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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 2020

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 2020, together with the comparative figures for the year ended 31 December 2019, as follows:

FINANCIAL HIGHLIGHT	For the year ended 31 December		Change
	2020	2019	
Financial Highlights (HK\$'000)			
Revenue	6,356,732	8,583,906	-25.9%
Gross profit	2,197,377	3,676,392	-40.2%
Gross profit margin	34.6%	42.8%	-8.2 points
Profit attributable to owners of the company	521,765	600,292	-13.0%
Financial Information per share (HK cents)			
Profit			
— Basic and Diluted	10.86	12.48	-13.0%
Proposed Dividend/Dividend paid			
— Final dividend (HK cents)	1.9	1.8	
— Special dividend (HK cents)	2.4	2.3	
	4.3	4.1	4.9%
	As at 31 December		
	2020	2019	
Net asset value attributable to owners of the Company per share (HK\$)	2.99	2.76	8.3%
Financial Ratios			
Net debt to total equity (%) (note)	31.9%	29.1%	

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 2020

	<i>NOTES</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue			
Goods and services	4	5,694,014	7,833,886
Leases		662,718	750,020
		<hr/>	<hr/>
Total revenue		6,356,732	8,583,906
Cost of sales		(4,159,355)	(4,907,514)
		<hr/>	<hr/>
Gross profit		2,197,377	3,676,392
Other income	6	181,413	192,252
Other expenses, gains and losses, net	7	29,680	(16,095)
Fair value (loss) gain on investment properties, net	13	(156,824)	210,191
Distribution and selling expenses		(255,593)	(254,730)
General and administrative expenses		(413,694)	(341,464)
Gain on disposal of a subsidiary	17	637,666	—
Finance costs	8	(702,595)	(728,561)
Share of results of associates		338,967	7,146
		<hr/>	<hr/>
Profit before tax		1,856,397	2,745,131
Income tax	9	(1,115,433)	(1,525,433)
		<hr/>	<hr/>
Profit for the year	10	740,964	1,219,698
		<hr/>	<hr/>
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		1,493,960	(355,064)
Fair value (loss) gain on equity instruments at fair value through other comprehensive income, net of tax		(19,679)	5,687
Fair value loss on revaluation of properties, net of tax		—	(13,813)
		<hr/>	<hr/>
Other comprehensive income (expense) for the year		1,474,281	(363,190)
		<hr/>	<hr/>
Total comprehensive income for the year		2,215,245	856,508
		<hr/> <hr/>	<hr/> <hr/>

	<i>NOTE</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		521,765	600,292
Non-controlling interests		219,199	619,406
		<u>740,964</u>	<u>1,219,698</u>
 Total comprehensive income for the year attributable to:			
Owners of the Company		1,345,529	391,032
Non-controlling interests		869,716	465,476
		<u>2,215,245</u>	<u>856,508</u>
 Earnings per share			
Basic (HK cents)	<i>11</i>	<u>10.86</u>	<u>12.48</u>
 Diluted (HK cents)	<i>11</i>	<u>10.86</u>	<u>12.48</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	<i>NOTES</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Non-current assets			
Investment properties	<i>13</i>	17,825,877	14,803,258
Property, plant and equipment		2,286,082	2,105,869
Right-of-use assets		232,024	246,768
Intangible assets		60,584	57,047
Interests in associates		1,687,818	1,241,434
Interests in joint ventures		2,506,533	615,213
Amount due from a related company		154,713	—
Equity instruments at fair value through other comprehensive income		134,224	160,208
Pledged bank deposits		8,704	176,749
Other receivables, prepayment and deposit	<i>15</i>	1,795,501	735,302
Deferred tax assets		252,246	394,706
		<u>26,944,306</u>	<u>20,536,554</u>
Current assets			
Inventories		2,242	2,497
Properties under development for sale and properties held-for-sale	<i>14</i>	29,238,947	28,952,836
Trade and other receivables	<i>15</i>	1,414,021	674,933
Amounts due from related companies		12	336,499
Prepaid income tax and land appreciation tax		214,871	320,841
Financial assets at fair value through profit or loss		3,464	3,342
Restricted and pledged bank deposits		57,392	504,740
Bank balances and cash		9,550,663	9,111,782
		<u>40,481,612</u>	<u>39,907,470</u>

	<i>NOTE</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>16</i>	6,745,691	5,900,740
Amounts due to related companies		528,337	689,723
Pre-sale proceeds received on sales of properties		11,351,177	6,004,601
Bank and other borrowings		3,668,189	5,426,344
Lease liabilities		64,811	67,385
Income tax and land appreciation tax payables		2,089,637	2,840,367
Dividend payable		16,234	14,169
Dividend payable to non-controlling shareholders		—	284,081
		<u>24,464,076</u>	<u>21,227,410</u>
Net current assets		<u>16,017,536</u>	<u>18,680,060</u>
Total assets less current liabilities		<u>42,961,842</u>	<u>39,216,614</u>
Non-current liabilities			
Deferred revenue		20,176	4,853
Amounts due to related companies		—	285,508
Bank and other borrowings		14,079,077	11,285,958
Lease liabilities		110,738	161,201
Deferred tax liabilities		3,238,389	3,697,468
		<u>17,448,380</u>	<u>15,434,988</u>
		<u>25,513,462</u>	<u>23,781,626</u>
Capital and reserves			
Share capital		192,253	192,253
Reserves		14,174,078	13,057,300
Equity contributable to owners of the Company		14,366,331	13,249,553
Non-controlling interests		11,147,131	10,532,073
		<u>25,513,462</u>	<u>23,781,626</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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 (“**SIIC**”) (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 information 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 Amendments to References to the Conceptual Framework in HKFRS Standards and 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 period beginning on or after 1 January 2020 for the preparation of the consolidated financial information:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the consolidated financial information.

Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial information but may impact future periods should the Group make any acquisition.

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 ¹
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
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 January 2023

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 June 2020

⁵ Effective for annual periods beginning on or after 1 January 2021

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 information in the foreseeable future.

Amendment to HKFRS 16 Covid-19-Related Rent Concessions

The amendment is effective for annual reporting periods beginning on or after 1 June 2020.

The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs. The Group has not received any Covid-19-related rent concessions since 1 June 2020 and up to the end of the reporting period. In the opinion the directors of the Company, the impact about application of this amendment to the Group cannot be estimated as at 31 December 2020.

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 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.

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform — Phase 2* relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting.

- **Modification of financial assets, financial liabilities and lease liabilities.** A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16;
- **Hedge accounting requirements.** Under the amendments, hedge accounting is not discontinued solely because of the interest rate benchmark reform. Hedging relationships (and related documentation) are required to be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements; and
- **Disclosures.** The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As at 31 December 2020, the Group has several Hong Kong Interbank Offered Rate (“HIBOR”) bank and other borrowings which may be subject to interest rate benchmark reform. The Group expects no significant gains or losses should the interest rate benchmark for these loans change resulting from the reform on application of the amendments.

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

3.1 Basis of preparation of consolidated financial information

The consolidated financial information have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of consolidated financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial information 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 information have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

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

4. REVENUE

(i) Disaggregation of revenue from contracts with customers:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Types of goods or services		
Sales of properties	5,478,845	7,536,760
Hotel operations	208,527	290,232
Property management	<u>6,642</u>	<u>6,894</u>
Total	<u><u>5,694,014</u></u>	<u><u>7,833,886</u></u>

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 2020 and 2019.

6. OTHER INCOME

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest income on bank deposits	101,577	152,430
Other interest income	15,628	3,227
Rental income from property, plant and equipment	20,610	3,564
Dividend income from equity instruments at fair value through other comprehensive income	1,113	19,049
Income from marketing and exhibition activities	656	2,149
Government grants	15,550	9,159
Others	<u>26,279</u>	<u>2,674</u>
	<u><u>181,413</u></u>	<u><u>192,252</u></u>

7. OTHER EXPENSES, GAINS AND LOSSES, NET

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Net exchange gain (loss)	71,335	(6,339)
Fair value of financial assets at fair value through profit and loss, net	(81)	596
Gains on disposal of property, plant and equipment	543	788
Others	<u>(42,117)</u>	<u>(11,140)</u>
	<u>29,680</u>	<u>(16,095)</u>

8. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interests on bank and other borrowings	1,178,348	1,213,754
Interests on lease liabilities	<u>4,157</u>	<u>2,164</u>
Total finance costs	1,182,505	1,215,918
Less: Amounts capitalised into properties under development for sale	<u>(479,910)</u>	<u>(487,357)</u>
	<u>702,595</u>	<u>728,561</u>

9. INCOME TAX

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	705,082	976,087
PRC Land Appreciation Tax (“LAT”)	809,922	1,357,185
PRC withholding tax on dividend income	<u>45,290</u>	<u>32,637</u>
	<u>1,560,294</u>	<u>2,365,909</u>
Overprovision in prior years:		
PRC EIT and PRC withholding tax on dividend income	(812)	(7,387)
PRC LAT	<u>(19,347)</u>	<u>—</u>
	<u>(20,159)</u>	<u>(7,387)</u>
Deferred tax	<u>(424,702)</u>	<u>(833,089)</u>
Income tax for the year	<u>1,115,433</u>	<u>1,525,433</u>

10. PROFIT FOR THE YEAR

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Depreciation for property, plant and equipment	141,814	139,699
Less: Depreciation capitalised into properties under development for sale	<u>(1,878)</u>	<u>(1,239)</u>
	139,936	138,460
Depreciation of right-of-use assets	<u>36,137</u>	<u>40,603</u>
	176,073	179,063
Gross rental income from investment properties	(662,718)	(750,020)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	<u>245,438</u>	<u>264,143</u>
	<u>(417,280)</u>	<u>(485,877)</u>
Directors' remuneration	7,634	10,784
Other staff costs		
Salaries, wages and other benefits	266,331	270,438
Retirement benefit scheme contributions	<u>20,094</u>	<u>34,335</u>
	294,059	315,557
Less: Staff costs capitalised into properties under development for sale	<u>(85,635)</u>	<u>(82,985)</u>
	<u>208,424</u>	<u>232,572</u>
Auditors' remuneration	5,774	6,616
Cost of properties held-for-sale recognised as an expense	3,513,017	3,774,585
Impairment losses recognised on properties held-for-sale (included in cost of sales)	88,731	—
Share of tax of associates (included in share of results of associates)	<u>331,114</u>	<u>2,197</u>

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:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Earnings		
Earnings for the purposes of calculating basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	<u>521,765</u>	<u>600,292</u>
	2020	2019
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	<u>4,806,323</u>	<u>4,809,596</u>

The computation of diluted earnings per share in both years does 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 both years.

12. DIVIDENDS

A final dividend and a special dividend of HK1.8 cents (2019: HK1.8 cents) per ordinary share and HK2.3 cents (2019: HK2.3 cents) per ordinary share respectively, in an aggregate amount of approximately HK\$197,059,000 (2019: HK\$197,250,000), in respect of the year ended 31 December 2019, were declared and an amount of approximately HK\$194,994,000 (2019: HK\$195,188,000) was paid during the year ended 31 December 2020.

Subsequent to the end of the reporting period, a final dividend and a special dividend of HK1.9 cents per ordinary share and HK2.4 cents per ordinary share respectively, in respect of the year ended 31 December 2020, 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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
FAIR VALUE		
At 1 January	14,803,258	12,002,506
Subsequent expenditure	174,506	53,341
Acquisition	—	517,845
Addition under sublease arrangement of leased properties	—	7,383
Fair value (loss) gain on investment properties, net	(156,824)	210,191
Transfer to property, plant and equipment	(188,506)	—
Transfer from properties held-for-sale	2,279,612	2,235,045
Exchange realignment	913,831	(223,053)
	<u>17,825,877</u>	<u>14,803,258</u>
At 31 December		
	<u>17,825,877</u>	<u>14,803,258</u>
Unrealised (losses) gains on revaluation of investment properties included in profit or loss for the year	<u>(156,824)</u>	<u>210,191</u>

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Property development		
Properties under development for sale	21,857,900	22,319,212
Properties held-for-sale	7,381,047	6,633,624
	<u>29,238,947</u>	<u>28,952,836</u>

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

15. TRADE AND OTHER RECEIVABLES, PREPAYMENT AND DEPOSIT

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other receivables, prepayment and deposit recognised as non-current assets		
Loan receivables	—	9,239
Prepayments for acquisition of parcels of land	1,310,894	726,063
Deposit paid for acquisition of an associate	484,607	—
	<u>1,795,501</u>	<u>735,302</u>
Trade and other receivables recognised as current assets		
Trade receivables		
— contracts with customers	1,924	2,236
— lease receivables	13,424	14,019
	<u>15,348</u>	<u>16,255</u>
Less: Loss allowance	(288)	(271)
	<u>15,060</u>	<u>15,984</u>
Other receivables	347,281	226,832
Advance payments to contractors	15,205	26,173
Prepaid other taxes	461,630	364,719
Guarantee deposit paid for the auction of a parcel of land	534,569	—
Deposits and prepayments	40,276	41,225
	<u>1,414,021</u>	<u>674,933</u>

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:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 90 days	11,850	1,348
Within 91–180 days	133	1,138
Over 180 days	3,077	13,498
	<u>15,060</u>	<u>15,984</u>

16. TRADE AND OTHER PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade and other payables		
Trade payables	1,953,441	1,236,195
Bills payables	—	632,627
Accrued expenditure on properties under development for sale	2,597,353	2,595,930
Amounts due to former shareholders of the Company's former subsidiaries	166,828	158,364
Rental deposits and receipt in advance from tenants	212,231	239,239
Interest payable	138,366	90,924
Payables to the Shanghai government department	502,189	197,887
Deposit received for disposal of a subsidiary	—	213,758
Accrued charges and other payables	388,836	459,012
Other taxes payables	786,447	76,804
	<u>6,745,691</u>	<u>5,900,740</u>

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 30 days	886,849	805,946
Within 31–180 days	395,267	631,708
Within 181–365 days	325,188	276,219
Over 365 days	346,137	154,949
	<u>1,953,441</u>	<u>1,868,822</u>

17. GAIN ON DISPOSAL OF A SUBSIDIARY

During the year ended 31 December 2020, the Group disposed of its subsidiary, namely 湖南淺水灣湘雅溫泉花園有限公司 (“Hunan Qianshuiwan”) to 恆大地產集團長沙置業有限公司 and recognised a gain of approximately HK\$637,666,000.

The net assets of Hunan Qianshuiwan at the date of disposal are as follows:

	<i>HK\$'000</i>
Consideration:	
Cash received	605,267
Deposit received	<u>220,359</u>
	<u>825,626</u>
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	7,534
Pledged bank deposits	1,107
Properties under development for sale and properties held-for-sale	482,182
Trade and other receivables	119,466
Prepaid income tax and land appreciation tax	7,584
Bank balances and cash	1,841
Trade and other payables	(17,551)
Amount due to a non-controlling shareholder	(240,273)
Pre-sale proceeds received on sales of properties	(1,990)
Deferred tax liabilities	(61,883)
Income tax and land appreciation tax payables	<u>(17,480)</u>
Net assets disposed of	<u>280,537</u>
Gain on disposal of Hunan Qianshuiwan:	
Total consideration	825,626
Net assets disposed of	(280,537)
Non-controlling interest disposal of	<u>92,577</u>
Gain on disposal of a subsidiary	<u>637,666</u>
Net cash outflow arising on the disposal:	
Cash received	605,267
Less: bank balances and cash disposed of	<u>(1,841)</u>
	<u>603,426</u>

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY MARKET REVIEW

In 2020, under the impact of COVID-19, the sales of commodity housing in China followed a “deep V-shaped” trend during the first half. The total sales of commodity housing across the country plummeted during the first three months. Later, as the pandemic was gradually put under control in China, with the recovery of sales sped up by the resumption of work and production, together with the gradual release of the suppressed housing demand, the sales saw a notably narrower decline in April and even recorded positive growth in May. The launch of the “three red lines” policy in August has not posed too much impact on the land acquisition of certain “green-class” property developers. For the whole year, property prices in first- and second-tier cities remained buoyant, with a surge of transaction volume and record high property prices witnessed in Beijing and Shanghai at the end of the year. However, the property prices in 26 cities in China were still lower than those of the previous year.

BUSINESS REVIEW

Overview

In 2020, in face of the outbreak of COVID-19, the Group adopted a versatile approach by developing online property viewing and online sale services and leveraging on its key development projects and strategic advantages in first- and second-tier cities. The outstanding sales performance of flagship projects, including Contemporary Splendour Villa • Courtyard Villa in Shanghai, West Diaoyutai • Emperor Seal in Beijing and Originally in Xi’an, brought in loads of stable revenue and profits for the Group. During the period, the Group paid continuous effort to further develop its investment property business and refine the investment and operation of commercial assets in core urban areas. The Group also acquired the land use rights of the land situated at Yangluo Economic Development Zone, Xinzhou District, Wuhan, which was its first attempt to expand its business footprint to Wuhan. Other than making continuous efforts to develop premium projects, the Group also promoted city-industry integration and industry-finance integration to further diversify its business operations.

Contract Sales

During the year ended 31 December 2020, the Group recorded contract sales of RMB7,608,340,000 (2019: RMB7,687,720,000) from both commodity housing and affordable housing.

The contract sales from commodity housing of the Group amounted to RMB7,426,400,000 (2019: RMB6,179,920,000). The contract sales in terms of G.F.A. were 140,000 sq.m. during 2020, down 15.2% year-on-year, while the average selling price rose to approximately RMB53,200 per sq.m. mainly because of our strenuous efforts in offsetting the impact of the first half by taking advantage of the recovery window during the second half and adopting a timely project launching strategy. In 2020, Contemporary Splendour Villa • Courtyard Villa in Shanghai, West Diaoyutai • Emperor Seal in Beijing, Originally in Xi'an and Urban Cradle in Shanghai were the Group's principal projects for sale, which accounted for approximately 41.0%, 20.8%, 19.1% and 11.5% of the total contract sales during the year.

Contract sales from affordable housing decreased 87.9% year-on-year to RMB181,940,000 (2019: RMB1,507,800,000), whereas the contract sales in terms of G.F.A was 12,000 sq.m.

Land Bank and New Project Acquisition

As at 31 December 2020, the Group's land bank was developed into 24 property projects located in 10 major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Kunshan, Wuxi, Shenyang, Yantai and Shenzhen, 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 3,575,000 sq.m. to support its development for the next three to five years.

During the year ended 31 December 2020, the Group followed the strategy of "participation in bidding, auction and listing-for-sale + equity acquisition + urban renewal and redevelopment" for land acquisition. In the first half of 2020, the Group successfully bid for the land plot (no. xh221-01) situated at Hong Mei Block, Xuhui District, Shanghai together with Shanghai Aerospace and Hongyi Group at a total price of RMB4,628,000,000. With a total site area of 91,000 sq.m. and an estimated G.F.A. of 510,000 sq.m., the project will provide a new think-tank center for aviation research and development, a new platform for innovative services and a new, robust ecological community.

In the second half of 2020, the Group quickened its pace in land acquisition and acquired three projects. In particular, the Group won the bid for a commercial land parcel in Minhang District, Shanghai, for a consideration of approximately RMB428,650,000. With a site area of about 19,937 sq.m., the land parcel is permitted to be used for commercial buildings, hotels, food and beverage businesses. The Group also formed a joint venture with Zhonggeng Group, Wuhan Zhonggeng and Wuhan Gengzheng Property, the project company, to acquire the land use rights of the land situated at Yangluo Economic Development Zone, Xinzhou District, Wuhan, at a consideration of approximately RMB1,329,000,000, marking the first footprint of the Group in Wuhan. The land has a total site area of approximately 258,000 sq.m. and an estimated G.F.A. of approximately 440,000 sq.m. Moreover, the Group won the bid for the land use rights to Plot #3, Tianjin Polytechnic University, Hedong District, Tianjin, for a land premium payment of approximately RMB2,660,000,000. With a total site area of approximately 42,145 sq.m., the land parcel is for residential use and may be developed into approximately 115,800 sq.m. of residential development. The land parcel is located in close proximity to Metro Line No. 5 in Hedong District, Tianjin, and supplemented by comprehensive auxiliary facilities.

The Group will further replenish its land bank, expand into new markets and explore new business opportunities through conducting extensive research, identifying high-quality assets and making timely market moves.

Property Development

During the year ended 31 December 2020, the Group had 14 projects with a total G.F.A. of 3,097,000 sq.m. under construction, which primarily included TODTOWN, Binjiang U Center, Originally in Xi'an and the Yantai project. The floor space started of the Group was 394,000 sq.m., which mainly came from the Yantai and Chenglong projects. The Group delivered a total G.F.A. of 167,000 sq.m., which mainly comprised Originally in Xi'an, Contemporary Splendour Villa • Courtyard Villa in Shanghai and Urban Cradle in Shanghai.

Many of the Group's residential projects rolled out new housing units for sale, and the transaction volume and prices were steady. In particular, with careful timing of project launch, Contemporary Splendour Villa • Courtyard Villa in Shanghai achieved impressive sales performance and obtained good pre-sale prices at an average selling price of more than RMB64,000 per sq.m. This project also became the biggest sales contributor for the Group.

Investment Properties

During the year ended 31 December 2020, the Group had several completed commercial projects in 8 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 859,000 sq.m. During the year, the overall rental income of the Group decreased 11.6% year-on-year to HK\$662,718,000 (2019: HK\$750,020,000), mainly attributable to the drop in rental income during the year due to the rent remission policy adopted by local governments to remit rent of tenants for two to four months in response to the impact of COVID-19 during the first quarter.

The completion of one of the land parcels under Binjiang U Center in Shanghai during the year added approximately 26,000 sq.m. to the investment property portfolio of the Group and the business solicitation and operation of its commercial and office areas progressed robustly. The project has driven the rental income of the Group. As the economy stabilises, the commercial asset efficiency of the Group is expected to pick up gradually.

By upholding the policy of placing dual focus on leasing and sale, the Group achieved steady progress in its residential leasing projects. 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 Health Operation

With the strong support of its parent group, SIIC, the Group devoted itself to the industries related to the comprehensive health sector. At the end of October 2020, the Shanghai Industrial International Obstetrics and Gynaecology Hospital project built by the Group together with Shanghai Pharmaceutical, a subsidiary of the Company's parent company, was formally launched to introduce the smart medical industry model into Yantai, Shandong. The Group also formed an associate with Shanghai Lingfeng Medical (a wholly-owned subsidiary of the Company's parent company) and Shanghai Huashi to engage in the development and operation of a medical beauty institution in Shanghai.

In addition, the Group took the opportunity to provide project management services for the comprehensive health industry. The Group entered into a project management service agreement with Shanghai Biomedical Pharmaceuticals and Shanghai Pharmaceuticals Holding, respectively, to provide management service for their comprehensive health projects for a total management fee of RMB20 million and RMB10 million, respectively.

Material Disposal

On 8 April 2018, the Group and Hengda Real Estate Group Changsha Zhiye Company Limited 恒大地產集團長沙置業有限公司 entered into an equity transfer agreement on the disposal of 67% of the entire equity interest in Hunan Qianshuiwan Xiangya Garden Co., Ltd 湖南淺水灣湘雅溫泉花園有限公司 (“**Hunan Qianshuiwan**”). Such agreement regarding the disposal of 67% equity interest in Hunan Qianshuiwan was completed in December 2020 and recorded a gain before tax of approximately HK\$637,666,000, which further enhanced the financial strengths of the Group. For details, please refer to the announcement dated 9 April 2018 and the subsequent announcements as well as note 17 to the consolidated financial information.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2020, the Group’s revenue decreased by 25.9% year-on-year to HK\$6,356,732,000 (2019: HK\$8,583,906,000), primarily due to the inability of the Group in settling the sales of certain properties during the year because of the COVID-19 pandemic as implementation of quarantine and social distancing measures in the Mainland China resulted in limitation on contract sales and delay in property delivery, coupled with a decrease in revenue from leasing. During the year, property sales remained as the Group’s main source of revenue and amounted to HK\$5,478,845,000 (2019: HK\$7,536,760,000), accounting for 86.2% (2019: 87.8%) of the Group’s total revenue. The revenue contribution from Urban Cradle in Shanghai, Contemporary Splendour Villa • Courtyard Villa in Shanghai and Contemporary Art Villa • Jade Villa in Shanghai accounted for 33.4%, 22.5%, and 21.9% of property sales, respectively.

Due to the impact of the COVID-19 outbreak, the Group’s revenue from leasing, property management, and hotel operations recorded a decline. These three operations contributed a revenue of HK\$662,718,000, HK\$6,642,000 and HK\$208,527,000 (2019: HK\$750,020,000, HK\$6,894,000 and HK\$290,232,000) respectively and accounted for 10.4%, 0.1% and 3.3% (2019: 8.7%, 0.1% and 3.4%) of the total revenue, respectively.

Gross Profit and Gross Profit Margin

During the year ended 31 December 2020, the Group’s gross profit amounted to HK\$2,197,377,000, representing a decrease of 40.2% compared with that of the same period in 2019. Gross profit margin was 34.6%, down by 8.2 percentage points as compared to that of the same period last year, mainly because of the lower gross profit margin of some of the delivered residential projects during the year.

Investment Property Revaluation

During the year ended 31 December 2020, the Group recorded a net loss on revaluation of investment properties of approximately HK\$156,824,000 (2019: net gain of HK\$210,191,000), which was mainly attributable to Shenyang U Center and Top City in Chongqing.

Distribution and Selling Expenses

During the year ended 31 December 2020, the Group's distribution and selling expenses rose slightly by 0.3% year-on-year to HK\$255,593,000 (2019: HK\$254,730,000), which was generally comparable to that of the previous year.

General and Administrative Expenses

During the year ended 31 December 2020, the Group's general and administrative expenses increased by 21.2% to HK\$413,694,000 (2019: HK\$341,464,000), which was mainly attributable to the increase in preliminary expenses related to the increase in new investment property projects during the year.

Other Expenses, Gains and Losses, Net

During the year ended 31 December 2020, the Group recorded a net gain of approximately HK\$29,680,000 in other expenses, gains and losses (2019: net loss of HK\$16,095,000), which was mainly due to exchange gains arising from the revaluation of Hong Kong dollars denominated bank and other borrowings held by the group entities which functional currency is in Renminbi. Renminbi appreciated against Hong Kong dollar during the year.

Profit

During the year ended 31 December 2020, the Group's profit decreased by 39.3% year-on-year to HK\$740,964,000 (2019: HK\$1,219,698,000). Profit attributable to owners of the Company was approximately HK\$521,765,000 (2019: HK\$600,292,000). The basic and diluted earnings per share amounted to 10.86 HK cents (2019: 12.48 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 2020, bank balances and cash of the Group were HK\$9,550,663,000 (31 December 2019: HK\$9,111,782,000). The net debt to total equity of the Group (net debt (total bank and other borrowings less bank balances and cash and restricted and pledged bank deposits) to total equity) increased from 29.1% as at the end of last year to 31.9% as at end of current year. Current ratio dropped to 1.7 times (31 December 2019: 1.9 times).

As at 31 December 2020, the total borrowings of the Group, including bank borrowings, other borrowings and advanced bonds, amounted to approximately HK\$17,747,266,000 (2019: HK\$16,712,302,000).

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 borrowings and 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 2020. 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 2020, the Group employed 779 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 2020, 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

2021 marks the beginning of the “14th Five-Year Plan”, during which China will embark on a new journey of building a modern socialist country and advocating demand-side management. In this connection, the Group will also closely monitor the latest relevant policies. As the central government upholds the position that “houses are built for inhabitation, not for speculation”, the Group believes that “stabilising land premium, property prices and market expectations” will remain as the main theme of the property market control measures in China, while local governments will stick to the flexible “city-based policy” as a control measure to avoid significant fluctuations in property prices. Moreover, it is believed that strict financial regulation will continue to be imposed by the state on the real estate market. Under the newly launched “three red lines” policy, “deleveraging” will become a general trend for property developers in 2021. This can fundamentally limit the capability of property developers to follow the growth model of achieving scaled expansion via leveraging and is beneficial to the sustainable and robust development of “green-class” property developers, including the Group. In terms of sale, the Group expects that the continuous release of the demand for home upgrades will continue to support housing demand. Driven by factors like net population inflow, the sales performance in first-tier cities and the core cities of second- and third-tier metropolitans, which are backed by their long-term economic development, will remain resilient.

Looking ahead, the Group will continue to facilitate the co-development of a diversified business portfolio by focusing on four core business segments, namely, “residential property development + investment property development + urban renewal services + capital cooperation between industry and finance”. By adhering to the development strategy of “regional-focused development; mutual development of residential and commercial properties; urban renewal for value appreciation; and innovation and upgrading through integration of industry and finance”, the Group aims at contributing to urban renewal with its craftsmanship and creating a smart urban lifestyle for the public. Capitalising on its rich experience in property development, the Group will keep dedicating its efforts to the development of medium to high end residential properties while developing the investment and operation of commercial assets in key urban areas in a pragmatic and prudent manner, with a view to maintaining its market strengths. Meanwhile, the Group will make deployment in the comprehensive health industry by taking the golden opportunity brought by its parent group, SIIC, which has placed the comprehensive health industry as its key strategic priority. The Group will also develop its financial leasing business in a stable manner, facilitate the finance sector with industrial development, and foster industry-finance integration. By striving for further diversification in city-industry integration and industry-finance integration, the Group hopes to expand its future development opportunities, and thus create greater investment value for the shareholders.

ANNUAL GENERAL MEETING

It is proposed that the 2021 annual general meeting of the Company will be held on Monday, 24 May 2021 (the “**2021 AGM**”). Notice of the 2021 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 1.9 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 2020 (for the year ended 31 December 2019: final dividend of 1.8 HK cents per share in cash and special dividend of 2.3 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 Friday, 28 May 2021, subject to approval by the Shareholders at the 2021 AGM. It is expected that the final dividend and special dividend warrants will be despatched to those entitled Shareholders on or around Thursday, 24 June 2021.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2021 AGM

The 2021 AGM is scheduled to be held on Monday, 24 May 2021. For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Tuesday, 18 May 2021 to Monday, 24 May 2021, 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 2021 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 4:30p.m. on Monday, 17 May 2021.

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, 28 May 2021 to Tuesday, 1 June 2021, 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 2021 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 4:30p.m. on Thursday, 27 May 2021.

CORPORATE GOVERNANCE

During the year ended 31 December 2020, 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 2020, 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, *J.P.* and Mr. Fan Ren Da, Anthony, has reviewed the audited financial statements of the Group for the year ended 31 December 2020 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 2020 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 2020.

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 2020.

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 2020.

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. Zhou Xiong, an executive director of the Company, has resigned as the vice chairman of the Board, the president and an executive Director of the Company, and ceased to be a member of the Investment Appraisal Committee of the Company (the "**Investment Appraisal Committee**") with effect from 15 January 2021; and
- (b) Mr. Tang Jun has been appointed as the president, an executive Director of the Company and a member of the Investment Appraisal Committee with effect from 15 January 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 2020 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, 29 March 2021

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, J.P., Mr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David and Mr. Qiao Zhigang as independent non-executive Directors.