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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 FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the "**Board**") of Shanghai Industrial Urban Development Group Limited (the "**Company**") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020, as follows:

FINANCIAL HIGHLIGHT

	For the year ended 31 December		
	2021	2020	**Change**
Financial Highlights (HK$'000)			
Revenue	**11,015,088**	6,356,732	+73.3%
Gross profit	**3,554,120**	2,197,377	+61.7%
Gross profit margin	**32.3%**	34.6%	−2.3 points
Gross profit margin (excluding the effect of affordable housing)	**41.0%**	40.3%	+0.7 points
Profit attributable to owners of the company	**572,328**	521,765	+9.7%
Financial Information per share (HK cents)			
Profit			
— Basic and Diluted	**11.91**	10.86	+9.7%
Proposed Dividend/Dividend paid			
— Final dividend (HK cents)	**2.1**	1.9	
— Special dividend (HK cents)	**2.4**	2.4	
	4.5	4.3	+4.7%
	As at 31 December		
	2021	2020	
Net asset value attributable to owners of the Company per share (HK$)	**3.17**	2.99	+6.0%
Financial Ratios			
Net debt to total equity (%) (note)	**24.0%**	31.9%	

Note: Net debt = total borrowings (including bank and other borrowings) less bank balances and cash and restricted and pledged bank deposits.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 HK$'000	2020 HK$'000
Revenue	4		
Goods and services		**10,185,781**	5,694,014
Leases		**829,307**	662,718
Total revenue		**11,015,088**	6,356,732
Cost of sales		**(7,460,968)**	(4,159,355)
Gross profit		**3,554,120**	2,197,377
Other income	6	**190,157**	181,413
Other expenses, gains and losses, net	7	**35,767**	29,680
Fair value gain (loss) on investment properties, net	13	**118,614**	(156,824)
Distribution and selling expenses		**(283,418)**	(255,593)
General and administrative expenses		**(335,057)**	(413,694)
Gain on disposal of a subsidiary	17	**1,111,382**	637,666
Finance costs	8	**(719,383)**	(702,595)
Share of results of associates		**(3,690)**	338,967
Share of results of joint ventures		**(7,050)**	—
Profit before tax		**3,661,442**	1,856,397
Income tax	9	**(2,762,758)**	(1,115,433)
Profit for the year	10	**898,684**	740,964
Other comprehensive income (expense) for the year			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**760,925**	1,493,960
Fair value loss on equity instruments at fair value through other comprehensive income, net of tax		**(18,805)**	(19,679)
Item that may be reclassified subsequently to profit or loss:			
Reclassification adjustment for realisation of revaluation reserves upon disposal of the related properties		**(5,205)**	—
Other comprehensive income for the year		**736,915**	1,474,281
Total comprehensive income for the year		**1,635,599**	2,215,245

	NOTE	**2021** HK$'000	2020 HK$'000
Profit for the year attributable to:			
Owners of the Company		**572,328**	521,765
Non-controlling interests		**326,356**	219,199
		898,684	740,964
Total comprehensive income for the year attributable to:			
Owners of the Company		**1,054,227**	1,345,529
Non-controlling interests		**581,372**	869,716
		1,635,599	2,215,245
Earnings per share			
Basic (HK cents)	*11*	**11.91**	10.86
Diluted (HK cents)	*11*	**N/A**	10.86

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current assets			
Investment properties	*13*	**19,666,136**	17,825,877
Property, plant and equipment		**2,297,465**	2,286,082
Right-of-use assets		**503,099**	232,024
Goodwill		**23,604**	—
Intangible assets		**62,777**	60,584
Interests in associates		**2,246,277**	1,687,818
Interests in joint ventures		**2,914,426**	2,506,533
Amount due from a related company		**276,188**	154,713
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**93,372**	134,224
Pledged bank deposits		**122,575**	8,704
Other receivables, prepayments and deposit	*15*	**—**	1,795,501
Deferred tax assets		**55,164**	252,246
		28,261,083	26,944,306
Current assets			
Inventories		**2,207**	2,242
Properties under development for sale and properties held-for-sale	*14*	**24,630,428**	29,238,947
Trade and other receivables	*15*	**4,365,527**	1,414,021
Amount due from a related company		**12**	12
Prepaid income tax and land appreciation tax		**459,442**	214,871
Financial assets at fair value through profit or loss ("FVTPL")		**2,961**	3,464
Restricted and pledged bank deposits		**36,457**	57,392
Bank balances and cash		**14,116,711**	9,550,663
		43,613,745	40,481,612

	NOTE	2021 HK$'000	2020 HK$'000
Current liabilities			
Trade and other payables	16	**6,752,402**	6,745,691
Amounts due to related companies		**706,814**	528,337
Pre-sale proceeds received on sales of properties		**13,504,748**	11,351,177
Bank and other borrowings		**10,121,944**	3,668,189
Lease liabilities		**62,395**	64,811
Income tax and land appreciation tax payables		**3,226,796**	2,089,637
Dividends payable		**18,402**	16,234
Dividends payable to non-controlling shareholders		**1,963,472**	—
		36,356,973	24,464,076
Net current assets		**7,256,772**	16,017,536
Total assets less current liabilities		**35,517,855**	42,961,842
Non-current liabilities			
Deferred revenue		**32,452**	20,176
Bank and other borrowings		**9,598,138**	14,079,077
Lease liabilities		**57,794**	110,738
Deferred tax liabilities		**3,118,049**	3,238,389
		12,806,433	17,448,380
		22,711,422	25,513,462
Capital and reserves			
Share capital		**192,253**	192,253
Reserves		**15,021,633**	14,174,078
Equity contributable to owners of the Company		**15,213,886**	14,366,331
Non-controlling interests		**7,497,536**	11,147,131
		22,711,422	25,513,462

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate holding company is S.I. Smart Charmer Limited (a private limited company incorporated in the British Virgin Islands ("**BVI**")), its intermediate holding company is Shanghai Industrial Holdings Limited (incorporated in Hong Kong and listed on the Stock Exchange) and its ultimate holding company is Shanghai Industrial Investment (Holdings) Company Limited (a private limited company also incorporated in Hong Kong). The addresses of the registered office and principal place of business of the Company are disclosed in the section of "Corporate Information" in the annual report.

The principal activities of the Group are residential and commercial properties development, property investment and hotel operations in the PRC.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is different from the Company's functional currency of Renminbi ("**RMB**"), as the Company is listed on the Stock Exchange, where most of its investors are located in Hong Kong.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "**Committee**") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 "Financial Instruments: Disclosures".

As at 1 January 2021, the Group has several financial liabilities, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts.

	HK$ Hong Kong Interbank Offered Rate ("HIBOR") *HK$'000*
Bank borrowings	400,000
Other Borrowings	1,813,000
	2,213,000

The amendments have had no impact on the consolidated financial statements as the Group had confirmed with the relevant counterparties that HIBOR will continue to maturity.

Impacts on application of the agenda decision of the Committee — Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's accounting policy prior to the Committee's agenda decision was to determine the net realisable value of inventories taking into consideration of incremental costs only. Upon application of the Committee's agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration of both incremental costs and other cost necessary to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee's agenda decision has had no material impact on the Group's financial positions and performance.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 April 2021.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after 1 January 2023.
4 Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 "Business Combinations" so that it refers to the "Conceptual Framework for Financial Reporting 2018" issued in June 2018 (the "**Conceptual Framework**") instead of "Framework for the Preparation and Presentation of Financial Statements" (replaced by the "Conceptual Framework for Financial Reporting 2010" issued in October 2010);

- add a requirement that, for transactions and other events within the scope of HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" ("**HKAS 37**") or HK(IFRIC)-Int 21 "Levies", an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 "Consolidated Financial Statements" and HKAS 28 "Investments in Associates and Joint Ventures" deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

    (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

    (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2021, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 "Making Materiality Judgments" (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty — that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgments or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 "Income Taxes" ("**HKAS 12**") so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. The Group is still in the process of assessing the full impact of the application of the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained earnings at the beginning of the earliest comparative period presented.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. REVENUE

Disaggregation of revenue from contracts with customers:

	2021	2020
	HK$'000	*HK$'000*
Types of goods or services		
Sales of properties	**9,937,996**	5,478,845
Hotel operations	**246,949**	208,527
Property management	**836**	6,642
Total	**10,185,781**	5,694,014

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

5. 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 other 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 PRC. All revenue and non-current assets, except for certain property and equipment, of the Group are generated from and located in the PRC. No revenue from a single customer contributed 10% or more of the Group's revenue for the years ended 31 December 2021 and 2020.

6. OTHER INCOME

	2021	2020
	HK$'000	*HK$'000*
Interest income on bank deposits	**85,869**	101,577
Other interest income	**8,529**	15,628
Rental income from property, plant and equipment	**3,798**	20,610
Dividend income from equity instruments at FVTOCI	**41,544**	1,113
Income from marketing and exhibition activities	**731**	656
Government grants	**8,711**	15,550
Management service income	**11,571**	2,121
Others	**29,404**	24,158
	190,157	181,413

7. OTHER EXPENSES, GAINS AND LOSSES, NET

	2021 *HK$'000*	2020 *HK$'000*
Foreign exchange gain, net	**35,759**	71,335
Fair value changes of financial assets at FVTPL, net	**(619)**	(81)
(Losses) gains on disposal of property, plant and equipment, net	**(114)**	543
Others	**741**	(42,117)
	35,767	29,680

8. FINANCE COSTS

	2021 *HK$'000*	2020 *HK$'000*
Interests on bank and other borrowings	**1,126,696**	1,178,348
Interests on lease liabilities	**2,214**	4,157
Total finance costs	**1,128,910**	1,182,505
Less: Amounts capitalised into properties under development for sale	**(409,527)**	(479,910)
	719,383	702,595

9. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2021 *HK$'000*	2020 *HK$'000*
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**1,418,706**	705,082
PRC Land Appreciation Tax ("**LAT**")	**1,217,348**	809,922
PRC withholding tax on dividend income	**13,047**	45,290
	2,649,101	1,560,294
Overprovision in prior years:		
PRC EIT	**(36,372)**	(812)
PRC LAT	**—**	(19,347)
	(36,372)	(20,159)
Deferred tax	**150,029**	(424,702)
Income tax for the year	**2,762,758**	1,115,433

10. PROFIT FOR THE YEAR

	2021	2020
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Depreciation for property, plant and equipment	**168,344**	141,814
Less: Depreciation capitalised into properties under development for sale	**(1,085)**	(1,878)
	167,259	139,936
Depreciation of right-of-use assets	**28,099**	36,137
Total depreciation and amortisation	**195,358**	176,073
Gross rental income from investment properties	**(829,307)**	(662,718)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**291,344**	245,438
	(537,963)	(417,280)
Directors' remuneration	**6,643**	7,634
Other staff costs		
Salaries, wages and other benefits	**228,969**	266,331
Retirement benefit scheme contributions	**29,606**	20,094
Total staff costs	**265,218**	294,059
Less: Staff costs capitalised into properties under development for sale	**(73,572)**	(85,635)
	191,646	208,424
Auditors' remuneration	**5,572**	5,774
Cost of properties held-for-sale recognised as an expense	**6,731,568**	3,513,017
(Reversal of) impairment losses recognised on properties held-for-sale (included in cost of sales)	**(12,499)**	88,731
Share of tax of associates (included in share of results of associates)	**10,756**	331,114

11. EARNINGS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of calculating basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	**572,328**	521,765

	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**4,806,323**	4,806,323
Number of ordinary shares for the purpose of calculating diluted earnings per share	**N/A**	4,806,323

The computation of diluted earnings per share in prior year did not assume the exercise of the Company's share options because the exercise price of the share options was higher than the average market price for that year.

During the year ended 31 December 2021, none of the Company's share options were outstanding as all of them had expired on 23 September 2020.

12 DIVIDENDS

A final dividend and a special dividend of HK1.9 cents (2020: HK1.8 cents) per ordinary share and HK2.4 cents (2020: HK2.3 cents) per ordinary share respectively, in an aggregate amount of approximately HK$206,672,000 (2020: HK$197,059,000), in respect of the year ended 31 December 2020, were declared and an amount of approximately HK$204,504,000 (2020: HK$194,994,000) was paid during the year ended 31 December 2021.

Subsequent to the end of the reporting period, a final dividend and a special dividend of HK2.1 cents per ordinary share and HK2.4 cents per ordinary share respectively, in respect of the year ended 31 December 2021, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

13. INVESTMENT PROPERTIES

	2021	2020
	HK$'000	*HK$'000*
FAIR VALUE		
At 1 January	**17,825,877**	14,803,258
Subsequent expenditure	**585,915**	174,506
Acquisitions	**951,724**	—
Fair value gain (loss) on investment properties, net	**118,614**	(156,824)
Disposal of a subsidiary	**(1,245,325)**	—
Transfer to property, plant and equipment	**—**	(188,506)
Transfer from properties held-for-sale	**838,624**	2,279,612
Exchange realignment	**590,707**	913,831
At 31 December	**19,666,136**	17,825,877

14. PROPERTIES UNDER DEVELOPMENT FOR SALE AND PROPERTIES HELD-FOR-SALE

	2021	2020
	HK$'000	*HK$'000*
Property development		
Properties under development for sale	**16,501,151**	21,857,900
Properties held-for-sale	**8,129,277**	7,381,047
	24,630,428	29,238,947

All of the properties under development for sale and properties held-for-sale are located in the PRC.

15. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSIT

	2021	2020
	HK$'000	*HK$'000*
Other receivables, prepayments and deposit recognised as non-current assets		
Deposit paid for acquisition of an associate	**—**	484,607
Prepayments for acquisition of parcels of land	**—**	1,310,894
	—	1,795,501
Trade and other receivables recognised as current assets		
Trade receivables		
— Contracts with customers	**6,267**	1,924
— Lease receivables	**15,512**	13,424
	21,779	15,348
Less: Loss allowance	**(297)**	(288)
	21,482	15,060
Other receivables	**448,081**	347,281
Advance payments to contractors	**54,613**	15,205
Prepaid other taxes	**357,113**	461,630
Guarantee deposit paid for the auction of a parcel of land	**—**	534,569
Prepayments for acquisition of parcels of land	**3,472,790**	—
Deposits and prepayments	**11,448**	40,276
	4,365,527	1,414,021

The Group allows an average credit period of 90 days to its corporate hotel customers and generally grants no credit period to property buyers and tenants unless it is specifically approved.

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

	2021	2020
	HK$'000	*HK$'000*
Within 90 days	**15,673**	11,850
Within 91–180 days	**2,967**	133
Over 180 days	**2,842**	3,077
	21,482	15,060

16. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

	2021	2020
	HK$'000	*HK$'000*
Trade and other payables recognised as current liabilities		
Trade payables	**1,586,139**	1,953,441
Accrued expenditure on properties under development for sale	**3,002,366**	2,597,353
Amounts due to former shareholders of the Company's former subsidiaries	**171,594**	166,828
Rental deposits and receipt in advance from tenants	**220,902**	212,231
Interest payable	**127,450**	138,366
Payables to the Shanghai government department	**171,637**	502,189
Accrued charges and other payables	**429,187**	388,836
Other taxes payables	**1,043,127**	786,447
	6,752,402	6,745,691

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:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**1,122,073**	886,849
Within 31–180 days	**3,987**	395,267
Within 181–365 days	**177,648**	325,188
Over 365 days	**282,431**	346,137
	1,586,139	1,953,441

17. GAIN ON DISPOSAL OF A SUBSIDIARY

During the year ended 31 December 2021, the Group disposed of its partially owned subsidiary, namely Shanghai Huanyu Urban Investment and Development Co., Ltd. 上海寰宇城市投資發展有限公司 ("**Shanghai Huanyu**") and recognised a gain of approximately HK$1,111,382,000.

The net assets of Shanghai Huanyu at the date of disposal are as follow:

	HK$'000
Consideration:	
Cash consideration	4,300,144
Analysis of assets and liabilities over which control was lost:	
Investment properties	1,245,325
Equipment	875
Right-of-use assets	7,965
Properties under development for sale and properties held-for-sale	6,841,920
Trade and other receivables	81,439
Bank balances and cash	45,985
Trade and other payables	(536,068)
Amounts due to relates companies	(190,451)
Bank borrowings	(1,960,257)
Lease liabilities	(8,013)
Deferred tax liabilities	(160,832)
Net assets disposed of	5,367,888
Gain on disposal of Shanghai Huanyu:	
Total consideration	4,300,144
Net assets disposed of	(5,367,888)
Non-controlling interests disposal of	2,179,126
Gain on disposal of a subsidiary	1,111,382

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY MARKET REVIEW

In 2021, the central government strengthened the regulation over the property financial sector across the country by upholding the policy of "houses are built to be inhabited, not for speculation" in the property market. The property market underwent considerable fluctuations during the year. House prices rocketed in the first half. However, in tandem with the introduction of a series of policies and the tightening of property credits and capital regulation over property presale, both property sale and land markets cooled down significantly. The market continued to turn cold in the second half as certain property developers delayed in redeeming or repaying their maturing debts or wealth management products. At the year end, under the continuous guidance of the national financial regulators, property lending went up significantly and property credits continued to rebound.

BUSINESS REVIEW

Overview

In 2021, under the overall stable macroeconomic and financial conditions in China, the Group maintained steady progress through continuous innovation, exploration and expansion in the core business sectors. The Group enhanced the development of its existing land reserve and quickened its project turnover through the strategic plan of focusing in Shanghai while expanding to first- and second-tier core cities. The strong sales performance of flagship projects, including Contemporary Splendour Villa • Courtyard Villa in Shanghai, West Diaoyutai • Emperor Seal in Beijing and Shangtou Baoxu and Urban Cradle in Shanghai, brought in stable and impressive revenue and profits for SIUD. During the year, the Group promoted city-industry integration and continued to develop its investment property operation in core cities to further diversify its business operations. Through precise timing of the market cycle, the Group also took the opportunities to acquire several land parcels.

During the second half of 2021, the Group disposed the entire equity interests in its subsidiary, Shanghai Huanyu, at a consideration of RMB3,576,000,000 to lower the debt ratio of the Group, increase its cash reserve, facilitate the carryover of profits and lay a solid foundation for the long-term development, active investment and expansion of new projects by the Group. Besides, the Group won the bids for the land use rights of two parcels of residential land in Shanghai, which further increased its premium land reserve and consolidated its strengths of focusing the development in the Yangtze River Delta.

Contract Sales

During the year ended 31 December 2021, the Group's contract sales from both commodity housing and affordable housing went up 17.4% year-on-year to RMB8,933,090,000 (2020: RMB7,608,340,000).

The contract sales from commodity housing of the Group amounted to RMB7,764,440,000 (2020: RMB7,426,400,000). The contract sales in terms of G.F.A. were 197,000 sq.m. during 2021, up 40.7% year-on-year, while the average selling price decreased to approximately RMB39,500 per sq.m. mainly because of the relatively lower average selling price of Originally in Xi'an. In 2021, Originally in Xi'an, West Diaoyutai • Emperor Seal in Beijing, and Urban Cradle and Contemporary Splendour Villa • Courtyard Villa in Shanghai, were the Group's principal projects for sale, which accounted for approximately 45.1%, 17.0%, 15.3% and 13.5% of the total contract sales during the year.

Contract sales from affordable housing increased 542.3% year-on-year to RMB1,168,650,000 (2020: RMB181,940,000), whereas the contract sales in terms of G.F.A was 63,000 sq.m, up 425% year-on-year.

Land Bank and New Project Acquisition

As at 31 December 2021, the Group's land bank was developed into 28 property projects located in 11 major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Kunshan, 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 3,932,000 sq.m. to support its development for the next three to five years.

During the year, under the new "Two Concentration" land supply policy, the Group took full advantage of the diversified land acquisition approach to acquire premium land in a prudent manner by emphasising project quality and profitability. During the first half of 2021, SIUD won the bid for the land use rights to lot CB4–3–225 located to the south of Qiyuan Second Road and to the east of Shangchun North Road in Xi'an, Shaanxi Province for a land premium of approximately RMB1,525,000,000. With a site area of approximately 51,200 sq.m., the land is for residential use and may be developed into approximately 94,400 sq.m. of residential development with ancillary public and commercial facilities.

During the second half of 2021, the Group won the bids for the land use rights of two parcels of land in Shanghai. One of the residential land parcels was located in Huaxin Town, Qingpu District, Shanghai with well-developed public facilities. The bid was won at RMB1,178,000,000 and the land parcel occupied a site area of 30,051 sq.m. The other residential land parcel was located in Lingang New Area, the China (Shanghai) Pilot Free Trade Zone in close proximity to Dishui Lake Station of Metro Line No. 16 in Shanghai and a potential stop on the Shanghai Lianggang Express Line (currently under planning). The bid was won at RMB1,652,000,000 and the land parcel covered a site area of 41,961 sq.m.

In future, the Group will keep on engaging in high-standard urban renewals with a focus on the metropolitan areas in Shanghai as well as other first- and second-tier core cities. The Group will continue to facilitate project conversion and enrich its land bank, expand into new markets and explore new business opportunities.

Property Development

During the year ended 31 December 2021, the Group had 14 projects with a total G.F.A. of 2,982,000 sq.m. under construction, which primarily included Originally in Xi'an, Shanghai TODTOWN, Shangtou Baoxu and Shangtou Xinhong projects. The floor space started of the Group was 645,000 sq.m., which mainly came from Originally in Xi'an, Tianjin Hedong Polytechnic University Project • 仰山華庭, Qiyuan Road project in Xi'an and Shanghai Shangtou Xinhong. The Group delivered a total G.F.A. of 270,000 sq.m., which mainly comprised Shangtou Baoxu, Contemporary Splendour Villa • Courtyard Villa, Shanghai Jing City and Urban Cradle in Shanghai and West Diaoyutai • Emperor Seal in Beijing.

The Group redoubled its product launch and sales efforts and rolled out new housing units for sale under many residential projects. Contemporary Splendour Villa • Courtyard Villa in Shanghai, West Diaoyutai • Emperor Seal in Beijing and Shangtou Baoxu and Urban Cradle in Shanghai all recorded excellent sales performance at an average selling price of over RMB34,300 per sq.m., which strongly supported the sales of the Group. In particular, Contemporary Splendour Villa • Courtyard Villa in Shanghai achieved striking sales results and became the biggest sales contributor for the Group.

Investment Properties

During the year ended 31 December 2021, the Group had several completed commercial projects in eight major developed cities, including Shanghai, Beijing, Tianjin, Chongqing, Shenyang, Xi'an, Kunshan and Shenzhen. The investment properties held by the Group had a total G.F.A. of approximately 884,000 sq.m. During the year, the overall rental income of the Group increased 25.1% year-on-year to HK$829,307,000 (2020: HK$662,718,000), mainly attributable to the increase in general occupancy rate and project average unit rental.

By upholding the policy of placing dual focus on leasing and sale, the Group achieved steady progress in the residential leasing operation. Three of its long-term rental apartment projects, namely Shanghai Jinxiang, Shanghai Shenzhicheng and Shanghai Chenglong, are currently under orderly development, offering a total G.F.A. of 295,000 sq.m. The Shanghai Jinxiang and Shanghai Shenzhicheng projects are expected to be completed by 2022, while the Shanghai Chenglong project is estimated to be completed by 2023. This business operation will contribute stable rental income for the Group in future.

Comprehensive Healthcare Operation

With the full support of SIIC, SIUD continued to devote itself to businesses related to the comprehensive healthcare sector. In May 2021, SIUD entered into a project management services agreement with Shanghai Pharmaceuticals Holding to provide management services for its comprehensive healthcare project for a management fee of RMB4,800,000. In October and November 2021, SIUD entered into a project management services agreement with Shanghai Dongyi Property and Shanghai Pharmaceuticals Logistics, respectively, to provide management services for their comprehensive healthcare projects for a total management fee of RMB12,800,000 and RMB10,000,000, respectively.

Material Disposal

On 20 October 2021, SIUD disposed the entire interests in its subsidiary, Shanghai Huanyu, at a consideration of RMB3,576,000,000. Such equity interests were offered for sale through a public tender on the Shanghai United Assets and Equity Exchange. The buyer was wholly owned by Xuhui SASAC (a substantial shareholder of SUD). Upon completion of the disposal, Shanghai Huanyu will cease to be a subsidiary of the Group and the Group will cease to have any interest in Shanghai Huanyu. The financial results of Shanghai Huanyu will no longer be consolidated with the financial statements of the Group following completion. Therefore, the Group will be able to progressively lower its debt ratio, increase its cash reserve, facilitate the carryover of profits and lay a solid foundation for long-term development, active investment and expansion of new projects.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2021, the Group's revenue increased by 73.3% year-on-year to HK$11,015,088,000 (2020: HK$6,356,732,000), primarily due to the timely delivery and strong sales performance of several competitive flagship projects of the Group as the epidemic was generally under control in Mainland China. During the year, property sales remained as the Group's main source of revenue and amounted to HK$9,937,996,000 (2020: HK$5,478,845,000), accounting for 90.2% (2020: 86.2%) of the Group's total revenue. The revenue contribution from Contemporary Splendour Villa • Courtyard Villa in Shanghai, West Diaoyutai • Emperor Seal in Beijing and Shangtou Baoxu and Urban Cradle in Shanghai accounted for 34.8%, 20.8%, 18.8% and 15.8% of property sales, respectively.

Revenue from leasing, property management and services, and hotel operations continued to provide stable revenue sources for the Group, contributing HK$829,307,000, HK$836,000 and HK$246,949,000 (2020: HK$662,718,000, HK$6,642,000 and HK$208,527,000) respectively and accounting for 7.5%, 0.1% and 2.2% (2020: 10.4%, 0.1% and 3.3%) of the total revenue, respectively.

Gross Profit and Gross Profit Margin

During the year ended 31 December 2021, the Group's gross profit amounted to HK$3,554,120,000, representing an increase of 61.7% compared with that of the same period in 2020. Gross profit margin was 32.3%, down by 2.3 percentage points as compared to that of the last year. After netting off the effect of the Group's revenue from delivery of affordable housing (whose margin is fixed at 3% of its direct costs according to the relevant policy requirements) during the year, the gross profit margin of the revenue from commodity housing was 41%.

Investment Property Revaluation

During the year ended 31 December 2021, the Group recorded a net gain on revaluation of investment properties of approximately HK$118,614,000 (2020: loss of HK$156,824,000), which was mainly attributable to the transfer of certain properties held-for-sale of Originally in Xi'an to investment properties.

Distribution and Selling Expenses

During the year ended 31 December 2021, the Group's distribution and selling expenses rose by 10.9% year-on-year to HK$283,418,000 (2020: HK$255,593,000), which was mainly attributable to the increase in promotional and marketing efforts in response to the pandemic in order to promote sales during the year.

General and Administrative Expenses

During the year ended 31 December 2021, the Group's general and administrative expenses decreased by 19.0% year-on-year to HK$335,057,000 (2020: HK$413,694,000), which was mainly attributable to the continual implementation of strict cost control measures, which proved effective, during the year.

Other Expenses, Gains and Losses, Net

During the year ended 31 December 2021, the Group recorded a net gain of approximately HK$35,767,000 in other expenses, gains and losses (2020: net gain of HK$29,680,000) primarily due to foreign exchange gains arising from the appreciation of RMB against HKD during the year.

Profit

During the year ended 31 December 2021, the Group's profit increased by 21.3% year-on-year to HK$898,684,000 (2020: HK$740,964,000). Profit attributable to owners of the Company was approximately HK$572,328,000 (2020: HK$521,765,000). The basic earnings per share amounted to 11.91 HK cents (2020: basic and diluted earnings per share of 10.86 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 31 December 2021, bank balances and cash of the Group were HK$14,116,711,000 (31 December 2020: HK$9,550,663,000). 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) decreased from 31.9% as at the end of last year to 24.0%. Current ratio was 1.2 times (31 December 2020: 1.7 times).

As at 31 December 2021, the total borrowings of the Group, including bank borrowings, other borrowings and advanced bonds, amounted to approximately HK$19,720,082,000 (2020: HK$17,747,266,000).

The Group maintained sufficient cash balance during the year. 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 year, most of the Group's revenue and operating costs were denominated in Renminbi. Except for the bank deposits 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 31 December 2021. 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 31 December 2021, the Group employed 834 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.

The Group had adopted a share option scheme as an incentive to the Directors and eligible employees. During the year ended 31 December 2021, 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

In 2022, in respect of the macroeconomy, the importance of economic "stability" and steady progress was stressed at the meeting of the Political Bureau of the Communist Party of China. As for the property market, the meeting clearly outlined the policy of promoting the construction of affordable housing, supporting the commodity housing market to better satisfy the reasonable demand of home purchasers and facilitating the virtuous cycle of the property market. With continual refinement of the long-term mechanism for property development and various policy support measures (e.g. financial policy), different kinds of activities, including property sale, land acquisition and financing, will gradually return to normal and operate in a generally stable manner. By fully capturing the opportunities brought by the policies, the Group will stay focused on the core operation of property development and maintain a balanced and quality development.

In future, the Group will take effort to develop the areas in which its existing premium projects are situated and keep on engaging in high-standard urban renewals with a focus on the metropolitan areas in Shanghai as well as other first- and second-tier core cities by adhering to the central government's policy of "houses are built to be inhabited, not for speculation". Meanwhile, the Group will continue to diversify its business operations by facilitating city-industry integration, placing dual focus on leasing and sale, and promoting its comprehensive healthcare operation. As part of its land development and project investment strategy, the Group will make use of its strength as a high-quality state-owned company brand with sound financial and operational capability to enhance the development of its existing land reserve, project management and short-term projects and prudently explore various investment projects. The Group will increase its premium land reserve and cash flows in a steadily progressive manner to provide strong support for profit increment so as to bring more fruitful and sustainable returns for the shareholders at large.

ANNUAL GENERAL MEETING

It is proposed that the 2022 annual general meeting of the Company will be held on Monday, 23 May 2022 (the "**2022 AGM**"). Notice of the 2022 AGM will be published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkex.com.hk) and the Company (www.siud.com) and despatched to the shareholders of the Company (the "**Shareholders**") in the manner as required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange in due course.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board recommends the payment of a final dividend of 2.1 HK cents per share in cash and a special dividend of 2.4 HK cents per share in cash for the year ended 31 December 2021 (for the year ended 31 December 2020: final dividend of 1.9 HK cents per share in cash and special dividend of 2.4 HK cents per share in cash) to Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 1 June 2022, subject to approval by the Shareholders at the 2022 AGM. It is expected that the final dividend and special dividend warrants will be despatched to those entitled Shareholders on or around Friday, 24 June 2022.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2022 AGM

The 2022 AGM is scheduled to be held on Monday, 23 May 2022. For determining the entitlement to attend and vote at the 2022 AGM, the register of members of the Company will be closed from Tuesday, 17 May 2022 to Monday, 23 May 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2022 AGM, unregistered holders of shares of the Company should ensure that all duly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 16 May 2022.

Entitlement to receive the proposed final and special dividend

For determining the entitlement of the Shareholders to receive the proposed final and special dividend, the Company's register of members will be closed from Friday, 27 May 2022 to Wednesday, 1 June 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final and special dividend (subject to Shareholders' approval at the 2022 AGM), all duly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 26 May 2022.

CORPORATE GOVERNANCE

During the year ended 31 December 2021, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Listing Rules.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the year ended 31 December 2021, which will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company currently comprising three independent non-executive Directors, namely Mr. Li Ka Fai, David (Committee Chairman), Mr. Doo Wai-Hoi, William, *B.B.S., J.P.* and Mr. Fan Ren Da, Anthony, has reviewed the audited financial statements of the Group for the year ended 31 December 2021 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; and financial reporting matters.

SHARE CAPITAL

The Company's issued and fully paid share capital as at 31 December 2021 amounted to HK$192,252,927.56 divided into 4,806,323,189 ordinary shares of HK$0.04 each.

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.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

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 year ended 31 December 2021.

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 10 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 year ended 31 December 2021.

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 year ended 31 December 2021.

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) Mr. Doo Wai-Hoi, William, *B.B.S., J.P.*, an independent non-executive director of the Company, has been appointed as the alternate director of Dr. Cheng Kar Shun, Henry, who is a non-executive director of FSE Lifestyle Services Limited, a company listed on the Stock Exchange with stock code of 331, with effect from 21 December 2021; and

(b) Mr. Fan Ren Da, Anthony, an independent non-executive director of the Company, has been appointed as member of the compensation committee of Semiconductor Manufacturing International Corporation, a company listed on the Stock Exchange with stock code of 981, with effect from 11 November 2021.

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 FINAL RESULTS AND ANNUAL 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 annual report of the Company for the year ended 31 December 2021 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 during this year 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, 28 March 2022

As at the date of this announcement, the Board comprises Mr. Huang Haiping, Mr. Tang Jun, Mr. Lou Jun, Mr. Ye Weiqi and Mr. Zhong Tao as executive Directors and Mr. Doo Wai-Hoi, William, B.B.S., J.P., Mr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David and Mr. Qiao Zhigang as independent non-executive Directors.