SHIMAO GROUP HOLDINGS LIMITED
世 茂 集 團 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 813)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS HIGHLIGHTS

1. Contracted sales were RMB8.208 billion for the first half of 2026. Contracted gross floor area amounted to 667,945 sq.m..

2. Revenue of the Group was approximately RMB10.961 billion.

3. Gross loss of the Group was approximately RMB36 million (1H 2025: RMB908 million).

4. Loss for the period attributable to equity holders of the Company was approximately RMB6.187 billion (1H 2025: RMB8.934 billion). The loss has significantly narrowed by approximately 30.7% compared to the first half of 2025.

5. As at 30 June 2026, total borrowings of the Group were approximately RMB176.143 billion, representing a decline of approximately RMB6.123 billion as compared to approximately RMB182.266 billion at the end of last year.

6. As at 30 June 2026, the Group's land bank was approximately 32.37 million sq.m. (before interests).

7. The Board did not recommend the payment of any interim dividend for 1H 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

1) Recognized Sales Revenue

Shimao Group Holdings Limited ("Shimao Group", "Shimao" or the "Company") and its subsidiaries (collectively, the "Group") generates its revenue primarily from sales of properties, property management, hotel operation and commercial properties operation business. For the six months ended 30 June 2026, revenue of the Group reached RMB10.961 billion. During the period, revenue from property sales amounted to RMB5.918 billion, accounting for 54.0% of the total revenue, and the recognized sales area was 0.516 million sq.m..

2) Contracted Sales Performance

In the first half of 2026, the real estate industry continued its deep adjustment, with the market showing characteristics of weak recovery and pronounced divergence. Sales performance varied significantly across cities and product types, while the pace of recovery in property buyers' confidence remained relatively slow. The industry focus continued to shift away from a scale-oriented approach toward cash-flow stability and refined operations. The Group prudently assessed market trends, optimized its inventory structure, concentrated on key projects with solid sales potential, and accelerated inventory sales through targeted marketing initiatives. During the reporting period, the Group's aggregated contracted sales amounted to RMB8.208 billion, with a contracted sold area of 667,945 sq.m.. The average selling price was RMB12,289 per sq.m..

In the meantime, the supply-demand balance in the Hong Kong property market continued to improve, with transaction volumes remaining resilient. During the reporting period, the Group's residential project in the city, BEACON PEAK, achieved contracted sales of approximately RMB1.6 billion. The Group is positive about the development potential of the Hong Kong property market and will continue to monitor changes in market policies, dynamically adjust its sales deployment, and strive for steady growth in sales performance.

3) Land Bank and Existing Portfolio Management

Amidst the ongoing adjustment of the industry environment, the Group has actively advanced asset streamlining and the disposal of inefficient assets by flexibly adjusting the development and construction pace of various projects, and coordinating the allocation of available resources to focus on the construction and revitalization of key projects. As of 30 June 2026, the Group had an area under construction of approximately 8.83 million sq.m. and an area completed of approximately 0.32 million sq.m.. In terms of land reserve management, and taking into account market conditions, the current land bank, and operating liquidity, the Group did not acquire any land during the period. As of the end of the period, the Group had about 182 projects and a total area of approximately 32.37 million sq.m. (before interests) land bank, providing necessary support for the future supply of salable resources.

Property Management

In respect of property management business, Shimao Group is engaged in property management business through its subsidiary, Shimao Services Holdings Limited ("Shimao Services"). With the advancement of China's new urbanization initiatives, the ongoing optimization of social governance at the grassroots level, and the comprehensive upgrade in living standards and public service needs, the property services sector has completed a strategic transformation from traditional basic support to a modern, comprehensive public service.

The focus of the industry's development has shifted from scale expansion to optimizing operational quality, and Shimao Services is no exception. In the first half of 2026, Shimao Services continued to advance its efforts to enhance service quality, strengthened its focus on refined management, pursued market expansion with caution, actively developed value-added community services, and consolidated the foundations of its overall business. In the first half of 2026, Shimao Services recorded revenue of RMB3.3503 billion, a gross profit of RMB452.3 million and operating loss of RMB108.7 million. As at 30 June 2026, Shimao Services had businesses presence in 126 cities and provided property management services and a wide variety of community value-added services for 1,354 projects; the gross floor area ("GFA") under management was 190.2 million sq.m. and the contracted GFA was 306.5 million sq.m..

In the future, Shimao Services will focus on delivering high-quality services as its core objective and will deepen its commitment to core sectors, including residential communities, universities and colleges and industrial parks, and will enhance its operational capabilities and unleash the value of existing properties; and will enhance management efficiency and unleash its digital and intelligent potential.

Hotel Operation

As of 30 June 2026, the Group had more than 20 hotels in operation, including Conrad Shanghai, InterContinental Shanghai Wonderland, Conrad Xiamen, Hilton Wuhan Riverside, Le Méridien Shanghai Sheshan, InterContinental Fuzhou, Hilton Nanjing Riverside, Hilton Shenyang, Hilton Changsha Riverside and Yuluxe Hotel Chengdu, offering nearly 7,000 hotel guest rooms. In addition, the Group has one directly managed leased hotel, namely MiniMax Premier Hotel Shanghai Hongqiao, offering nearly 300 hotel guest rooms.

According to the STR report, in the first half of 2026, the hotel occupancy rate index in Mainland China remained broadly unchanged from the previous year, the Average Daily Rate (ADR) index grew by 1%, and the Revenue Per Available Room (RevPAR) index increased by 2%. Against this backdrop, Shimao hotels maintained stable operational fundamentals through flexible pricing strategies, enhanced holiday operations, and expansion of the overseas customer base. As a result, Shimao hotels achieved an occupancy rate of 66% for the first half of the year and total revenue of RMB1.030 billion.

Leveraging "Shi You Pin (世有品)", its upgraded online marketing platform, Shimao hotels collaborated with the Group's diversified business segments in launching nationwide redemption products, which span commercial, cultural and entertainment, and online retail spaces to develop a large-scale membership ecosystem, unlocking the value of membership operations step by step.

Commercial Properties Operation

In respect of commercial properties operation, Shimao Group is principally engaged in the development of commercial properties through its subsidiary, Shanghai Shimao Co., Ltd. ("Shanghai Shimao"). Shanghai Shimao is determined to develop premium commercial complexes, and regards fulfilling the growing public demand for a better life as its impetus for development.

In the first half of 2026, the commercial market in the PRC evolved into one characterized by existing property operations, with light-asset management and revitalization of existing projects dominating. High-quality commercial properties in prime locations across first – and second-tier cities remained stable, whilst operational pressure intensified in non-prime areas, highlighting a pattern of polarization. In response, Shimao commercial focused on collaborative operations with tenants by creating marketing ideas and traffic generation campaigns together, thereby boosting their brand visibility, footfall and sales performance. During the reporting period, Shimao commercial's sales of tenants of commercial projects under management and footfall showed a trend of dual growth. Overall occupancy rate stood at 92% for commercial projects under management, up by approximately 3 percentage points from the same period last year, and 71% for office buildings, which remained generally stable despite a strained market.

Looking ahead to the second half of the year, Shimao commercial will focus on three key areas: improving the quality and efficiency of projects under management, adopting flexible operational strategies for office projects, and expanding light-asset businesses, to sustain steady operations and high-quality development.

FINANCIAL ANALYSIS

Key consolidated statement of profit or loss figures are set out below:

	1H 2026 *RMB million*	1H 2025 *RMB million*
Revenue	**10,961**	14,827
Gross loss	**(36)**	(908)
Operating loss	**(4,156)**	(5,254)
Loss attributable to equity holders of the Company	**(6,187)**	(8,934)
Loss per share – Basic *(RMB)*	**(0.66)**	(2.36)

Revenue

For the six months ended 30 June 2026, the revenue of the Group was approximately RMB10.961 billion (1H 2025: RMB14.827 billion), representing a decrease of 26.1% over the corresponding period in 2025. The decrease in revenue was mainly due to the decrease in delivered floor area, which resulted from decreased contracted sales in recent years. And 54.0% (1H 2025: 60.1%) of the revenue was generated from the sales of properties and 46.0% (1H 2025: 39.9%) from hotel operation, commercial properties operation, property management and others.

The components of the revenue are set out as follows:

	1H 2026 *RMB million*	1H 2025 *RMB million*
Sales of properties	**5,918**	8,905
Hotel operation income	**1,030**	1,057
Commercial properties operation income	**563**	812
Property management income, and others	**3,450**	4,053
Total	**10,961**	14,827

* The income does not include revenue from the Group.

(i) Sales of Properties

Sales of properties for the six months ended 30 June 2026 and 2025 are set out below:

	1H 2026		1H 2025	
	Area (sq.m.)	***RMB million***	*Area (sq.m.)*	*RMB million*
Southern District	**81,716**	**2,009**	88,471	1,247
Fujian District	**134,049**	**1,553**	53,453	699
Western District	**108,123**	**822**	56,513	365
Shandong District	**96,089**	**762**	125,969	1,207
Zhejiang District	**21,294**	**265**	176,267	3,285
Middle District	**33,154**	**185**	194,225	1,362
Jiangsu District	**19,849**	**163**	14,006	177
Northern District	**18,226**	**125**	42,928	320
Shanghai District	**3,772**	**34**	14,722	243
Total	**516,272**	**5,918**	766,554	8,905

(ii) Hotel Income

For the six months ended 30 June 2026, hotel operation income was approximately RMB1,030 million (1H 2025: RMB1,057 million) and slightly decreased by 2.6%.

Hotel operation income is analysed as follows:

	Date of Commencement	**1H 2026** ***RMB million***	1H 2025 *RMB million*
Conrad Shanghai	September 2006	**182**	168
Four Points by Sheraton Hong Kong Tung Chung	January 2021	**131**	131
Sheraton Hong Kong Tung Chung Hotel	December 2020	**97**	102
Conrad Xiamen	August 2016	**70**	68
InterContinental Shanghai Wonderland	November 2018	**51**	70
InterContinental Fuzhou	January 2014	**47**	46
Le Méridien Shanghai Sheshan	November 2005	**45**	47
Hilton Changsha Riverside	July 2021	**43**	50
Hilton Wuhan Riverside	July 2016	**42**	46
Hilton Nanjing Riverside	December 2011	**38**	38
Hilton Shenyang	January 2018	**37**	39
Crowne Plaza Shaoxing	March 2014	**31**	31
Hilton Yantai	August 2017	**28**	31
Le Méridien Hangzhou Binjiang	September 2018	**26**	29
Yuluxe Hotel Chengdu	August 2018	**25**	27
DoubleTree by Hilton Ningbo Beilun	December 2016	**21**	21
DoubleTree by Hilton Ningbo Chunxiao	December 2015	**13**	14
Holiday Inn Mudanjiang	December 2010	**8**	8
Yuluxe Hotel Taizhou	August 2014	**6**	11
Minimax Hotel Chengdu Longquanyi	October 2021	**6**	6
Others		**83**	74
Total		**1,030**	1,057

(iii) Commercial Properties Operation Income

Commercial properties operation income decreased by approximately 30.7% to RMB563 million for the six months ended 30 June 2026 compared to approximately RMB812 million in the corresponding period in 2025. The decrease in commercial properties operation income was primarily due to the drop in average rental levels, as well as a reduction in leasable area in certain office buildings and shopping malls as a result of indebtedness settlement with assets.

Commercial properties operation income is analysed as follows:

	Date of Commencement	**1H 2026** ***RMB million***	1H 2025 *RMB million*
Rental Income			
Shanghai Shimao Festival City	December 2004	**135**	128
Jinan Shimao Festival City	May 2014	**61**	66
Chengdu Shimao Festival City	April 2021	**55**	67
Changsha Shimao Global Financial Center	September 2020	**38**	33
Shanghai Shimao Tower	December 2018	**32**	40
Shenzhen Shimao Qianhai Centre	July 2020	**18**	31
Kunshan Shimao Plaza	April 2012	**18**	24
Suzhou Shimao Canal Scene (Commercial)	June 2010	**15**	16
Nanjing Straits City (Commercial)	December 2014	**14**	21
Xiamen Shimao Straits Mansion	January 2017	**14**	17
Nanjing Yuhua Shimao (Commercial)	December 2018	**10**	23
Quanzhou Shishi Shimao Skyscraper City	January 2017	**10**	12
Wuhu Shimao Riviera Garden (Commercial)	September 2009	**4**	4
Beijing Shimao Tower	July 2009	**–**	59
Shaoxing Shimao Dear Town (Commercial)	May 2010	**–**	24
Miscellaneous rental income		**26**	51
Rental income sub-total		**450**	616
Commercial properties operation related service income		**113**	196
Total		**563**	812

(iv) Property Management Income, and Others

Property management income, and others decreased by approximately 14.9% to RMB3,450 million for the six months ended 30 June 2026 compared to RMB4,053 million over the corresponding period in 2025, which were mainly due to decreased revenues from property management services.

Cost of Sales

Cost of sales decreased by 30.1% to approximately RMB10,997 million for the six months ended 30 June 2026 from RMB15,735 million for the six months ended 30 June 2025, which was in line with the decrease in revenue.

Gross Loss

For the six months ended 30 June 2026, the Group's gross loss was decreased to approximately RMB36 million (1H 2025:RMB908 million).

Fair Value Losses on Investment Properties – Net

For the six months ended 30 June 2026, the Group recorded aggregate fair value losses of approximately RMB372 million (1H 2025: RMB238 million), mainly caused by the decrease in fair value of certain investment properties due to the slump in the local commercial property market.

Other (Losses)/Gains and Other Income – Net

For the six months ended 30 June 2026, the Group recognized net other losses of approximately RMB413 million (1H 2025 other income and gains: RMB357 million), which mainly included net losses of approximately RMB595 million from the liquidation of several subsidiaries which were adjudged bankrupt and under receivership procedures, net losses of approximately RMB476 million on the disposal of subsidiaries, net gains of approximately RMB410 million on debt capitalisation and net gains of approximately RMB120 million on liquidation of a joint venture. During the comparable period, net gains of approximately RMB386 million from the liquidation of several subsidiaries were recognized.

Selling and Marketing Costs and Administrative Expenses

For the six months ended 30 June 2026, the Group's selling and marketing costs decreased by 11.3% to approximately RMB373 million from approximately RMB420 million for the same period in 2025, which was mainly due to the decline in the Group's contracted sales.

For the six months ended 30 June 2026, the Group's administrative expenses decreased by 6.2% to approximately RMB1,539 million from approximately RMB1,641 million for the same period in 2025, benefiting from the Group's continuous focus on organization and business efficiency improvement.

Provision for Impairment on Financial Assets

Given the combined impact of multiple unfavorable factors in macroeconomic, industry and financing environments, the Group made further provisions for expected credit losses of approximately RMB804 million for the six months ended 30 June 2026.

Finance Costs – Net

For the six months ended 30 June 2026, net finance costs decreased to approximately RMB2,300 million from approximately RMB3,181 million for the same period in 2025, which was mainly due to reduction of effective interest rate and more foreign exchange gains on borrowings was recorded due to the continuous appreciation of RMB against USD in the first half of 2026.

Share of Results of Associated Companies and Joint Ventures

For the six months ended 30 June 2026, share of results of associated companies and joint ventures was losses of approximately RMB251 million, representing a decrease in loss of approximately RMB151 million compared with the same period in 2025. With the decline in revenue of associated companies and joint ventures, less losses were recognized accordingly.

Taxation

The Group's tax provisions amounted to approximately RMB129 million for the period, in which PRC land appreciation tax ("LAT") was RMB50 million (1H 2025: RMB909 million, in which LAT was RMB495 million). The decrease in LAT was mainly due to the decrease in revenue of sales of properties.

Loss Attributable to Equity Holders of the Company

Loss attributable to equity holders of the Company for the six months ended 30 June 2026 decreased to approximately RMB6.187 billion from approximately RMB8.934 billion for the six months ended 30 June 2025. The decrease in loss was mainly due to the decrease in gross loss and provision for impairment on financial assets.

Liquidity and Financial Resources

As at 30 June 2026, the Group had aggregate cash and bank balances (including restricted cash) of approximately RMB10,844 million, representing a decrease of approximately RMB1,226 million as compared to approximately RMB12,070 million at 31 December 2025, of which restricted cash of approximately RMB3,151 million (31 December 2025: RMB3,622 million) and guarantee deposits for construction of pre-sale properties with an amount of approximately RMB3,103 million (31 December 2025: RMB3,590 million) were included.

As at 30 June 2026, the total amount of borrowings was approximately RMB176.143 billion, representing a decrease of approximately RMB6.123 billion as compared to approximately RMB182.266 billion at 31 December 2025.

The Group's borrowings-to-assets ratio (total borrowings divided by total assets) was approximately 51.4% as at 30 June 2026 (31 December 2025: 51.0%). The Group's current ratio (current assets divided by current liabilities) was approximately 1.0 as at 30 June 2026 (31 December 2025: 1.0).

Foreign Exchange Risks

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD.

The Group has been paying closely attention to the fluctuation of the foreign exchange rate and will take measures to mitigate the risk of exchange rate fluctuation if necessary.

Pledge of Assets

As at 30 June 2026, the Group's total secured borrowings of approximately RMB155.638 billion were secured by its property and equipment, investment properties, land use rights, properties under development, completed properties held for sale and restricted cash (with a total carrying amount of RMB114.788 billion), and/or secured by the pledge of the shares or the equity interests of certain subsidiaries of the Group.

Capital and Property Development Expenditure Commitments

As of 30 June 2026, the Group had contracted capital and property development expenditure but not provided for amounted to RMB25.499 billion.

Employees and Remuneration Policy

As of 30 June 2026, the Group employed a total of 38,775 employees, among whom 442 were engaged in property development. Total remuneration for the period amounted to approximately RMB1.966 billion. The Group has adopted a performance-based rewarding system to motivate its staff. The board of directors of the Company (the "Board") adopted a share award scheme (the "Share Award Scheme") of the Company on 30 December 2011. The purpose of the Share Award Scheme is to recognize the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Further information regarding the Share Award Scheme is set out in the section headed "Share Award Schemes" included in the "Corporate Governance and Other Information" section in the Company's 2026 Interim Report. In relation to staff training, the Group also provides different types of programs for its staff to improve their skills and develop their respective expertise.

UNAUDITED INTERIM RESULTS

The Board presents the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2026 together with comparative figures for the corresponding period of the previous year. These interim financial statements have not been audited but have been reviewed by the Company's Audit Committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**10,960,579**	14,826,914
Cost of sales	*8*	**(10,996,679)**	(15,734,618)
Gross loss		**(36,100)**	(907,704)
Fair value losses on investment properties – net		**(371,995)**	(238,372)
Other (losses)/gains and other income – net	*9*	**(412,745)**	357,041
Selling and marketing costs	*8*	**(372,978)**	(420,494)
Administrative expenses	*8*	**(1,539,316)**	(1,641,061)
Provision for impairment on financial assets	*8*	**(803,660)**	(1,758,075)
Impairment losses on intangible assets	*8*	**(8,000)**	(34,742)
Other operating expenses	*8*	**(611,072)**	(610,669)
Operating loss		**(4,155,866)**	(5,254,076)
Finance income		**22,155**	29,935
Finance costs		**(2,321,784)**	(3,210,632)
Finance costs – net	*10*	**(2,299,629)**	(3,180,697)
Share of results of associated companies and joint ventures accounted for using the equity method		**(250,880)**	(402,399)
Loss before income tax		**(6,706,375)**	(8,837,172)
Income tax expenses	*11*	**(128,869)**	(908,744)
Loss for the period		**(6,835,244)**	(9,745,916)

	Notes	Unaudited Six months ended 30 June **2026** ***RMB'000***	 2025 *RMB'000*
Other comprehensive loss for the period:			
Items that will not be reclassified to profit or loss			
Fair value losses on financial assets at fair value through other comprehensive income, net of tax		**(5)**	(46)
Share of other comprehensive loss of joint ventures accounted for using the equity method		**(14,617)**	(31,622)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(378)**	(1,526)
Total comprehensive loss for the period		**(6,850,244)**	(9,779,110)
Loss for the period attributable to:			
Equity holders of the Company		**(6,187,418)**	(8,934,138)
Non-controlling interests		**(647,826)**	(811,778)
		(6,835,244)	(9,745,916)
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		**(6,197,474)**	(8,956,636)
Non-controlling interests		**(652,770)**	(822,474)
		(6,850,244)	(9,779,110)
Loss per share for loss attributable to the equity holders of the Company			
– Basic *(RMB)*	*13*	**(0.66)**	(2.36)
– Diluted *(RMB)*	*13*	**(0.66)**	(2.36)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**Unaudited 30 June 2026 *RMB'000***	Audited 31 December 2025 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**10,389,696**	10,999,451
Right-of-use assets		**3,935,116**	3,985,682
Investment properties		**31,091,349**	31,464,433
Intangible assets		**2,261,218**	2,186,296
Investments accounted for using the equity method		**14,920,766**	14,419,370
Amounts due from related parties		**5,313,501**	5,353,577
Financial assets at fair value through other comprehensive income		**260,004**	260,009
Financial assets at fair value through profit or loss		**582,120**	582,120
Deferred income tax assets		**585,118**	609,471
Other non-current assets		**2,351,806**	2,337,737
		71,690,694	72,198,146
Current assets			
Inventories		**153,844,069**	163,002,829
Trade and other receivables and prepayments	*4*	**37,638,812**	37,304,277
Prepayment for acquisition of land use rights		**1,704,838**	2,791,837
Prepaid income taxes		**961,793**	1,086,169
Amounts due from related parties		**63,436,937**	66,195,130
Financial assets at fair value through profit or loss		**45,000**	110,000
Restricted cash		**3,150,627**	3,621,845
Cash and cash equivalents		**7,693,082**	8,448,072
		268,475,158	282,560,159
Assets of a disposal group classified as held for sale	*6*	**2,456,655**	2,456,655
		270,931,813	285,016,814
Total assets		**342,622,507**	357,214,960

	Notes	**Unaudited 30 June 2026** *RMB'000*	Audited 31 December 2025 *RMB'000*
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**930,380**	820,994
Reserves		**(7,094,904)**	(987,891)
		(6,164,524)	(166,897)
Non-controlling interests		**12,212,351**	12,806,654
Total equity		**6,047,827**	12,639,757
LIABILITIES			
Non-current liabilities			
Borrowings	*7*	**64,778,129**	63,704,774
Lease liabilities		**18,764**	19,433
Deferred income tax liabilities		**6,045,474**	6,027,312
Amounts due to related parties		**2,190,076**	2,029,993
		73,032,443	71,781,512
Current liabilities			
Trade and other payables	*5*	**81,948,143**	79,872,455
Contract liabilities		**32,687,902**	36,896,450
Income tax payable		**21,402,031**	22,244,935
Borrowings	*7*	**111,365,060**	118,561,395
Derivative financial instruments		**36,277**	277,921
Lease liabilities		**25,806**	14,532
Amounts due to related parties		**14,082,608**	12,931,593
		261,547,827	270,799,281
Liabilities of a disposal group classified as held for sale	*6*	**1,994,410**	1,994,410
		263,542,237	272,793,691
Total liabilities		**336,574,680**	344,575,203
Total equity and liabilities		**342,622,507**	357,214,960

NOTES

1 GENERAL INFORMATION

Shimao Group Holdings Limited (the "Company") was incorporated in the Cayman Islands on 29 October 2004 as an exempted company with limited liability under the Cayman Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands. The Company is principally engaged in investment holding. The principal activities of the Company and its subsidiaries (together, the "Group") are property development, commercial properties operation, property management and hotel operation in the People's Republic of China (the "PRC").

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 July 2006.

This interim condensed consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2.1 Going concern basis

For the six months ended 30 June 2026, the Group incurred a loss attributable to equity holders of the Company of approximately RMB6.2 billion. As at 30 June 2026, the Group had borrowings in total of approximately RMB176.1 billion, out of which approximately RMB111.4 billion will be due for repayment within the next twelve months, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB10.8 billion. As at 30 June 2026, the Group had not repaid borrowings of RMB98.2 billion in aggregate according to their scheduled repayment dates. In addition, the Group was involved in various litigation and arbitration cases for various reasons.

The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company ("Directors") have devised a number of plans and measures to mitigate the liquidity pressure and to improve its financial position. Certain plans and measures have been or will be taken by the Directors include, but are not limited to, the following:

(i) Since the offshore debt restructuring scheme became effective on 21 July 2025, the Company has been performing its obligations under the new terms, and the mandatory convertible bonds held by the creditors have been gradually and smoothly converted into new shares of the Company. As at 21 July 2026, approximately US$5.0 billion in aggregate principal amount of the mandatory convertible bonds have been converted into the new shares of the Company, representing approximately 100% of the total mandatory convertible bonds issued on the restructuring effective date;

(ii) Save for the offshore debt restructuring, the Group has also been actively negotiating with other PRC onshore lenders and creditors on the extension or restructuring of borrowings. Due to the diverse lender base and changing market conditions, time is still required to determine the extension plans or restructuring plans on a case-by-case basis. The coming into effect of the offshore debt restructuring scheme and the completion of conversions of mandatory convertible bonds have released positive signals to the Group's onshore lenders and creditors, and it is expected that the extension or restructuring agreements for the existing onshore loans can be gradually implemented;

(iii) The Group will continuously focus on the acceleration of sales and delivery of its existing inventory of properties;

(iv) The Group will actively seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; and

(v) The Group will actively face the current situation and seek various ways to resolve the pending litigations of the Group. The Group is positive that it will be able to reach a solution to the litigations which have not yet reached a definite outcome at the current stage.

The Directors are of the opinion that, assuming the above plans and measures can be successfully implemented as scheduled, the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due within the following twelve months from 30 June 2026. Accordingly, it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the interim condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The effects of these potential adjustments have not been reflected in the interim condensed consolidated financial statements.

2.2 Adoption of new or amended HKFRS Accounting Standards

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA, that are relevant to its operations and effective for its accounting period beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not resulting in significant changes to the Group's accounting policies, presentation of the Group's interim condensed consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

3 SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance.

As majority of the Group's consolidated revenue and results are attributable to the market in the PRC and most of the Group's consolidated assets are located in the PRC, therefore no geographical information is presented.

The CODM assesses the performance of the operating segments based on a measure of revenue and (loss)/ profit before income tax. The information provided to the CODM is measured in a manner consistent with that in the financial statements.

(a) Revenue

Revenue of the Group consists of the following revenue recognized during the period:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of properties	**5,917,681**	8,905,408
Hotel operation income	**1,030,295**	1,057,192
Commercial properties operation income	**562,870**	811,860
Property management income, and others	**3,449,733**	4,052,454
	10,960,579	14,826,914

(b) Segment information

The segment results for the six months ended 30 June 2026 are as follows:

	Property development and investment				
	Shanghai Shimao Co., Ltd. ("Shanghai Shimao")* *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Shimao Services Holdings Limited ("Shimao Services")** *RMB'000* (Unaudited)	Unallocated*** *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue					
– Sales of properties					
– Recognized at a point in time	230,133	5,687,548	–	–	5,917,681
– Hotel operation income	110,533	919,762	–	–	1,030,295
– Commercial properties operation income	322,785	240,085	–	–	562,870
– Property management income, and others	114,008	19,559	3,350,275	–	3,483,842
Total revenue before elimination	777,459	6,866,954	3,350,275	–	10,994,688
Elimination					(34,109)
Total revenue					10,960,579
Operating (loss)/profit	165,198	(4,219,466)	(100,715)	(883)	(4,155,866)
Finance income	684	11,660	9,581	230	22,155
Finance costs	(353,759)	(575,617)	(1,287)	(1,391,121)	(2,321,784)
Share of results of associated companies and joint ventures accounted for using the equity method	6,133	(259,663)	2,650	–	(250,880)
Loss before income tax	(181,744)	(5,043,086)	(89,771)	(1,391,774)	(6,706,375)
Income tax expense					(128,869)
Loss for the period					(6,835,244)
Other segment items are as follows:					
Capital expenditures	1,792	9,771	193,039	–	204,602
Fair value (losses) on investment properties – net	(371,617)	(378)	–	–	(371,995)
Fair value gain on derivative financial instruments	–	–	–	50,797	50,797
Depreciation and amortisation charge	34,005	239,666	113,972	3,286	390,929
Amortisation of right-of-use assets	4,409	50,449	5,722	–	60,580
Provision for impairment on financial assets	409,541	211,221	182,898	–	803,660
Impairment losses on intangible assets	–	–	8,000	–	8,000
Provision for impairment losses on properties under development and completed properties held for sale	236,219	255,060	–	–	491,279

* The Group owns an effective equity interest of 66.18% in Shanghai Shimao as at 30 June 2026.

** The Group owns an effective equity interest of 54.95% in Shimao Services as at 30 June 2026.

*** Unallocated mainly represent corporate level activities.

The segment results for the six months ended 30 June 2025 are as follows:

	Property development and investment				
	Shanghai Shimao* *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Shimao Services** *RMB'000* (Unaudited)	Unallocated*** *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue					
– Sales of properties					
– Recognized at a point in time	2,614,668	6,290,740	–	–	8,905,408
– Hotel operation income	108,511	948,681	–	–	1,057,192
– Commercial properties operation income	606,115	205,745	–	–	811,860
– Property management income, and others	272,946	280,244	3,619,813	–	4,173,003
Total revenue before elimination	3,602,240	7,725,410	3,619,813	–	14,947,463
Elimination					(120,549)
Total revenue					14,826,914
Operating (loss)/profit	(228,890)	(5,094,187)	39,696	29,305	(5,254,076)
Finance income	3,084	11,909	12,720	2,222	29,935
Finance costs	(1,018,436)	(2,172,067)	(14,772)	(5,357)	(3,210,632)
Share of results of associated companies and joint ventures accounted for using the equity method	13,265	(407,529)	(8,135)	–	(402,399)
(Loss)/profit before income tax	(1,230,977)	(7,661,874)	29,509	26,170	(8,837,172)
Income tax expense					(908,744)
Loss for the period					(9,745,916)
Other segment items are as follows:					
Capital expenditures	1,480	11,311	317,441	–	330,232
Fair value (losses) on investment properties – net	(110,587)	(127,785)	–	–	(238,372)
Depreciation and amortisation charge	47,609	194,766	92,477	5,066	339,918
Amortisation of right-of-use assets	4,545	51,419	14,633	–	70,597
Provision for impairment on financial assets	963,021	599,728	195,326	–	1,758,075
Impairment losses on intangible assets	–	–	34,742	–	34,742
Provision for impairment losses on properties under development and completed properties held for sale	252,186	2,130,140	–	–	2,382,326

* The Group owns an effective equity interest of 66.18% in Shanghai Shimao as at 30 June 2025.

** The Group owns an effective equity interest of 58.41% in Shimao Services as at 30 June 2025.

*** Unallocated mainly represent corporate level activities.

The segment assets and liabilities at 30 June 2026 are as follows:

	Property development and investment			
	Shanghai Shimao* *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Shimao Services** *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Investments accounted for using the equity method	**687,608**	**13,612,967**	**620,191**	**14,920,766**
Intangible assets	**1,216**	**19,167**	**2,240,835**	**2,261,218**
Other segment assets	**42,700,980**	**268,614,071**	**9,566,053**	**320,881,104**
Total segment assets	**43,389,804**	**282,246,205**	**12,427,079**	**338,063,088**
Deferred income tax assets				**585,118**
Financial assets at FVOCI				**260,004**
Financial assets at FVTPL				**627,120**
Assets of a disposal group classified as held for sale				**2,456,655**
Other assets				**630,522**
Total assets				**342,622,507**
Borrowings	**24,122,321**	**124,107,994**	**2,500**	**148,232,815**
Other segment liabilities	**36,359,825**	**108,251,575**	**5,469,192**	**150,080,592**
Total segment liabilities	**60,482,146**	**232,359,569**	**5,471,692**	**298,313,407**
Corporate borrowings				**27,910,374**
Deferred income tax liabilities				**6,045,474**
Derivative financial instruments				**36,277**
Liabilities of a disposal group classified as held for sale				**1,994,410**
Other liabilities				**2,274,738**
Total liabilities				**336,574,680**

The segment assets and liabilities at 31 December 2025 are as follows:

	Property development and investment			
	Shanghai Shimao* *RMB'000* (Audited)	Others *RMB'000* (Audited)	Shimao Services** *RMB'000* (Audited)	Total *RMB'000* (Audited)
Investments accounted for using the equity method	696,728	13,132,200	590,442	14,419,370
Intangible assets	1,382	30,980	2,153,934	2,186,296
Other segment assets	48,206,252	278,948,287	9,113,076	336,267,615
Total segment assets	48,904,362	292,111,467	11,857,452	352,873,281
Deferred income tax assets				609,471
Financial assets at FVOCI				260,009
Financial assets at FVTPL				692,120
Assets of a disposal group classified as held for sale				2,456,655
Other assets				323,424
Total assets				357,214,960
Borrowings	25,810,854	130,282,095	4,495	156,097,444
Other segment liabilities	37,461,464	109,464,495	4,882,487	151,808,446
Total segment liabilities	63,272,318	239,746,590	4,886,982	307,905,890
Corporate borrowings				26,168,725
Deferred income tax liabilities				6,027,312
Derivative financial instruments				277,921
Liabilities of a disposal group classified as held for sale				1,994,410
Other liabilities				2,200,945
Total liabilities				344,575,203

Total segment assets consist primarily of property and equipment, investment properties, right-of-use assets, other non-current assets, properties under development, completed properties held for sale, receivables, prepayments and cash balances. They also include goodwill recognized arising from acquisition of subsidiaries relating to respective segments. They exclude corporate assets, deferred income tax assets, financial assets at FVOCI, financial assets at FVTPL and assets of disposal group classified as held for sale.

Total segment liabilities comprise operating liabilities. They exclude corporate liabilities, corporate borrowings, deferred income tax liabilities, derivative financial instruments and liabilities of a disposal group classified as held for sale.

The Group has recognized the following liabilities related to contracts with customers:

	30 June 2026 ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Related to development and sales of properties contracts		
Contract liabilities *(Note)*	**32,687,902**	36,896,450

Note: Contract liabilities have been disclosed with value-added-tax of approximately RMB2.1 billion deducted as at 30 June 2026 (31 December 2025: approximately RMB2.4 billion).

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables *(Note (a))*	**8,495,199**	8,686,800
Bidding deposits for land use rights *(Note (b))*	**4,667,245**	3,793,534
Prepayments for construction costs	**9,030,893**	9,030,740
Loan receivables *(Note (c))*	**309,310**	359,903
Prepaid tax and surcharges on pre-sale proceeds	**641,631**	659,486
Deposits paid	**4,456,815**	5,066,534
Receivables from disposal of equity interests	**152,905**	223,317
Payments on behalf of customers	**412,115**	449,664
Other receivables	**17,060,155**	12,846,272
	45,226,268	41,116,250
Provision for impairment	**(7,587,456)**	(3,811,973)
	37,638,812	37,304,277

Notes:

(a) Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements. The ageing analysis of trade receivables at the respective period-ended dates is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 180 days	**5,707,330**	5,836,053
Over 180 days and within 365 days	**1,228,618**	1,256,329
Over 365 days	**1,559,251**	1,594,418
	8,495,199	8,686,800

As at 30 June 2026, receivables arising from sales of properties were approximately RMB2,714,791,000 (31 December 2025: RMB2,952,231,000).

(b) Bidding deposits for land use rights mainly represented deposits placed by the Group to various government related bodies for the acquisition of leasehold land.

(c) As at 30 June 2026, loan receivables of RMB309,310,000 (31 December 2025: RMB359,903,000) were secured by the pledge of certain properties, notes receivable or credit guaranty of borrowers, bearing interest rate at a range from 11.0% to 16.1% per annum and payable within one year.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. As at 30 June 2026, the fair value of trade receivables, bidding deposits for land use rights, loan receivables and other receivables of the Group approximate their carrying amounts, as the impact of discounting is not significant.

5 TRADE AND OTHER PAYABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade payables *(Note (a))*	**25,847,347**	29,434,003
Other payables *(Note (b))*	**24,742,551**	19,568,548
Other taxes payable	**4,898,990**	5,804,429
Accrued expenses	**26,459,255**	25,065,475
	81,948,143	79,872,455

Notes:

(a) The ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 90 days	**10,132,160**	12,126,809
Over 90 days and within 1 year	**13,233,842**	15,452,852
Over 1 year	**2,481,345**	1,854,342
	25,847,347	29,434,003

(b) As at 30 June 2026, other payables mainly included amount due to liquidated subsidiaries or disposed subsidiaries amounted to RMB16,484,934,000 (31 December 2025: RMB12,030,891,000) and deposits received from customers amounted to RMB3,114,276,000 (31 December 2025: RMB2,815,408,000). Except this, the residual amounts mainly included deposits from constructors, rental deposits from tenants and hotel customers, payables for equity interest, and fees collected from customers on behalf of government agencies.

6 A DISPOSAL GROUP OF ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As at 30 June 2026 and 31 December 2025, the completion of certain debt settlement arrangements entered into during 2024 was pending the Group's satisfaction of necessary conditions precedent. The Group's investment properties associated with these arrangements were amounted to approximately RMB15.0 million as at that date.

During the year ended 31 December 2025, the Group entered into several equity transfer agreement and supplementary agreements with an independent third party, pursuant to which the Group conditionally agreed to sell and the independent third parties conditionally agreed to purchase 100% equity interest in a property development company, an indirect non-wholly-owned subsidiary of the Company, for a consideration of RMB596.3 million. The Group is currently in the process of clearance and settlement of certain liabilities, including project related payments with the independent third party. Such related matters remained outstanding as at 30 June 2026 and 31 December 2025.

In these regards, the management of the Group classified the group of relevant assets and liabilities as assets and liabilities held for sale and is presented separately in the interim condensed consolidated statement of financial position as at 30 June 2026. The major classes of assets and liabilities classified as held for sale are as follows:

	At 30 June 2026 *RMB'000* (Unaudited)
Property and equipment	247
Investment properties	1,474,433
Intangible assets	20
Inventories	386,516
Trade and other receivables and prepayments	148,199
Deferred income tax assets	442,594
Cash and cash equivalents	4,646
Assets of a disposal group classified as held for sale	2,456,655
Trade and other payables	940,848
Contract liabilities	266,832
Deferred income tax liabilities	46,878
Borrowings	739,852
Liabilities of a disposal group classified as held for sale	1,994,410

7 BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Borrowings included in non-current liabilities		
Long-term borrowings – secured	**97,796,311**	102,831,746
Long-term borrowings – unsecured	**12,853,033**	12,610,174
Senior notes – secured	**20,438,295**	18,959,386
Medium-term notes – unsecured	**2,661,000**	3,040,000
Long-term bonds – secured	**18,863,134**	18,863,234
	152,611,773	156,304,540
Less: Portion of long-term borrowings due within one year	**(71,737,526)**	(79,438,054)
Portion of medium-term notes due within one year	**(2,661,000)**	(3,040,000)
Portion of long-term bonds due within one year	**(13,435,118)**	(10,121,712)
Amounts due within one year	**(87,833,644)**	(92,599,766)
	64,778,129	63,704,774
Borrowings included in current liabilities		
Short-term borrowings – secured	**18,540,550**	18,805,741
Short-term borrowings – unsecured	**4,711,616**	6,876,638
Private placement notes	**279,250**	279,250
Current portion of non-current borrowings	**87,833,644**	92,599,766
	111,365,060	118,561,395

8 EXPENSES BY NATURE

	Six months ended 30 June	
	2026 *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Cost of properties sold and others	**8,917,278**	11,567,024
Taxes and surcharges	**44,929**	93,361
Staff costs – including directors' emoluments	**1,841,145**	1,999,138
Advertising, promotion and commission costs	**252,166**	383,621
Direct expenses arising from hotel operation	**359,507**	378,666
Corporate and office expenses	**299,203**	486,814
Consulting fee	**45,567**	58,083
Depreciation and amortisation	**390,929**	339,918
Amortisation of right-of-use assets	**60,580**	70,597
Penalties	**353,306**	440,050
Provision for impairment losses on financial assets	**803,660**	1,758,075
Provision for impairment losses on properties under development and completed properties held for sale	**491,279**	2,382,326
Impairment losses on intangible assets	**8,000**	34,742
Other expenses	**464,156**	207,244
	14,331,705	20,199,659

9 OTHER (LOSSES)/GAINS AND OTHER INCOME – NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants received	**9,751**	10,429
Other gains/(losses) – net		
Penalty income *(Note)*	**12,674**	24,585
Net losses on disposal of subsidiaries with loss of control	**(475,512)**	(45,244)
Net (losses)/gains on liquidation of subsidiaries	**(594,734)**	385,550
Net gains on liquidation of a joint venture	**120,326**	–
Loss on impairment of assets classified as held for sale	**–**	(73,333)
Net losses on restructuring of certain PRC on-shore debts	**(21,816)**	–
Net gains on debt capitalisation	**409,964**	–
Gain on derivative financial instruments	**50,797**	–
Others	**75,805**	55,054
	(422,496)	346,612
	(412,745)	357,041

Note: Penalty income represents penalty received from property buyers who do not execute sales and purchase agreements on property sales or from tenants who early terminate tenancy agreements.

10 FINANCE COSTS – NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– interest income on short-term bank deposits	**(22,155)**	(29,935)
Interest on bank and other borrowings	**4,809,315**	5,001,188
Interest charges paid/payable for lease liabilities	**920**	1,430
	4,810,235	5,002,618
Net foreign exchange gains *(Note)*	**(1,180,371)**	(1,079,303)
Less: interest capitalised	**(1,308,080)**	(712,683)
Finance costs	**2,321,784**	3,210,632
Net finance costs	**2,299,629**	3,180,697

Note: Net foreign exchange gains is mainly derived from the translation of foreign currency borrowings.

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
– PRC enterprise income tax	**38,907**	402,530
– PRC land appreciation tax	**49,942**	494,678
	88,849	897,208
Deferred income tax		
– PRC enterprise income tax	**40,020**	11,536
	128,869	908,744

(a) Hong Kong profits tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

(b) PRC enterprise income tax

PRC enterprise income tax is almost provided for at 25% of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for PRC enterprise income tax purposes.

(c) PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

(d) PRC withholding income tax

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong.

Gain on disposal of an investment in the PRC by overseas holding companies and intra-group charges to the PRC subsidiaries by overseas subsidiaries may also be subject to withholding tax of 10%.

12 DIVIDENDS

No interim dividend for the six months ended 30 June 2026 was proposed by the Board (six months ended 30 June 2025: Nil).

13 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to the equity holders of the Company *(RMB'000)*	**(6,187,418)**	(8,934,138)
Weighted average number of ordinary shares *(thousands)*	**9,334,489**	3,787,569
Basic loss per share *(RMB)*	**(0.66)**	(2.36)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue for the potential dilutive effect caused by the shares granted under the Share Award Scheme and the shares converted under the mandatory convertible bonds ("MCB") assuming they were exercised. Diluted loss per share is presented as basic loss per share for the six months ended 30 June 2026 and 2025 as the effect caused by the shares granted under the Share Award Scheme and the shares converted under the MCB is anti-dilutive.

14 COMMITMENTS

Commitments for capital and property development expenditure

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted but not provided for		
– Property and equipment	**441,335**	476,598
– Land use rights (including those related to associated companies and joint ventures)	**3,447,820**	3,457,820
– Properties being developed by the Group for sale	**21,609,359**	22,648,661
	25,498,514	26,583,079

15 EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to the reporting period and up to the date of approval of these interim condensed consolidated financial statements, a total number of 570,575,130 new shares were issued at the conversion price of HK$6 per share pursuant to the conversion of the MCB due 2026 issued on 21 July 2025, which accounted for 5.8% of the total number of issued shares before the relevant event.

(b) A winding-up petition against the Company (the "Petition") dated 27 August 2026 was filed by a third-party company at the High Court of Hong Kong in connection with the judgement debts arising from four judgments issued by Mainland Chinese courts. The High Court has set the first hearing date for the Petition on 11 November 2026.

CORPORATE GOVERNANCE CODE

The Company complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2026, except for the following deviations:

(a) Code provision C.1.7 – The Company should arrange appropriate insurance cover for legal action against its directors (the "Directors").

    The Company has not yet made this insurance arrangement as director liability insurance with a reasonable insurance premium while providing adequate suitable security to Directors has not yet been identified on the market.

(b) Code provision C.2.1 – The roles of chairman and chief executive should be separate and should not be performed by the same individual.

    The Company believes that Mr. Hui Sai Tan, Jason's dual roles as Chairman of the board of Directors (the "Board") and President of the Company will enable the Group to execute its business strategies effectively and facilitate daily operations. Although the responsibilities of the Chairman and the President are vested in one person, all major decisions are made in consultation with the Management and the Board. The Board considers that there is a sufficient balance of power and enhances the efficiency of the operation of the Group. The Board currently comprises two Executive Directors, one Non-executive Director and three Independent Non-executive Directors and, therefore, has a strong independent element in its composition.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

On behalf of the Board
Shimao Group Holdings Limited
Hui Sai Tan, Jason
Chairman and President

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises two Executive Directors, namely, Mr. Hui Sai Tan, Jason (Chairman and President) and Mr. Zhao Jun; one Non-executive Director, namely, Ms. Hui Mei Mei, Carol; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.