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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 2024**

AND

CHANGE IN COMPOSITION OF BOARD COMMITTEES

I. FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

FINANCIAL HIGHLIGHT	For the year ended 31 December		Change
	2024	2023	
Financial Highlights (HK\$'000)			
Revenue	12,440,369	7,953,596	+56.4%
Gross profit	2,130,708	3,325,390	-35.9%
Gross profit margin	17.1%	41.8%	-24.7 points
(Loss) profit attributable to owners of the company	(331,190)	494,570	N/A
Financial Information per share (HK cents)			
(Loss) profit			
— Basic	(6.93)	10.32	N/A
No proposed dividend/Dividend paid			
— Final dividend (HK cents)	—	2.1	
— Special dividend (HK cent)	—	0.8	
	—	2.9	N/A
	As at 31 December	2023	
	2024		
Net asset value attributable to owners of the Company per share (HK\$)	2.73	2.92	-6.5%
Financial Ratios			
Net debt to total equity (%) (note)	64.8%	58.4%	

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 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue			
Goods and services	4	11,646,525	7,180,575
Leases		793,844	773,021
		<hr/>	<hr/>
Total revenue		12,440,369	7,953,596
Cost of sales		(10,309,661)	(4,628,206)
		<hr/>	<hr/>
Gross profit		2,130,708	3,325,390
Other income	6	109,696	136,130
Other expenses, gains and losses, net	7	(301,378)	(223,018)
Fair value loss on investment properties, net	13	(703,073)	(39,830)
Distribution and selling expenses		(233,746)	(217,863)
General and administrative expenses		(358,415)	(402,201)
Finance costs	8	(549,273)	(687,775)
Share of results of associates		97,984	(5,921)
Share of results of joint ventures		22,595	(29,657)
		<hr/>	<hr/>
Profit before tax		215,098	1,855,255
Income tax	9	(587,926)	(1,364,542)
		<hr/>	<hr/>
(Loss) profit for the year	10	(372,828)	490,713
		<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		(693,396)	(523,460)
Fair value loss on equity instruments at fair value through other comprehensive income, net of tax		(161)	(2,922)
Revaluation of properties upon transfer of property, plant and equipment to investment properties, net of tax		10,541	—
		<hr/>	<hr/>
Other comprehensive expense for the year		(683,016)	(526,382)
		<hr/>	<hr/>
Total comprehensive expense for the year		(1,055,844)	(35,669)
		<hr/> <hr/>	<hr/> <hr/>

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss) profit for the year attributable to:			
Owners of the Company		(331,190)	494,570
Non-controlling interests		(41,638)	<u>(3,857)</u>
		<u>(372,828)</u>	<u>490,713</u>
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(842,867)	122,127
Non-controlling interests		(212,977)	<u>(157,796)</u>
		<u>(1,055,844)</u>	<u>(35,669)</u>
(Loss) earnings per share			
Basic (HK cents)	<i>11</i>	<u>(6.93)</u>	<u>10.32</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Investment properties	<i>13</i>	20,645,374	21,437,687
Property, plant and equipment		1,914,084	2,181,543
Right-of-use assets		541,527	452,299
Goodwill		23,604	23,604
Intangible assets		54,478	56,306
Interests in associates		1,621,690	1,576,836
Interests in joint ventures		2,388,549	2,568,694
Amount due from a related company		157,329	271,041
Equity instruments at fair value through other comprehensive income		22,600	43,565
Restricted and pledged bank deposits		57,940	25,375
Deferred tax assets		105,535	136,686
		<u>27,532,710</u>	<u>28,773,636</u>
Current assets			
Inventories		1,214	1,001
Properties under development for sale and properties held-for-sale	<i>14</i>	14,578,442	22,615,376
Trade and other receivables	<i>15</i>	1,018,547	1,225,545
Amounts due from related companies		1,618	1,883
Prepaid income tax and land appreciation tax		482,302	393,435
Restricted and pledged bank deposits		27,153	19,433
Bank balances and cash		5,342,774	5,985,911
		<u>21,452,050</u>	<u>30,242,584</u>

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>16</i>	6,399,189	6,722,859
Amounts due to related companies		675,921	392,258
Pre-sale proceeds received on sales of properties		1,106,886	8,256,091
Bank and other borrowings		8,487,763	3,588,828
Lease liabilities		21,215	20,821
Income tax and land appreciation tax payables		1,246,150	1,954,741
Dividends payable		23,641	22,182
		<u>17,960,765</u>	<u>20,957,780</u>
Net current assets		<u>3,491,285</u>	<u>9,284,804</u>
Total assets less current liabilities		<u>31,023,995</u>	<u>38,058,440</u>
Non-current liabilities			
Amount due to a related company		—	388,626
Deferred revenue		25,456	37,026
Bank and other borrowings		9,315,464	14,413,588
Lease liabilities		127,235	30,921
Deferred tax liabilities		2,445,836	2,679,785
		<u>11,913,991</u>	<u>17,549,946</u>
		<u>19,110,004</u>	<u>20,508,494</u>
Capital and reserves			
Share capital		191,217	191,659
Reserves		12,837,169	13,819,310
Equity contributable to owners of the Company		13,028,386	14,010,969
Non-controlling interests		6,081,618	6,497,525
		<u>19,110,004</u>	<u>20,508,494</u>

NOTES

FOR THE YEAR ENDED 31 DECEMBER 2024

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 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 Company’s annual report.

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

The consolidated financial statements are presented in Hong Kong dollar (“**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 NEW AND 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 Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except for the amendments to HKFRSs mentioned 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 HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 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 classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. 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”.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

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:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

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

Amendments to HKFRS 9 and HKFRS 7 “*Amendments to the Classification and Measurement of Financial Instruments*”

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments. The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. BASIS OF PREPARATION OF THE GROUP’S FINANCIAL INFORMATION

The Group’s financial information have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the Group’s financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Group’s financial information includes 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, if applicable.

4. REVENUE

Disaggregation of revenue from contracts with customers:

	2024	2023
	HK\$’000	HK\$’000
Types of goods or services		
Sales of properties	11,351,331	6,870,636
Hotel operations	281,986	299,672
Property management	13,208	10,267
	11,646,525	7,180,575
Total	11,646,525	7,180,575
Timing of revenue recognition		
A point in time	11,351,331	6,870,636
Over time	295,194	309,939
	11,646,525	7,180,575

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

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.

6. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income on bank deposits	34,134	53,746
Rental income from property, plant and equipment	2,850	2,664
Income from marketing and exhibition activities	8,860	10,094
Government grants	17,100	29,929
Management service income	30,455	29,104
Others	16,297	10,593
	<u>109,696</u>	<u>136,130</u>

7. OTHER EXPENSES, GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Foreign exchange loss, net	(31,552)	(46,024)
Fair value changes of financial assets at fair value through profit or loss, net	—	(721)
Gain on disposal of property, plant and equipment, net	352	189
Gain on disposal of interest in a joint venture	183	—
Impairment loss recognised on interest in an associate	—	(166,406)
Impairment loss recognised on interest in a joint venture (Recognition) reversal of expected credit loss allowance for financial assets at amortised cost and a financial guarantee contract, net	(289,189)	42
Compensation from settlement of a legal case	100,028	—
Others	36,441	(10,098)
	<u>(301,378)</u>	<u>(223,018)</u>

8. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interests on bank and other borrowings	628,573	885,728
Interests on amounts due to related companies	24,850	25,340
Interests on lease liabilities	<u>5,740</u>	<u>4,872</u>
Total finance costs	659,163	915,940
Less: Amounts capitalised into properties under development for sale	<u>(109,890)</u>	<u>(228,165)</u>
	<u><u>549,273</u></u>	<u><u>687,775</u></u>

9. INCOME TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	348,750	625,479
PRC Land Appreciation Tax	340,434	773,188
PRC withholding tax on dividend income	<u>13,333</u>	<u>67,340</u>
	<u>702,517</u>	<u>1,466,007</u>
Under-provision in prior years:		
PRC EIT	<u>8,408</u>	<u>27</u>
Deferred tax	<u>(122,999)</u>	<u>(101,492)</u>
Income tax for the year	<u><u>587,926</u></u>	<u><u>1,364,542</u></u>

10. (LOSS) PROFIT FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss) Profit for the year has been arrived at after charging (crediting):		
Depreciation for property, plant and equipment	124,752	124,971
Less: Depreciation capitalised into properties under development for sale	—	(1,187)
	<u>124,752</u>	<u>123,784</u>
Depreciation of right-of-use assets	32,107	22,196
	<u>156,859</u>	<u>145,980</u>
Total depreciation and amortisation		
Gross rental income from investment properties	(793,844)	(773,021)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	178,733	183,416
	<u>(615,111)</u>	<u>(589,605)</u>
Directors' remuneration	4,328	5,146
Other staff costs		
Salaries, wages and other benefits	251,594	253,217
Retirement benefit scheme contributions	36,039	35,882
	<u>291,961</u>	<u>294,245</u>
Total staff costs		
Less: Staff costs capitalised into properties under development for sale	(38,915)	(20,409)
	<u>253,046</u>	<u>273,836</u>
Auditors' remuneration	4,657	5,277
Cost of properties held-for-sale recognised as an expense	8,879,228	3,741,613
Impairment loss recognised on properties held-for-sale and properties under development for sale (included in cost of sales)	744,998	209,021
	<u><u>744,998</u></u>	<u><u>209,021</u></u>

11. (LOSS) EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss) earnings		
(Loss) earnings for the purpose of calculating basic (loss) earnings per share:		
(Loss) profit for the year attributable to owners of the Company	<u>(331,190)</u>	<u>494,570</u>
Number of shares		
	2024 <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	<u>4,780,660</u>	<u>4,791,508</u>

No diluted (loss) earnings per share for 2024 and 2023 were presented as there were no potential ordinary shares in issue for both years.

12. DIVIDENDS

The Board does not recommend the payment of any final dividend or special dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: final dividend of 2.1 HK cents per share in cash and special dividend of 0.8 HK cent per share in cash).

13. INVESTMENT PROPERTIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
FAIR VALUE		
At 1 January	21,437,687	21,232,971
Subsequent expenditure	366,474	542,361
Fair value loss on investment properties, net	(703,073)	(39,830)
Transfer from property, plant and equipment	234,990	—
Transfer from properties held-for-sale	11,846	272,263
Exchange realignment	(702,550)	(570,078)
	<u>20,645,374</u>	<u>21,437,687</u>
At 31 December		
	<u>20,645,374</u>	<u>21,437,687</u>
Unrealised loss on revaluation of investment properties included in profit or loss for the year	<u>(703,073)</u>	<u>(39,830)</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Property development		
Properties under development for sale	7,594,981	17,561,217
Properties held-for-sale	6,983,461	5,054,159
	<u>14,578,442</u>	<u>22,615,376</u>

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

15. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables		
— Contracts with customers		
Sales of properties	243,062	250,494
Hotel operations and others	7,168	971
— Lease receivables	<u>13,635</u>	<u>14,223</u>
	263,865	265,688
Less: Expected credit loss allowance	<u>(224)</u>	<u>(232)</u>
	263,641	265,456
Other receivables	242,581	285,595
Secured deposits held by Shanghai government department	276,799	246,018
Receivable from a former subsidiary	—	133,547
Advance payments to contractors	23,881	32,132
Prepaid other taxes	209,261	260,328
Deposits and prepayments	<u>2,384</u>	<u>2,469</u>
	<u><u>1,018,547</u></u>	<u><u>1,225,545</u></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 expected credit loss allowance, presented based on the date of billing at the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	19,693	11,868
Within 91–180 days	61	—
Over 180 days	<u>243,887</u>	<u>253,588</u>
	<u><u>263,641</u></u>	<u><u>265,456</u></u>

16. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	1,783,306	1,007,357
Accrued expenditure on properties under development for sale	3,365,403	3,979,465
Amounts due to former shareholders of the Company's former subsidiaries	151,740	155,712
Rental deposits and receipt in advance from tenants	102,735	179,082
Interest payable	84,404	90,369
Payables to the Shanghai government department	148,876	153,888
Accrued charges and other payables	391,097	412,839
Other taxes payables	321,785	744,147
Other financial liability	49,843	—
	<u>6,399,189</u>	<u>6,722,859</u>

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	969,465	402,857
Within 31–180 days	64,555	12,144
Within 181–365 days	197,676	73,760
Over 365 days	551,610	518,596
	<u>1,783,306</u>	<u>1,007,357</u>

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY MARKET REVIEW

In 2024, China's property market continued to face challenges, including downward market pressure and increased difficulty in clearing inventory. However, with the introduction of supportive policies such as the relaxation of purchase restrictions in first-tier cities, reductions in down payment requirements and interest rates, lower mortgage rates for existing housing, and the full relaunch of urban village renovations, the market gradually stabilised. According to statistics from the National Bureau of Statistics, in 2024, national property development investment and total sales and gross floor area sold for newly constructed commodity housing decreased year-on-year by 10.6%, 17.1%, and 12.9%, respectively. The Central Economic Work Conference explicitly set the policy direction of “restoring and stabilising the property market”, alongside a combination of the four cancellations, four reductions and two increases initiatives, to help unlock both rigid and upgrading housing demand. The positive effects of these policies are expected to gradually emerge and further stimulate the market in 2025.

BUSINESS REVIEW

Overview

In 2024, SIUD successfully navigated macroeconomic challenges by flexibly adjusting its strategies in response to market changes while steadily advancing business development through effective execution. During the year, the Group reaped stable revenue from the consistent sales of its flagship projects, namely Summitopia in Tianjin, Originally in Xi'an, Ocean One in Shanghai, Qiyuan in Xi'an and Felicity Mansion in Yantai. Following the principle of seeking progress while maintaining stability, the Group reinforced its business diversification strategy by expanding into other first- and second-tier core cities, with a primary focus on Shanghai. The Group also expanded its premium land bank in a timely manner, developed competitive high-quality projects, and steadily grew its investment property operations. These efforts strengthened its competitive edge in the industry and solidified its leadership in the Shanghai property market.

Contract Sales

During the year ended 31 December 2024, the Group's contract sales from both commodity housing and affordable housing decreased 52.2% year-on-year to RMB3,933,360,000 (2023: RMB8,228,570,000).

The contract sales from commodity housing of the Group decreased by 51.2% year-on-year to RMB3,933,360,000 (2023: RMB8,059,820,000). In 2024, contract sales in terms of G.F.A. were 184,000 sq.m., a decrease of 28.4% year-on-year. The average selling price was approximately RMB21,400 per sq.m. primarily due to a reduced proportion of sales in first- and second-tier cities. The Group's principal projects for sale during the year included Summitopia in Tianjin, Originally in Xi'an, Ocean One in Shanghai, Qiyuan in Xi'an and Felicity Mansion in Yantai, which accounted for approximately 30.1%, 27.7%, 14.0%, 10.2% and 6.4%, respectively, of the total contract sales of commodity housing for the year. Meanwhile, during the year, there were no contract sales from affordable housing (2023: RMB168,750,000).

Land Bank

As at 31 December 2024, the Group's land bank was developed into 27 property projects located in 10 major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Wuxi, Shenyang, Yantai, Shenzhen and Wuhan, and comprised medium to high class residential and commercial properties, most of which were completed or still under development. The Group has a land bank with a future saleable planned G.F.A. of approximately 3,323,000 sq.m. to support its development for the next 3 to 5 years.

In 2024, the national land market continued its downward trend, with the industry entering a phase of de-inventory. The Group remained prudent in its land acquisition strategy, prioritising project quality and profitability. While focusing on the development of its existing land bank, the Group also seized opportune times to acquire premium land with strong growth potential. Moving forward, the Group will maintain its focus on metropolitan areas in Shanghai, the Yangtze River Delta, and other key first- and second-tier cities. It will enhance project quality through high-standard urban planning and construction, while actively exploring urban renewal and renovation opportunities. The Group will monitor opportunities arising from industrial adjustments, aiming for long-term, sustainable development.

Property Development

During the year ended 31 December 2024, the Group had 9 projects with a total G.F.A. of 1,933,000 sq.m. under construction, which primarily included TODTOWN and Ocean Times in Shanghai, Felicity Mansion in Yantai and Summitopia in Tianjin. The Group delivered a total G.F.A. of 381,000 sq.m., which mainly comprised Originally in Xi'an, Summitopia in Tianjin, Ocean One and Cloud Vision in Shanghai, and Felicity Mansion in Yantai.

During the year, the Group capitalised on opportunities to launch several residential projects for sale. Projects such as Summitopia in Tianjin, Originally in Xi'an, Ocean One in Shanghai, Qiyuan in Xi'an and Felicity Mansion in Yantai garnered significant market attention and achieved strong presales performance. Notably, Summitopia in Tianjin emerged as the Group's largest sales contributor.

Investment Properties

During the year ended 31 December 2024, the Group had a number of completed commercial projects in seven major developed cities, namely Shanghai, Beijing, Tianjin, Chongqing, Shenyang, Xi'an and Shenzhen. The investment projects held by the Group had a total G.F.A. of approximately 1,255,000 sq.m. During the year, the overall rental income of the Group increased 2.7% year-on-year to HK\$793,844,000 (2023: HK\$773,021,000).

In line with its policy of focusing on both leasing and sales, the Group actively expanded its residential leasing operations. Its long-term rental apartment projects, Utime Xinzhuang and Utime XuHui in Shanghai, have maintained an occupancy rate of over 98%, generating steady rental income for the Group. Cheng Kai Chuanxinqu in Shanghai also began operations in September. Uplaza Xinhonghui, a commercial ancillary project renovated from Hongxing Village, was grandly opened during the year. The project includes a hotel, community commercial facilities, saleable commercial villas and commercial spaces repurchased by the neighbourhood, demonstrating an integration of ancillary commercial facilities, lifestyle amenities and livelihood protection functions. Moreover, the stable operation of exhibition halls, stores and office projects, such as ShanghaiMart, is expected to continue contributing reliable income for the Group.

Repurchase of Shares

During the year ended 31 December 2024, the Group completed 12 share repurchases, acquiring a total of 9,368,000 shares, all of which were cancelled on 26 March 2024. The total consideration for the repurchase amounted to HK\$3,317,670, and the repurchased shares represented 0.20% of the total issued shares of the Company.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2024, the Group's revenue increased by 56.4% year-on-year to HK\$12,440,369,000 (2023: HK\$7,953,596,000), chiefly due to a year-on-year increase in sales delivered by a number of projects. During the year, property sales, as the Group's main source of revenue, amounted to HK\$11,351,331,000 (2023: HK\$6,870,636,000), accounting for 91.2% (2023: 86.4%) of the Group's total revenue. The revenue contribution from Originally in Xi'an, Summitopia in Tianjin, Ocean One and Cloud Vision in Shanghai, and Felicity Mansion in Yantai accounted for 31.9%, 25.7%, 18.0%, 15.3% and 4.6% of property sales, respectively.

Revenue from leasing, management and services, and hotel operations continued to provide stable revenue sources for the Group, contributing HK\$793,844,000, HK\$13,208,000 and HK\$281,986,000 (2023: HK\$773,021,000, HK\$10,267,000 and HK\$299,672,000) respectively and accounting for 6.4%, 0.1% and 2.3% (2023: 9.7%, 0.1% and 3.8%) of the total revenue, respectively.

Gross Profit and Gross Profit Margin

During the year ended 31 December 2024, the Group recorded a gross profit of HK\$2,130,708,000, reflecting a 35.9% year-on-year decrease compared to 2023. The gross profit margin was 17.1%, down 24.7 percentage points year-on-year. This decline was primarily due to a lower proportion of higher-margin projects delivered compared to the previous year, along with a reduction in unit selling prices driven by market conditions during the year.

Investment Property Revaluation

During the year ended 31 December 2024, the Group recorded a net loss of HK\$703,073,000 on the revaluation of investment properties (2023: HK\$39,830,000). This was primarily due to a decrease in the fair value of property revaluation, driven by reduced rental income from newly signed leases at ShanghaiMart, the Chenghang project and several other projects.

Distribution and Selling Expenses

During the year ended 31 December 2024, the Group's distribution and selling expenses increased by 7.3% year-on-year to HK\$233,746,000 (2023: HK\$217,863,000), which was primarily due to higher promotion and sales effort during the year.

General and Administrative Expenses

During the year ended 31 December 2024, the Group's general and administrative expenses decreased by 10.9% year-on-year to HK\$358,415,000 (2023: HK\$402,201,000). This was mainly attributable to the continual stringent implementation of effective cost control measures during the year.

Other Expenses, Gains and Losses, Net

During the year ended 31 December 2024, the Group recorded a net loss of approximately HK\$301,378,000 in other expenses, gains and losses (2023: net loss of HK\$223,018,000) primarily due to impairment loss recognised on interest in a joint venture and the recognition of expected credit loss allowances.

Loss/Profit

During the year ended 31 December 2024, the Group reported a loss for the year amounting to HK\$372,828,000 (2023: profit of HK\$490,713,000) primarily driven by a lower proportion of higher-margin projects delivered compared to the previous year, a decline in unit selling prices due to market conditions, and the recognition of certain impairment losses from property projects during the year. The loss attributable to owners of the Company was approximately HK\$331,190,000 (2023: profit of HK\$494,570,000). Basic losses per share amounted to 6.93 HK cents (2023: earnings of 10.32 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 2024, bank balances and cash of the Group were HK\$5,342,774,000 (31 December 2023: HK\$5,985,911,000). 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 58.4% as at the end of last year to 64.8%. Current ratio was 1.2 times (31 December 2023: 1.4 times).

As at 31 December 2024, the total borrowings of the Group, including bank borrowings, other borrowings, advanced bonds, medium term notes and domestic corporate bonds, amounted to approximately HK\$17,803,227,000 (2023: HK\$18,002,416,000), which included the short-term borrowings from a subsidiary of Shanghai Industrial Investment (Holdings) Company Limited of HK\$850,000,000 (31 December 2023: included short-term borrowings from a subsidiary of Shanghai Industrial Holdings Limited of HK\$1,068,454,000). The Group will continue to optimise the HKD denominated borrowings based on its business needs.

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

Foreign Exchange Risks

During the year, most of the Group's revenue and operating costs were denominated in Renminbi. Except for the bank deposits and loans 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 2024. 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 2024, the Group employed 745 employees (including Hong Kong and PRC offices). The remuneration policies for the employees of the Group are determined according to the performance, qualification, experience and competence of the employees. The emoluments of the directors of the Company (the "Directors") are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics. Staff benefits include discretionary bonus payments which are linked to the profitability of the Group and individual performances and contributions to the Mandatory Provident Fund Schemes.

During the year ended 31 December 2024, the Group provided training programs relating to work to employees. Activities aiming at building up team spirit were regularly organized for employees, so as to enhance the human capital of the Group and the sense of belonging of the staff.

OUTLOOK

Looking ahead to 2025, from a macroeconomic standpoint, the Central Economic Work Conference emphasised sustaining stable economic growth, expanding domestic demand, and improving incomes while reducing the burden on low- to middle-income groups through consumption-stimulating initiatives. These efforts are expected to enhance residents' purchasing power and willingness to spend. In terms of the property market, the Conference underscored the need to continue “restoring and stabilising the property market”, with a focus on renovating urban villages and aging, unsafe housing, unlocking both rigid and upgrading housing demands, and accelerating the creation of a new development model for the property sector. As the policy to stabilise the property market takes effect, positive impacts are anticipated to extend into 2025. Future policies are likely to concentrate on “demand stimulation” and “optimising supply and demand”, thus driving further market recovery. The property industry is expected to recover steadily, following a cautious yet optimistic trajectory.

Going forward, the Group will continue to pursue a strategy of progress while maintaining stability, in alignment with the broader goal of addressing essential housing needs. It will actively address both rigid and upgrading housing demands, accelerate the innovative development of investment properties with a focus on Shanghai, while expanding into other key first- and second-tier cities. Leveraging its robust financial position and operational flexibility, the Group will prioritise acquiring premium land reserves and developing high-quality projects to consolidate and enhance its market competitiveness. As the new property industry development model takes shape, the Group will fully support national policies, foster city-industry integration, and drive synergetic growth across multiple sectors. Guided by innovation and efficiency, the Group will gradually expand its commercial properties and other investment projects, explore potential growth opportunities, and improve resource allocation efficiency, all with the goal of generating sustainable value returns for shareholders.

ANNUAL GENERAL MEETING

It is proposed that the 2025 annual general meeting of the Company (the “**2025 AGM**”) will be held on Thursday, 22 May 2025. Notice of the 2025 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.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the aforesaid year as approved by the Board on 21 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

FINAL DIVIDEND OR SPECIAL DIVIDEND

The Board does not recommend the payment of any final dividend or special dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: final dividend of 2.1 HK cents per share in cash and special dividend of 0.8 HK cent per share in cash).

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2025 AGM

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 16 May 2025 to Thursday, 22 May 2025, 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 2025 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 15 May 2025.

CORPORATE GOVERNANCE

During the year ended 31 December 2024, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

Further information on the corporate governance practices of the Company will be set out in the Corporate Governance Report contained in the annual report of the Company for the year ended 31 December 2024, 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 (the “**Audit Committee**”) currently comprising three independent non-executive Directors, namely Mr. Li Ka Fai, David, *M.H.* (Committee Chairman), Mr. Doo Wai-Hoi, William, *B.B.S., J.P.* and Dr. Fan Ren Da, Anthony, has reviewed the audited financial statements of the Group for the year ended 31 December 2024 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. The Audit Committee also reviewed the progress report on the preparation of the Environmental, Social and Governance report.

SHARE CAPITAL

The Company’s issued and fully paid share capital as at 31 December 2024 amounted to HK\$191,216,607.56 divided into 4,780,415,189 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 LISTED SECURITIES OF THE COMPANY

Repurchase of Shares

During the year ended 31 December 2024, the Company repurchased a total of 9,368,000 ordinary shares of the Company of HK\$0.04 each on the Stock Exchange at an aggregate consideration paid (excluding transaction costs) of HK\$3,317,670.

Details of the repurchase of such ordinary shares were as follows:

Date of repurchase	Number of ordinary shares repurchased	Price per ordinary share		Aggregate consideration paid (excluding transaction costs)
		Highest HK\$	Lowest HK\$	HK\$
02 January 2024	1,250,000	0.36	0.355	446,750
03 January 2024	320,000	0.365	0.365	116,800
04 January 2024	1,144,000	0.375	0.365	418,460
05 January 2024	902,000	0.365	0.36	327,730
08 January 2024	264,000	0.355	0.355	93,720
09 January 2024	352,000	0.355	0.345	122,520
10 January 2024	592,000	0.345	0.33	198,980
11 January 2024	438,000	0.34	0.33	145,530
12 January 2024	1,148,000	0.36	0.345	401,130
15 January 2024	706,000	0.365	0.35	252,350
16 January 2024	1,612,000	0.365	0.35	576,520
17 January 2024	640,000	0.345	0.335	217,180
Total	9,368,000			3,317,670

The ordinary shares repurchased on 2 January 2024, 3 January 2024, 4 January 2024, 5 January 2024, 8 January 2024, 9 January 2024, 10 January 2024, 11 January 2024, 12 January 2024, 15 January 2024, 16 January 2024 and 17 January 2024 were cancelled on 26 March 2024. The issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The above repurchase was effected by the Directors pursuant to the repurchase mandate granted at the annual general meeting of the Company held on 22 May 2023.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the Directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the “**Guidelines for Securities Transactions by Relevant Employees**”) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards as set out in the Model Code and its code of conduct regarding Directors’ securities transactions throughout the year ended 31 December 2024.

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 2024.

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) Dr. Fan Ren Da, Anthony was appointed as the chairman of the environmental, social and governance committee of Tenfu (Cayman) Holdings Company Limited (a company listed on the Stock Exchange with stock code: 6868) with effect from 10 May 2024;
- (b) Dr. Fan Ren Da, Anthony ceased to be an independent non-executive director and the chairman of the audit committee of China Dili Group (previous stock code: 1387, listing of its shares was withdrawn on the Stock Exchange) with effect from 12 August 2024;
- (c) Dr. Fan Ren Da, Anthony ceased to be the chairman of the audit committee but remains as an independent non-executive director as well as a member of the audit committee of Semiconductor Manufacturing International Corporation (a company listed on the Stock Exchange with stock code: 981) with effect from 7 November 2024;
- (d) Mr. Li Ka Fai, David, *M.H.* was appointed as the members of the remuneration committee and the nomination committee of Wai Yuen Tong Medicine Holdings Limited (a company listed on the Stock Exchange with stock code: 897) with effect from 1 November 2024; and

- (e) Dr. Fan Ren Da, Anthony ceased to be an independent non-executive director and member of the audit committee as well as member of the nomination, remuneration and assessment committee of Haitong Securities Co., Ltd. (previous stock code: 6837, listing of its shares was withdrawn on the Stock Exchange) with effect from 4 March 2025.

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

PUBLICATION OF 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 2024 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 the Shareholders for their continued enthusiastic support to our Group.

II. CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board announces that, with effect from 21 March 2025:

- (a) Ms. Zhou Yadong, currently an executive Director, has been appointed as a member of the Investment Appraisal Committee of the Company; and
- (b) Dr. Chan Ho Wah, Terence, currently an independent non-executive Director, has been appointed as a member of the Remuneration Committee of the Company.

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

Hong Kong, 21 March 2025

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