21,106,618	20,645,374
Property, plant and equipment		1,913,058	1,914,084
Right-of-use assets		522,661	541,527
Goodwill		23,604	23,604
Intangible assets		56,084	54,478
Interests in associates		1,670,284	1,621,690
Interests in joint ventures		2,472,941	2,388,549
Amount due from a related company		204,367	157,329
Equity instruments at fair value through other comprehensive income		25,238	22,600
Pledged bank deposits		59,141	57,940
Deferred tax assets		102,960	105,535
		28,156,956	27,532,710
Current assets			
Inventories		970	1,214
Properties under development for sale and properties held-for-sale		13,957,346	14,578,442
Trade and other receivables	10	1,132,155	1,018,547
Amounts due from related companies		1,659	1,618
Prepaid income tax and land appreciation tax		529,602	482,302
Restricted and pledged bank deposits		73,251	27,153
Bank balances and cash		3,588,286	5,342,774
		19,283,269	21,452,050

		30 June 2025	31 December 2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Current liabilities			
Trade and other payables	11	5,353,779	6,399,189
Amounts due to related companies		670,984	675,921
Pre-sale proceeds received on sales of properties		719,348	1,106,886
Bank and other borrowings	12	7,129,016	8,487,763
Lease liabilities		18,227	21,215
Income tax and land appreciation tax payables		748,791	1,246,150
Dividend payable		23,641	23,641
		<u>14,663,786</u>	<u>17,960,765</u>
Net current assets		<u>4,619,483</u>	<u>3,491,285</u>
Total assets less current liabilities		<u>32,776,439</u>	<u>31,023,995</u>
Non-current liabilities			
Deferred revenue	11	25,903	25,456
Bank and other borrowings	12	11,099,875	9,315,464
Lease liabilities		101,296	127,235
Deferred tax liabilities		2,481,911	2,445,836
		<u>13,708,985</u>	<u>11,913,991</u>
		<u>19,067,454</u>	<u>19,110,004</u>
Capital and reserves			
Share capital		191,217	191,217
Reserves		12,764,827	12,837,169
Equity contributable to owners of the Company		12,956,044	13,028,386
Non-controlling interests		6,111,410	6,081,618
		<u>19,067,454</u>	<u>19,110,004</u>

NOTES TO FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the preparation of condensed consolidated financial information for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Types of goods or services		
Sales of properties	1,336,687	2,453,892
Hotel operations	119,528	138,461
Property management	6,793	7,142
Total	<u>1,463,008</u>	<u>2,599,495</u>
Timing of revenue recognition		
A point in time	1,336,687	2,453,892
Over time	126,321	145,603
Total	<u>1,463,008</u>	<u>2,599,495</u>

All the revenue of the Group generated from contracts with customers are originated in the Chinese Mainland.

4. SEGMENT INFORMATION

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

The Group's operations are located in the Chinese Mainland. All revenue and non-current assets, except for certain property and equipment, of the Group are generated from and located in the Chinese Mainland. No single customer contributed 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

5. FINANCE COSTS

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Interests on bank and other borrowings	283,734	315,098
Interests on amounts due to related companies	5,394	—
Interests on lease liabilities	2,793	152
Total finance costs	291,921	315,250
Less: Amount capitalised into properties under development for sale	(7,361)	(32,984)
	284,560	282,266

6. INCOME TAX

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Current tax:		
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	18,582	101,811
PRC Land Appreciation Tax ("LAT")	1,098	42,538
PRC withholding tax on dividend income	27,613	—
	<u>47,293</u>	<u>144,349</u>
Over/under-provision in prior years:		
PRC EIT	(19,233)	—
PRC LAT	81,712	—
	<u>62,479</u>	<u>—</u>
Deferred tax	<u>(28,594)</u>	<u>(21,980)</u>
Income tax for the period	<u><u>81,178</u></u>	<u><u>122,369</u></u>

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	65,259	50,578
Depreciation of right-of-use assets	33,933	32,933
Interest income on bank deposits (included in other income)	(7,401)	(18,938)
Net foreign exchange loss (included in other expenses, gains and losses, net)	<u>10,284</u>	<u>19,010</u>

8. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss:		
Loss for the purpose of calculating basic loss per share		
Loss for the period attributable to owners of the Company	(492,139)	(231,564)
	Six months ended 30 June	
	2025	2024
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	4,780,415	4,780,908

9. MOVEMENTS IN INVESTMENT PROPERTIES

The fair values of the Group's investment properties as at 30 June 2025 have been arrived at on the basis of a valuation carried out by Cushman & Wakefield Limited, an independent qualified professional valuer not connected to the Group. The fair value is arrived at by reference to comparable sales transactions available in the relevant markets and, where appropriate, using investment approach which capitalises the net rental income derived from existing tenancies with due allowance for the reversionary potential of the properties. The resulting net decrease in fair values of the Group's investment properties of HK\$151,069,000 (six months ended 30 June 2024: HK\$210,465,000) is recognised directly in profit or loss for the six months ended 30 June 2025.

During the six months ended 30 June 2025, the Group has expenditures on certain investment properties under development of HK\$234,000 (six months ended 30 June 2024: HK\$280,060,000).

During the six months ended 30 June 2025, the management of the Group changed the intention from selling the commercial units of several residential property projects to lease them out for rentals. Accordingly, properties held-for-sale with carrying amount of HK\$2,313,000 (six months ended 30 June 2024: HK\$10,854,000) was transferred to investment properties upon inception of lease agreements with the tenants. In the opinion of the management of the Group, the fair value gain or loss in respect of these properties at the date of transfer was considered to be insignificant.

The Group did not dispose of any investment properties during the six months ended 30 June 2025 and 2024.

10. TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade and other receivables		
Trade receivables		
— Contracts with customers		
Sales of properties	250,738	243,062
Hotel operations and others	1,367	7,168
— Lease receivables	17,821	13,635
	<u>269,926</u>	<u>263,865</u>
Less: Expected credit loss (“ECL”) allowance	(97)	(224)
	<u>269,829</u>	<u>263,641</u>
Other receivables	271,311	242,581
Secured deposits held by Shanghai government department	284,988	276,799
Advance payments to contractors	24,314	23,881
Prepaid other taxes	276,793	209,261
Deposits and prepayments	4,920	2,384
	<u>1,132,155</u>	<u>1,018,547</u>

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

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Within 90 days	14,788	19,693
Within 91–180 days	51	61
Over 180 days	254,990	243,887
	<u>269,829</u>	<u>263,641</u>

11. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade and other payables recognised as current liabilities		
Trade payables	1,511,250	1,783,306
Accrued expenditure on properties under development for sale	2,693,192	3,365,403
Amounts due to former shareholders of the Company's former subsidiaries	155,582	151,740
Rental deposits and receipt in advance from tenants	99,665	102,735
Interest payable	120,501	84,404
Payables to the Shanghai government department	153,281	148,876
Accrued charges and other payables	451,120	391,097
Other taxes payables	169,188	321,785
Other financial liability	—	49,843
	5,353,779	6,399,189
Deferred revenue recognised as non-current liabilities		
Deferred revenue	25,903	25,456

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

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Within 30 days	103,313	969,465
Within 31–180 days	92,113	64,555
Within 181–365 days	694,959	197,676
Over 365 days	620,865	551,610
	1,511,250	1,783,306

12. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2025, the Group obtained new bank and other borrowings of HK\$3,737,793,000 (six months ended 30 June 2024: HK\$2,192,743,000). As at 30 June 2025, the bank and other borrowings carry variable interest ranging from 2.4% to 6.77% (31 December 2024: 2.80% to 6.77%) per annum and are payable from three months to over five years (31 December 2024: three months to over five years). The borrowings are obtained for the purpose of property development projects and general working capitals of the Group.

During the six months ended 30 June 2025, the Group also repaid the bank and other borrowings of HK\$3,814,550,000 (six months ended 30 June 2024: HK\$1,590,738,000).

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY MARKET REVIEW

In the first half of 2025, the Chinese property market, dually affected by ongoing policy impacts and market adjustments, began to show signs of stabilisation, although structural polarisation persisted. The central government continued refining the new property development model, focusing on optimising the residential housing supply system through measures such as acquiring existing commodity housing, facilitating urban village renovations and lowering home mortgage rates, while steering the industry toward high-quality development under the concept of “good housing”. Local governments actively responded with various initiatives, including optimising provident fund policies, offering home purchase subsidies, accelerating the construction of affordable housing, advancing urban renewal projects and promoting home “trade-in” programs to restore market confidence and stimulate rational housing demand. From a regional perspective, first-tier and core second-tier cities showed stronger resilience, with some cities entering a virtuous development cycle, while third- and fourth-tier cities remained in an adjustment phase, facing greater destocking pressure. According to the National Bureau of Statistics, in the first half of 2025, national property development investment and total sales and gross floor area sold for newly constructed commodity housing decreased year-on-year by 11.2%, 5.5% and 3.5%, respectively. The property market is currently at a critical stage, transitioning between old and new growth drivers while advancing high-quality development. Policies are gradually taking effect, strengthening the foundation for the industry’s long-term, healthy growth. Looking ahead, the industry is expected to achieve more stable and sustainable high-quality development.

BUSINESS REVIEW

Overview

In the first half of 2025, under challenging property market conditions, SIUD actively addressed market pressures by optimising asset allocation, driving diversified project development, enhancing business performance, implementing both revenue-raising and cost-cutting measures, and continually strengthening investment and risk resistance capabilities to build a more resilient development model. During the period, major projects, including Ocean One in Shanghai, Summitopia in Tianjin, Felicity Mansion in Yantai, Ocean Times in Shanghai, and Originally and Qiyuan in Xi’an, maintained steady sales performance and continued to contribute to the Group’s revenue. By maintaining its strategic focus on Shanghai while steadily expanding into other core first- and second-tier cities, the Group aims to optimise its regional presence and further develop its investment property operations. Through the flexible acquisition of premium land reserves, with an emphasis on competitive high-end projects, the Group will continue to enhance its comprehensive strengths and consolidate its leadership position in the Shanghai property market.

Contract Sales

During the six months ended 30 June 2025, the Group's contract sales from both commodity housing and affordable housing decreased 69.8% year-on-year to RMB689,140,000 (six months ended 30 June 2024: RMB2,283,730,000). Total contract sales in terms of G.F.A. were 41,000 sq.m., down 58.2% year-on-year, with a total average selling price of approximately RMB16,800 per sq.m. This was mainly attributable to the higher proportion of sales in second-tier cities during the period.

During the period, the Group's principal projects for sale were Ocean One in Shanghai, Summitopia in Tianjin, Felicity Mansion in Yantai, Ocean Times in Shanghai, and Originally and Qiyuan in Xi'an, which accounted for approximately 39.9%, 20.8%, 12.6%, 10.1%, 8.1% and 5.8% of total contract sales, respectively.

Land Bank

During the six months ended 30 June 2025, the Group's land bank was developed into 27 property projects located in ten major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Wuxi, Shenyang, Yantai, Shenzhen and Wuhan, and comprised medium to high class residential and commercial properties, most of which were completed or still under development. The Group has a land bank with a future saleable planned G.F.A. of approximately 3,293,000 sq.m. to support its development for the next three to five years.

In the first half of 2025, China's land market continued the trend of "quantity reduction and quality enhancement", with a decrease in total land supply alongside a significant increase in premium land offerings. Land transactions showed polarisation, characterised by active acquisitions in core first- and second-tier cities, contrasted with weaker volume and prices in third- and fourth-tier cities. The Group maintained a cautious land acquisition strategy, strictly controlling the pace of acquisitions and adhering to the principles of "quality first and efficiency-based" development. It focused on the development and transformation of existing land reserves, supplementing them with high-potential land acquisitions when appropriate. Looking ahead, the Group will continue to prioritise metropolitan Shanghai while expanding into the Yangtze River Delta and other key first- and second-tier cities. It will closely monitor policy trends and market changes, flexibly adjusting its development pace to establish a sustainable competitive edge for mid- to long-term growth.

Property Development

During the six months ended 30 June 2025, the Group had six projects with a total G.F.A. of 906,000 sq.m. under construction, which primarily included Originally in Xi'an, TODTOWN and Ocean Times in Shanghai, Felicity Mansion in Yantai and Qiyuan in Xi'an. The Group delivered a total G.F.A. of 57,000 sq.m., which mainly comprised Ocean One in Shanghai, Summitopia in Tianjin, Qiyuan and Originally in Xi'an, and Cloud Vision in Shanghai.

In the first half of 2025, with the continued rollout of supportive property policies, the Group capitalised on this favourable window to launch several residential projects for sale. Ocean One in Shanghai, Summitopia in Tianjin, Felicity Mansion in Yantai, Ocean Times in Shanghai, and Originally and Qiyuan in Xi'an received strong market recognition and achieved robust presales performance. Notably, Ocean One in Shanghai was the Group's largest sales contributor.

Investment Properties

During the six months ended 30 June 2025, the Group had a number of completed commercial projects in seven major developed cities, namely Shanghai, Beijing, Tianjin, Chongqing, Shenyang, Xi'an and Shenzhen. The investment projects held by the Group had a total G.F.A. of approximately 1,254,000 sq.m. During the period, the overall rental income of the Group decreased 4.3% year-on-year to HK\$364,827,000 (six months ended 30 June 2024: HK\$381,338,000).

In line with its strategy of focusing on both leasing and sales, the Group actively explored and advanced the development of its residential leasing operations. The Shanghai U CHANGE brand has strengthened its competitive edge in the affordable rental housing market through the continuous expansion of its product lines. Following the success of U CHANGE • Hui community and U CHANGE • Xin community, new units in the western wing of U CHANGE • Neo community were launched in April, offering various unit types to meet the demand for quality housing from both individual and family tenants. In the long-term rental apartment segment, U CHANGE • Xin community, U CHANGE • Hui community and U CHANGE • Neo community delivered excellent operational performance, sustaining a high average occupancy rate of 86.5% and generating stable rental income for the Group. In addition, the steady operation of ShanghaiMart — integrating exhibition halls, trade marts and office space — is expected to continue providing reliable income for the Group.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2025, the Group's revenue decreased by 38.7% year-on-year to HK\$1,827,835,000 (six months ended 30 June 2024: HK\$2,980,833,000), mainly due to lower sales delivered by a number of projects compared with the same period last year. During the period, property sales remained as the Group's main source of revenue and amounted to HK\$1,336,687,000 (six months ended 30 June 2024: HK\$2,453,892,000), accounting for 73.1% (six months ended 30 June 2024: 82.3%) of the Group's total revenue. Revenue contributions from Ocean One in Shanghai, Summitopia in Tianjin, Qiyuan and Originally in Xi'an, and Cloud Vision in Shanghai accounted for 32.1%, 31.2%, 18.3%, 10.2% and 4.3% of property sales revenue, respectively.

Revenue from leasing, property management and hotel operations continued to provide stable revenue sources for the Group, contributing HK\$364,827,000, HK\$6,793,000 and HK\$119,528,000 (six months ended 30 June 2024: HK\$381,338,000, HK\$7,142,000 and HK\$138,461,000) respectively and accounting for 20.0%, 0.4% and 6.5% (six months ended 30 June 2024: 12.8%, 0.2% and 4.7%) of the total revenue, respectively.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2025, the Group's gross profit amounted to HK\$269,874,000, representing a decrease of 56.5% as compared to that of the same period in 2024. The gross profit margin was 14.8%, down by 6.0 percentage points from the same period in 2024. This was mainly attributable to a lower proportion of high-margin projects delivered during the period compared with the same period last year, and a drop in selling prices amid market conditions during the period.

Investment Property Revaluation

For the six months ended 30 June 2025, the Group recorded a net loss on the revaluation of investment properties of approximately HK\$151,069,000 (six months ended 30 June 2024: loss of HK\$210,465,000), primarily attributable to a slight decline in the fair value of several investment properties.

Distribution and Selling Expenses

For the six months ended 30 June 2025, the Group's distribution and selling expenses decreased by 5.1% year-on-year to HK\$101,616,000 (six months ended 30 June 2024: HK\$107,098,000), which was mainly attributable to a year-on-year decrease in the delivery of the Group's commodity housing.

General and Administrative Expenses

For the six months ended 30 June 2025, the Group's general and administrative expenses decreased by 8.9% year-on-year to HK\$197,546,000 (six months ended 30 June 2024: HK\$216,773,000). This was mainly attributable to the continual stringent implementation of effective cost control measures during the period.

Other Expenses, Gains and Losses, Net

For the six months ended 30 June 2025, the Group recorded a net loss of approximately HK\$63,501,000 in other expenses, gains and losses (six months ended 30 June 2024: net loss of HK\$19,850,000) primarily due to an expected credit impairment loss related to account receivable from a joint venture and foreign exchange losses.

Loss for the Period

During the six months ended 30 June 2025, the Group recorded a loss of HK\$562,427,000 (six months ended 30 June 2024: loss of HK\$188,301,000), mainly attributable to a decrease in sales from several projects and to lower gross profit margins of commodity housing projects delivered during the period. The loss attributable to owners of the Company amounted to approximately HK\$492,139,000 (six months ended 30 June 2024: loss of HK\$231,564,000), and the basic losses per share amounted to 10.29 HK cents (six months ended 30 June 2024: losses of 4.84 HK cents).

Liquidity and Capital Resources

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

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

As at 30 June 2025, bank balances and cash of the Group were HK\$3,588,286,000 (31 December 2024: HK\$5,342,774,000). The net debt to total equity of the Group (net debt (total bank and other borrowings less bank balances and cash and restricted and pledged bank deposits) to total equity) increased from 64.8% as at the end of last year to 76.1%. The current ratio was 1.3 times (31 December 2024: 1.2 times).

As at 30 June 2025, the total borrowings of the Group, including bank borrowings, other borrowings, advanced bonds, medium term notes and domestic corporate bonds, amounted to approximately HK\$18,228,891,000 (31 December 2024: HK\$17,803,227,000). The Group continued to optimise its HKD denominated borrowings based on business needs, settling overseas HKD borrowings with loans at relatively lower interest rates.

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

Foreign Exchange Risks

During the period, most of the Group's revenue and operating costs were denominated in Renminbi. Except for bank deposits and borrowings denominated in foreign currencies, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements to control its exposure to exchange rate fluctuations as at 30 June 2025. However, the Group will adopt necessary measures whenever appropriate to minimise the impact arising from exchange rate fluctuations.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 706 employees (including Hong Kong and PRC offices). The remuneration policies for the employees of the Group are determined according to the performance, qualification, experience and competence of the employees. The emoluments of the directors of the Company (the “**Directors**”) are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics. Staff benefits include discretionary bonus payments which are linked to the profitability of the Group and individual performances and contributions to the Mandatory Provident Fund Schemes.

During the six months ended 30 June 2025, the Group provided training programs relating to work to employees. Activities aiming at building up team spirit were regularly organized for employees, so as to enhance the human capital of the Group and the sense of belonging of the staff.

OUTLOOK

Looking ahead to the second half of 2025, the CPC Politburo meeting stressed that the economy should be stabilised by expanding domestic demand, launching further consumption stimulus campaigns, and fostering new growth drivers for service consumption alongside promoting goods consumption. Regarding the property market, the State Council executive meeting reaffirmed the key policy of “greater efforts to restore and stabilise the market”, committing to effective policy implementation by strengthening controls in key areas, including stabilising expectations, stimulating demand, optimising supply and demand, and mitigating risks. The meeting also emphasised promoting the construction of “good housing” with a focus on quality enhancement, while refining supporting policies on finance, land and planning to ensure the healthy and stable development of the market. With the continued rollout of favourable policies aimed at restoring market confidence, the property market in China is expected to gradually stabilise in the second half under policy support.

In the face of industrial transformation and significant adjustments in market structure, and in line with its vision for robust operations, the Group will actively respond to national policies by leveraging its professional strengths to advance the development of high-quality projects that meet the growing housing needs of residents. Looking forward, the Group will seize policy opportunities and adapt to market dynamics with a continued focus on Shanghai, while deepening its presence in other core first- and second-tier cities to drive high-quality urban development. Meanwhile, the Group will enhance resource integration and innovate retail formats to diversify its investment property portfolio, continually increase project value and competitive advantages, and expand opportunities for sustainable growth. The Group will also uphold rigorous risk controls, optimise its capital structure and ensure steady operations driven by innovation and a commitment to quality, with the goal of delivering long-term, stable returns for shareholders.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

SHARE CAPITAL

The Company's issued and fully paid share capital as at 30 June 2025 amounted to HK\$191,216,607.56 divided into 4,780,415,189 ordinary shares of HK\$0.04 each.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the Directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the “**Guidelines for Securities Transactions by Relevant Employees**”) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards as set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the six months ended 30 June 2025.

In addition, no incident of non-compliance of the Guidelines for Securities Transactions by Relevant Employees by the relevant employees of the Group was noted by the Company throughout the six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) currently consists of three independent non-executive Directors, namely Mr. Li Ka Fai, David, *M.H.* (Committee Chairman), Mr. Doo Wai-Hoi, William, *B.B.S., J.P.* and Dr. Fan Ren Da, Anthony. The Audit Committee is primarily responsible for reviewing the accounting principles and practices adopted by the Group; reviewing the financial reporting process, risk management and internal controls system of the Group; and reviewing the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor. During the six months ended 30 June 2025, the Audit Committee has reviewed the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor for the Board’s approval. The Audit Committee has also reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2025 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group, risk management and internal controls matter, final results and financial statements and the terms of reference for the Audit Committee.

The Group’s external auditor, Messrs. Deloitte Touche Tohmatsu, has reviewed the Company’s unaudited condensed consolidated financial statements for the six months ended 30 June 2025 in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of Directors are set out as follows:

- (a) Ms. Zhou Yadong ceased to be a director and general manager of Shanghai SIIC Group Finance Co., Ltd. with effect from 7 April 2025;
- (b) Ms. Zhou Yadong was appointed as a vice president and chief financial officer of Shanghai Pharmaceuticals Holding Co., Ltd. (a company listed on both the Stock Exchange with stock code of 2607 and The Shanghai Stock Exchange with stock code of 601607) with effect from 8 April 2025;
- (c) Dr. Fan Ren Da, Anthony ceased to be an independent non-executive director, the chairman of the remuneration committee and the risk management committee, the members of the audit committee and the nomination committee of Technovator International Limited (a company listed on the Stock Exchange with stock code: 1206) with effect from 17 June 2025;
- (d) Dr. Fan Ren Da, Anthony ceased to be an independent non-executive director, the chairman of the risk management and regulatory compliance committee, the members of the audit committee, the remuneration committee and the nomination committee of Neo-Neon Holdings Limited (a company listed on the Stock Exchange with stock code: 1868) with effect from 20 June 2025;
- (e) Mr. Li Ka Fai, David ceased to be an independent non-executive director, the chairman of the audit committee and the member of the remuneration committee of China Merchants Port Holdings Company Limited (a company listed on the Stock Exchange with stock code: 144) with effect from 1 July 2025;
- (f) Mr. Tang Jun resigned as the president of the Company (the “**President**”) and an executive Director, and ceased to be a member of the investment appraisal committee of the Company (the “**Investment Appraisal Committee**”) with effect from 1 August 2025; and
- (g) Mr. Li Zhonghui was appointed as the President, an executive Director and a member of the Investment Appraisal Committee with effect from 1 August 2025.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.siud.com). The interim report of the Company for the six months ended 30 June 2025 containing all the applicable information required by the Listing Rules will be despatched to the Shareholders as well as published on the above websites in due course.

APPRECIATION

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

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

Hong Kong, 27 August 2025

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