



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

Seeking **Solid Progress**  
with *Prudence* and  
*Perseverance*



**2022**  
INTERIM REPORT

# Intricate Craftsmanship *with* Lingering Charm

Shanghai Industrial Urban Development Group Limited (“SIUD”) currently has 29 real estate projects in 11 major cities in China, mainly located at Shanghai, Kunshan, Wuxi, Beijing, Shenyang, Tianjin, Xi’an, Chongqing, Wuhan, Yantai and Shenzhen. Most of the projects are mid- to high-end residential projects which are under construction at full steam, presenting the Group with approximately 3.95 million square meters saleable floor areas and building a marvelous foundation for our long term development.



## CONTENTS

- 2** Corporate Information
- 3** Financial Highlights
- 4** Chairman's Statement
- 7** Management Discussion and Analysis
- 12** Details of Properties
- 14** Introduction of Key Projects in China
- 24** Other Information
- 29** Report on Review of Condensed Consolidated Financial Statements
- 30** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 32** Condensed Consolidated Statement of Financial Position
- 34** Condensed Consolidated Statement of Changes in Equity
- 36** Condensed Consolidated Statement of Cash Flows
- 38** Notes to the Condensed Consolidated Financial Statements

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Huang Haiping (*Chairman*)

Tang Jun (*President*)

Lou Jun

Ye Weiqi

Zhong Tao (*resigned on 31 March 2022*)

### Independent Non-Executive Directors

Doo Wai-Hoi, William, *B.B.S., J.P.*

Fan Ren Da, Anthony

Li Ka Fai, David

Qiao Zhigang

## AUTHORIZED REPRESENTATIVES

Huang Haiping

Chan Kin Chu, Harry

## BOARD COMMITTEES

### Audit Committee

Li Ka Fai, David (*Committee Chairman*)

Doo Wai-Hoi, William, *B.B.S., J.P.*

Fan Ren Da, Anthony

### Remuneration Committee

Doo Wai-Hoi, William, *B.B.S., J.P.* (*Committee Chairman*)

Fan Ren Da, Anthony

Ye Weiqi

### Nomination Committee

Huang Haiping (*Committee Chairman*)

Doo Wai-Hoi, William, *B.B.S., J.P.*

Fan Ren Da, Anthony

### Investment Appraisal Committee

Fan Ren Da, Anthony (*Committee Chairman*)

Tang Jun

Zhong Tao (*resigned on 31 March 2022*)

Qiao Zhigang

## COMPANY SECRETARY

Chan Kin Chu, Harry

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited

Clarendon House,

2 Church Street, Hamilton, HM11,

Bermuda.

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## REGISTERED OFFICE

Clarendon House,

2 Church Street,

Hamilton, HM11,

Bermuda.

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F, Henley Building,

No. 5 Queen's Road Central, Hong Kong

Telephone: (852) 2544 8000

Facsimile: (852) 2544 8004

## WEBSITE

<http://www.siud.com>

## PRINCIPAL BANKERS

Agricultural Bank of China Limited

China Construction Bank Corporation

China Everbright Bank

Shanghai Pudong Development Bank Company Limited

Bank of China Limited

## AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

35/F., One Pacific Place,

88 Queensway, Hong Kong.

## LISTING INFORMATION

The Stock Exchange of Hong Kong Limited

Ordinary Shares

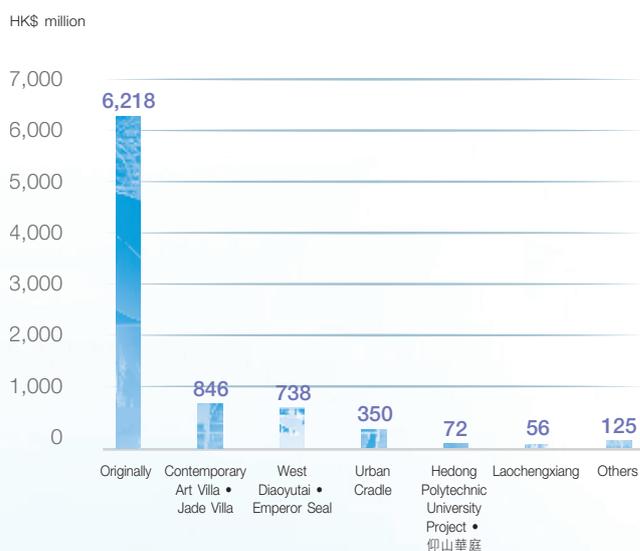
(Stock Code: 563)

## FINANCIAL HIGHLIGHTS

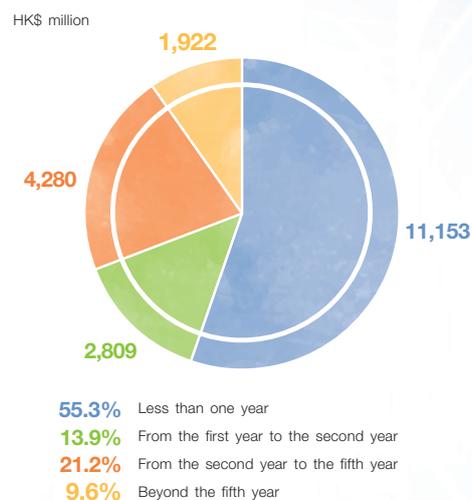
	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Financial Highlights (HK\$'000)		
Revenue	<b>6,808,613</b>	4,577,400
Profit attributable to equity owners of the Company	<b>126,448</b>	54,029
Financial Information per share (HK cent)		
Earnings per share		
— Basic	<b>2.63</b>	1.12
	<b>As at 30 June 2022</b>	As at 31 December 2021
Pre-sale proceeds received on sales of properties (HK\$'000)	<b>8,405,252</b>	13,504,748
Financial Ratios		
Net debt to total equity (%)	<b>52.6%</b>	24.0%
Current ratio	<b>1.2</b>	1.2

Note: Net debt = total borrowings (including bank borrowings, other borrowings and bonds) less cash and cash equivalents and pledged bank deposits.

## ANALYSIS ON PRE-SALE PROCEEDS RECEIVED ON SALES OF PROPERTIES



## DEBT MATURITY PROFILE



## CHAIRMAN'S STATEMENT

Looking back to the first half of 2022, under the goal of “growth stabilisation”, the central government continued with its efforts in maintaining stability. China's economy was generally stable in the first quarter. However, adhering to the direction of “dynamic zero-infection”, many cities tightened their anti-epidemic measures since March in order to combat the new wave of epidemic, intensifying the downward pressure on economy. With the improvement in the epidemic situation and the implementation of a series of effective growth stabilisation policies, China's economy rebounded stably in June. Upon initial calculation, the gross domestic product (GDP) of China increased 2.5% year-on-year for the first half, reflecting the unchanged positive long-term fundamentals of China's economy. The economy is trending towards a steady recovery in general.

The property market in China faced unprecedented challenges in the first half of the year. To facilitate the recovery of the property market, city-based policies were launched by local governments, including lowering down-payment ratio and home mortgage rate, stepping up efforts in attracting talents, distributing home purchase subsidies, lifting sale and purchase limits, and raising the limit for housing provident fund loans. Different measures were rolled out continuously in the first half to loosen the grip on the property market. The sale of commodity housing and the amount of property development and investment in China for the first half of 2022 decreased as compared with the same period last year. However, as the impact of the pandemic gradually weakened and the easing policies began to bear fruits, major cities saw month-on-month increases in various sales indicators and the scale of new property mortgage loans for two consecutive months since May, along with narrower year-on-year decreases. Signs of recovery were witnessed in both the sales and financing ends.



## CHAIRMAN'S STATEMENT

Despite numerous challenges, the Group kept calm in responding to the uncertain market environment and the ever-changing property market in China. By striving ahead amidst adversities with perseverance, the Group achieved much more outstanding results in the first half of 2022 as compared with 2021 and recorded impressive growth in both revenue and earnings per share. This demonstrated the unique strategies and significant competitive advantages of SIUD. During the period, high-quality flagship projects, including West Diaoyutai • Emperor Seal in Beijing and Urban Cradle in Shanghai, and affordable housing projects, including Shangtou Baoxu and Shangtou Xinhong in Shanghai, continued to contribute remarkable sales revenue for the Group. The residential projects successfully bid by the Group previously, including the Qiyuan Road project in Xi'an and Qingpu project in Shanghai, were under orderly development and will be launched for sale in the second half of the year. Ocean One, the first boutique residential project of SIUD in Lingang New Area, the China (Shanghai) Pilot Free Trade Zone, was grandly launched in June. The project satisfies the pursuit of urban dwellers for quality life with its adherence to high international standards.

As for investment properties, the Group offered rent reduction and waiver to micro-enterprises and individual sole proprietors engaged in production and operational activities to echo with the anti-epidemic policy of the nation and Shanghai municipal government. Though this affected the rental income of the Group in short term to a certain extent, the letting rates of many of our projects still remained at a high level. The Group's long-term rental apartments, the Shanghai Jingxiang and Shanghai Shenzhicheng projects, have been completed and are expected to be ready for lease in the second half of 2022, while the Shanghai Chenglong project will be completed on schedule by 2023. Besides, the stable income earned by the Group from several comprehensive healthcare management projects will support us in diversifying our business portfolio in the future.

The Group has been prudently managing our capital, optimising our gearing ratio and making adjustments based on market changes. In June 2022, Shanghai Urban Development (Holdings) Co., Ltd, a non-wholly owned subsidiary of the Group, succeeded in the issuance of the 2022 1st tranche medium term notes in Mainland China in an aggregate principal amount of RMB880 million with a term of 3 years at a coupon rate of 2.85%. The successful issuance of the notes in such a tight financing market not only reflected the strong development capabilities of the Group as a property company, but also demonstrated the market's confidence in the Group's development.

Given our robust financial conditions, the Group enjoyed unique advantages in enlarging our land reserve at reasonable prices during the industry's downturn and in expanding our business scale in fast developing cities in China. In June 2022, the Group won the bid for six parcels of land in Lingang New Area, the China (Shanghai) Pilot Free Trade Zone, which will involve the development of residential and commercial land. This has significantly bolstered the premium land bank of the Group in first-tier cities and is conducive to the Group's development strategy of placing a dual focus on property leasing and selling with an emphasis in core cities. This will also provide the Group with a further source of revenue. The Group will develop the land parcels in Lingang New Area with strategic vision to actively complement the highly developed area and take forward the key economic transformation strategy of the country.

In face of market uncertainties, SIUD stays true to our aspiration by striving to create a high quality lifestyle with our craftsmanship. Through continuously solidifying the comprehensive strengths of our own brand, the Group gained high recognition again from the industry and capital market. In March 2022, the Group was recognised as one of the "2022 Top 100 Property Development Companies by Comprehensive Strength" and "2022 Top 10 Property Development Companies by Responsible Real Estate Projects" by the China Real Estate Association. In May 2022, SIUD was listed as one of the "Top 50 in Comprehensive Strength" and "Top Five in Risk Control" on the "Press Conference on the Assessment Results of Listed Property Companies for 2022" hosted by Shanghai Yiju Real Estate Research Institute.

## CHAIRMAN'S STATEMENT

For the second half of the year, we expect that the central government will introduce more measures to stimulate the property market and continue to boost the confidence of home buyers through relaxing the property control policies to further satisfy reasonable housing demand. More active measures will also be taken by regulatory authorities, including the People's Bank of China and the China Banking and Insurance Regulatory Commission, to eliminate the risks of the industry so as to support the reasonable financing needs of property companies, which will be beneficial to market recovery in the second half of the year. Meanwhile, SIUD will remain cautiously optimistic and precisely time our marketing efforts and capture any market opportunities. We will also ensure the development and launch of our projects are on schedule and facilitate city-industry integration in a steady and orderly manner.

SIUD will continue to create quality city life with innovation and keep abreast of the times in pursuit of our city dream. Upholding the mission of urban development, SIUD will actively support and implement national strategies and create fruitful returns for our shareholders and customers. On behalf of the Board, I would like to express my sincere gratitude to all of our shareholders, customers and business partners for their unfading trust and support over the years.

**Huang Haiping**

*Chairman*

29 August 2022

Note:

The gross domestic product and property data of China for the first half of 2022 is gathered from the information published by the National Bureau of Statistics on 15 and 16 July 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROPERTY MARKET REVIEW

The plight faced by the property industry in China in the first half of 2022 was rarely seen over the years. According to the statistics of the National Bureau of Statistics, in the first half, the amount of property development and investment in China went down by 5.4% while the sales of commodity housing dropped by 28.9%, amongst which the sales of residential housing decreased by 31.8%. Benefited from a combination of factors including stabilisation of the epidemic situation and initial results reaped from supportive government policies, the property market has bottomed out and returned to stability. In particular, the sales of commodity housing rebounded continuously in May and June, demonstrating market resilience and the gradual recovery of the general market.

## BUSINESS REVIEW

### Overview

During the first half of 2022, epidemic control measures tightened in China due to an epidemic rebound since March, causing huge disruption to Shanghai and Beijing in particular. As a China-first operator in key urban areas, the Group overcame challenges in the macro-environment and market and maintained steady development and good performance by virtue of our excellent capability of getting things done and strong resilience. The outstanding delivery performance of flagship projects, including West Diaoyutai • Emperor Seal in Beijing and Shangtou Xinhong, Shangtou Baoxu and Urban Cradle in Shanghai, brought in stable and remarkable revenue and profit growth for SIUD. During the period, the Group continued to develop our investment property business, facilitate diversification and increase our high-quality land reserve at opportune times through the strategic plan of focusing in Shanghai while expanding to first- and second-tier core cities. In June 2022, the Group won the bid for the land use rights to six land parcels in Lingang New Area, the China (Shanghai) Pilot Free Trade Zone. Being valuable commercial and residential land primely located in the central business district of Lingang New Area, these land parcels can further consolidate the Group's leadership in Shanghai.

### Contract Sales

During the six months ended 30 June 2022, the contract sales from commodity housing and affordable housing of the Group decreased 6.1% year-on-year to RMB4,568,240,000 (six months ended 30 June 2021: RMB4,866,570,000). Total contract sales in terms of G.F.A. were 331,000 sq.m., up 198.2% year-on-year, while the total average selling price declined 68.5% to approximately RMB13,800 per sq.m. This was mainly attributable to the higher proportion of affordable housing sold and the different locations of projects during the period.

During the period, the contract sales of commodity housing decreased by 61.8% year-on-year to RMB1,623,150,000 (six months ended 30 June 2021: RMB4,250,320,000). The contract sales in terms of G.F.A. were 93,000 sq.m., up 11.1% year-on-year. The average selling price of commodity housing dropped to approximately RMB17,500 per sq.m. During the period, Originally in Xi'an and Contemporary Art Villa • Jade Villa, Urban Cradle and Contemporary Splendour Villa • Courtyard Villa in Shanghai were the Group's principal projects for sale, which accounted for approximately 58.1%, 11.6%, 10.5% and 8.1% respectively of the total contract sales of commodity housing during the period.

The contract sales of affordable housing increased 377.9% year-on-year to RMB2,945,090,000 (six months ended 30 June 2021: RMB616,250,000), whereas the contract sales in terms of G.F.A. were 238,000 sq.m. Such contract sales were mainly derived from Shangtou Xinhong and Shangtou Baoxu in Shanghai.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Property Development**

During the six months ended 30 June 2022, the Group had 12 projects with a total G.F.A. of 2,430,000 sq.m. under construction, which primarily included Originally in Xi'an, Shanghai TODTOWN, Shandong Yantai project and Tianjin Hedong Polytechnic University Project • 仰山華庭. The floor space started of the Group was 220,000 sq.m., which mainly came from the Qingpu project and Lingang project in Shanghai. The Group delivered a total G.F.A. of 270,000 sq.m., which mainly comprised Shangtou Xinhong and Shangtou Baoxu in Shanghai, West Diaoyutai • Emperor Seal in Beijing and Urban Cradle in Shanghai.

Despite the volatility of the pandemic, the Group succeeded in launching several residential projects for sale in a timely manner, thus leading to stable transaction volume and prices. Our projects, including Shangtou Xinhong and Shangtou Baoxu in Shanghai, Originally in Xi'an, and Contemporary Art Villa • Jade Villa and Urban Cradle in Shanghai, were highly sought after by the market and posted good presales performance.

**Investment Properties**

As at 30 June 2022, the Group had a number of completed commercial projects in eight major developed cities, including Shanghai, Beijing, Tianjin, Chongqing, Shenyang, Xi'an, Kunshan and Shenzhen. The investment projects held by the Group had a total G.F.A. of approximately 893,000 sq.m. During the period, the overall rental income of the Group decreased 37.9% year-on-year to HK\$260,064,000 (2021: HK\$418,474,000), which was mainly attributable to several rent-free periods granted to customers during the period to support the anti-epidemic policies of the country and Shanghai government.

By upholding the policy of placing dual focus on leasing and sale, the Group achieved steady progress in the residential leasing operation. Three of our long-term rental apartment projects, namely Shanghai Jingxiang, Shanghai Shenzhicheng and Shanghai Chenglong, offer a total G.F.A. of 295,000 sq.m. The Shanghai Jingxiang and Shanghai Shenzhicheng projects, which were completed in the first half of the year, are expected to be ready for lease in the second half. The Shanghai Chenglong project will be completed by 2023 and will also contribute stable rental income for the Group in future.

**LAND BANK AND NEW PROJECT ACQUISITION**

In the first half of 2022, the transaction volume and prices of land recorded year-on-year decreases in general. Most property developers remained prudent in land acquisition and the market sentiment was still lukewarm. The Group persisted in the strategy of focusing on the metropolitan areas in Shanghai as well as other first- and second-tier core cities while keeping an eye on opportunities of enriching our premium land bank.

In June 2022, the Group and a joint bidder (an independent third party) won the bid for the land use rights to six parcels of land in Lingang New Area, the China (Shanghai) Pilot Free Trade Zone with a site area of 119,545 sq.m. at a price of RMB3,890,000,000. The site is located in World Laureates Community of Lingang New Area and in close proximity to Lingang Science and Technology City. The land parcels are for residential and commercial uses and may be developed into approximately 271,081 sq.m. of residential development and 9,892 sq.m. of commercial development. Lingang New Area will be the major arena of residential development for SIUD in the Yangtze River Delta in future. SIUD will engage itself deeply in boutique residence, urban renewals and ancillary works in this new area and fully adhere to the relevant requirements for high-quality residence so as to create urban masterpieces.

As at 30 June 2022, the Group's land bank was developed into 29 property projects located in 11 major cities in China, including Shanghai, Beijing, Tianjin, Xi'an, Chongqing, Kunshan, Wuxi, Shenyang, Yantai, Shenzhen and Wuhan, and comprised medium to high class residential and commercial properties, most of which were completed or still under development. The Group has a land bank with a future saleable planned G.F.A. of approximately 3,947,000 sq.m. to support its development for the next three to five years.

## FINANCIAL REVIEW

### Revenue

During the six months ended 30 June 2022, the Group's revenue increased by 48.7% year-on-year to HK\$6,808,613,000 (six months ended 30 June 2021: HK\$4,577,400,000), primarily due to strong sales performance recorded by the Group under economic downturn thanks to the stable launch of competitive flagship projects and timely delivery of affordable housing projects. During the period, property sales remained as the Group's main source of revenue and amounted to HK\$6,464,820,000 (six months ended 30 June 2021: HK\$4,031,412,000), accounting for 95.0% (six months ended 30 June 2021: 88.1%) of the Group's total revenue. The revenue contribution from West Diaoyutai • Emperor Seal in Beijing and Shangtou Xinhong, Shangtou Baoxu and Urban Cradle in Shanghai accounted for 39.3%, 33.7%, 17.2% and 6.2% of property sales, respectively.

Revenue from leasing, property management and services, hotel operations continued to provide stable revenue sources for the Group, contributing HK\$260,064,000, HK\$446,000 and HK\$83,283,000 (six months ended 30 June 2021: HK\$418,474,000, HK\$2,835,000 and HK\$124,679,000) respectively and accounting for 3.8%, 0.0% and 1.2% (six months ended 30 June 2021: 9.1%, 0.1% and 2.7%) of the total revenue, respectively.

### Gross Profit and Gross Profit Margin

For the six months ended 30 June 2022, the Group's gross profit amounted to HK\$1,211,643,000, representing a decrease of 34.4% as compared to that of the same period in 2021. The gross profit margin was 17.8%, down by 22.6 percentage points as compared to that of the last year. This was mainly attributable to lower gross profit margin of the affordable housing projects delivered during the period. After netting off the effect of the Group's revenue from delivery of affordable housing during the period, the gross profit margin of the revenue from commodity housing was approximately 35.1%.

### Investment Property Revaluation

For the six months ended 30 June 2022, the Group recorded a net gain on revaluation of investment properties of HK\$1,208,000, which was mainly attributable to ShanghaiMart.

### Distribution and Selling Expenses

For the six months ended 30 June 2022, the Group's distribution and selling expenses decreased by 44.3% year-on-year to HK\$98,433,000 (six months ended 30 June 2021: HK\$176,787,000), which was mainly attributable to the year-on-year decrease in commodity housing delivered by the Group.

### General and Administrative Expenses

For the six months ended 30 June 2022, the Group's general and administrative expenses decreased slightly by 3.2% year-on-year to HK\$176,130,000 (six months ended 30 June 2021: HK\$182,026,000). This was mainly attributable to the continual implementation of strict cost control measures, which proved effective, during the period.

### Other Expenses, Gains and Losses, Net

For the six months ended 30 June 2022, the Group recorded a net loss of HK\$90,703,000 in other expenses, gains and losses (six months ended 30 June 2021: net loss of HK\$1,098,000) primarily due to foreign exchange losses on foreign currency denominated bank and other borrowings arising from the depreciation of RMB against HKD during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Profit**

During the six months ended 30 June 2022, the Group's profit decreased year-on-year by 61.0% to HK\$80,904,000 (six months ended 30 June 2021: HK\$207,224,000) mainly attributable to foreign exchange losses on foreign currency denominated bank and other borrowings arising from the depreciation of RMB against HKD and share of loss of an associate due to expected credit loss provision on its loan receivables and other receivables. During the first half of the year, profit attributable to owners of the Company increased by 134.0% year-on-year to approximately HK\$126,448,000 (six months ended 30 June 2021: HK\$54,029,000), and the basic earnings per share amounted to 2.63 HK cents (six months ended 30 June 2021: earnings per share of 1.12 HK cents).

**Liquidity and Capital Resources**

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

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

As at 30 June 2022, bank balances and cash of the Group were HK\$8,807,685,000 (31 December 2021: HK\$14,116,711,000). 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) was 52.6% as at the period end. The current ratio was 1.2 times.

As at 30 June 2022, the total borrowings of the Group including bank borrowings, other borrowings, advanced bonds and medium term notes amounted to HK\$20,163,705,000 (31 December 2021: HK\$19,720,082,000), which included the short-term borrowings of Shanghai Industrial Holdings Limited of HK\$2,263,000,000 (31 December 2021: HK\$1,813,000,000). The Group will continue to optimise the term of the borrowings based on our business needs.

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

**Foreign Exchange Risks**

During the period, most of the Group's revenue and operating costs were denominated in Renminbi. Except for certain bank deposits and bank and other borrowings denominated in foreign currencies, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements to control its exposure to exchange rate fluctuations as at 30 June 2022. However, the Group will adopt necessary measures whenever appropriate to minimise the impact arising from exchange rate fluctuations.

## HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2022, the Group employed 789 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 six months ended 30 June 2022, 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

Although the property market in China operated in a generally stable manner in the first half of 2022, the downward trend attracts great concern. At the macro-policy level, members at the meeting of the Political Bureau of the Communist Party of China expressed their determination to facilitate the steady and healthy development of the property market by supporting local governments in improving their respective property policies based on real situations, supporting rigid and upgrading housing demand, and optimising the regulation over the pre-sale proceeds of commodity housing. To achieve the goal of stabilising land premium, property prices and market expectation, we believe that more property easing policies will be launched in the second half of the year. This, together with further improvement of the financial environment, will support the property market to take on a path of recovery.

Following the property development and operation model of meeting basic livelihood needs while placing a dual focus on property leasing and selling, the Group will take the opportunity to implement national strategies and keep on engaging in high-standard urban renewals with an emphasis on Shanghai in order to seek all-rounded and long-term growth and maintain high-quality development. By leveraging its strength as a high-class state-owned company brand to increase its premium land bank in a steadily progressive manner and prudently explore various investment projects, the Group aims at achieving solid development in core city clusters in China, creating more fine products and driving urban lifestyle reformation so as to generate greater value for the shareholders at large.

## DETAILS OF PROPERTIES

The Group has 29 projects in 11 cities, comprising mid- to high-end residential units, serviced apartments, commercial and office buildings. As at 30 June 2022, the total GFA of the future saleable land bank of the Group was approximately 3.95 million sq.m.

The Group has restructured its projects and will adopt prudent strategies in future land acquisition.

As at 30 June 2022

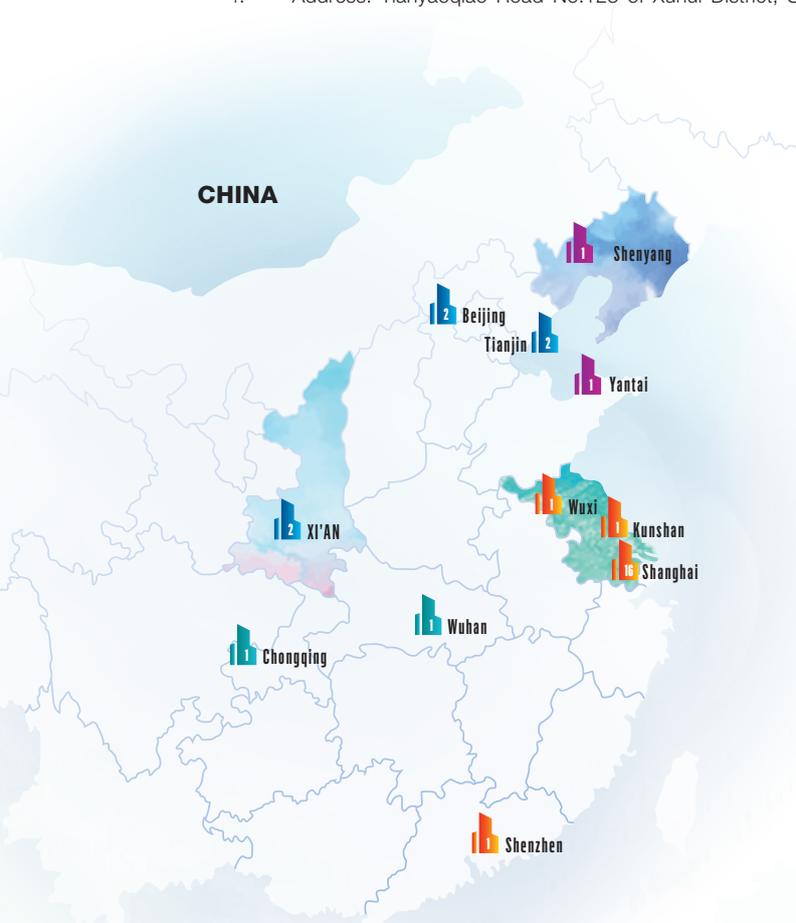
Project	City	Site area (sq.m.)	Planned G.F.A. (sq.m.)	Saleable G.F.A. (sq.m.)	1H2022 pre-sold G.F.A. (sq.m.)	Accumulated G.F.A. sold (sq.m.)	Future saleable G.F.A. (sq.m.)	Saleable G.F.A. under construction (sq.m.)	Saleable G.F.A. for future development (sq.m.)	Expected Completion Date	Ownership (%)
Urban Cradle	Shanghai	943,000	1,226,298	909,054	4,314	807,004	102,050	–	–	Completed	53.1%
Shanghai Youth City	Shanghai	57,944	212,130	166,261	–	139,840	26,421	–	–	Completed	100.0%
Shanghai Jing City	Shanghai	301,908	772,885	609,488	983	595,984	13,504	–	–	Completed	59.0%
TODTOWN	Shanghai	117,825	605,000	385,300	2,410	76,963	308,337	220,991	107,904	Complete by phase from 2020 to 2024	20.7%
Contemporary Art Villa • Jade Villa	Shanghai	116,308	80,777	80,777	2,989	79,828	949	8,955	–	Complete by phase from 2018 to 2022	100.0%
Contemporary Splendour Villa • Courtyard Villa	Shanghai	120,512	191,636	68,404	421	67,005	1,399	–	–	Completed	100.0%
Shangtou Xinhong	Shanghai	89,432	289,271	227,218	150,294	150,294	76,924	76,924	–	Complete between 2021 and 2023	90.0%
Shangtou Baoxu	Shanghai	118,880	306,167	234,653	86,621	202,068	32,585	–	–	Completed	71.3%
Chenghang Project	Shanghai	20,572	60,195	60,195	3,941	3,941	56,254	–	–	Completed	80.0%
Jingxiang Project	Shanghai	17,161	48,050	48,050	–	–	48,050	48,050	–	Complete by 2022	59.0%
Shenzhicheng Project	Shanghai	47,435	128,075	128,075	–	–	128,075	128,075	–	Complete by phase from 2022 to 2023	29.5%
Chenglong Project	Shanghai	47,383	118,458	118,458	–	–	118,458	118,458	–	Complete by 2023	59.0%
Gullin Road Aerospace Project	Shanghai	91,160	590,165	590,165	–	–	590,165	590,165	–	Complete between 2025 and 2026	21.2%
Youngman Point	Beijing	112,700	348,664	295,114	–	258,814	36,300	–	–	Completed	100.0%
West Diaoyutai • Emperor Seal	Beijing	42,541	250,930	228,070	–	212,640	15,430	–	–	Completed	97.5%
Laochengxiang	Tianjin	244,252	752,883	613,357	–	582,737	30,620	–	–	Completed	100.0%
Hedong Polytechnic University Project • 仰山華庭	Tianjin	42,146	122,200	122,200	1,665	1,665	120,535	122,200	–	Complete by 2024	100.0%
Yooou.net	Kunshan	34,223	129,498	112,812	–	63,021	49,791	–	–	Completed	30.7%
Urban Development Int'l Center	Wuxi	24,041	193,368	144,581	–	41,900	102,681	–	–	Completed	59.0%
Originally	Xi'an	2,101,967	3,899,867	3,202,324	32,018	2,662,143	540,181	369,471	241,508	Complete by phase from 2008 to 2025	71.5%
Qiyuan Road Project	Xi'an	51,208	102,418	102,418	–	–	102,418	102,418	–	Complete between 2023 and 2024	100.0%
Shenyang U Center	Shenyang	22,651	228,768	175,377	–	71,660	103,717	–	–	Completed	100.0%
Top City	Chongqing	120,014	786,233	729,785	–	376,424	353,361	–	–	Completed	100.0%
China Phoenix Tower	Shenzhen	11,038	106,190	79,391	–	78,343	1,048	–	–	Completed	91.0%
Yantai Project	Yantai	77,681	159,100	154,300	2,614	2,614	151,686	154,300	–	Complete between 2022 and 2024	100.0%
Yangluo Project • 香開長龍	Wuhan	257,600	452,000	437,053	1,877	10,494	426,559	208,434	243,566	Complete by phase from 2024 to 2027	28.9%
Qingpu Project • Cloud Vision	Shanghai	30,052	45,077	44,047	–	–	44,047	44,047	–	Complete by 2023	59.0%
Lingang 105 Project • Ocean One	Shanghai	41,961	104,903	101,184	–	–	101,184	101,184	–	Complete by 2024	47.2%
Lingang 103 Project	Shanghai	119,545	438,707	264,051	–	–	264,051	–	264,051	Complete between 2025 and 2026	80.0%
<b>Total</b>		<b>5,423,140</b>	<b>12,749,913</b>	<b>10,432,162</b>	<b>290,147</b>	<b>6,485,382</b>	<b>3,946,780</b>	<b>2,293,672</b>	<b>857,029</b>		

## MAJOR INVESTMENT PROPERTIES

Project	City	Property Category	Lease Term	Planned G.F.A. (sq.m.)
Shanghai Youth City	Shanghai	Commercial	Medium-term lease	16,349 <sup>1</sup>
ShanghaiMart <sup>2</sup>	Shanghai	Exhibition, transaction market, office building and parking lot	Medium-term lease	284,651
Urban Development Int'l Tower <sup>3</sup>	Shanghai	Office building	Medium-term lease	45,239
YOYO Tower <sup>4</sup>	Shanghai	Commercial	Medium-term lease	13,839
Top City	Chongqing	Commercial, office building and parking lot	Medium-term lease	317,405 <sup>1</sup>
China Phoenix Tower	Shenzhen	Office building	Medium-term lease	1,048 <sup>1</sup>
Youngman Point	Beijing	Commercial	Medium-term lease	19,768 <sup>1</sup>
Originally	Xi'an	Commercial	Medium-term lease	31,674 <sup>1</sup>
Shenyang U Center	Shenyang	Commercial and office building	Medium-term lease	64,597 <sup>1</sup>
Others	Shanghai, Tianjin and Kunshan	Commercial, office building and parking lot	Medium-term lease	98,290
<b>Total</b>				<b>892,860</b>

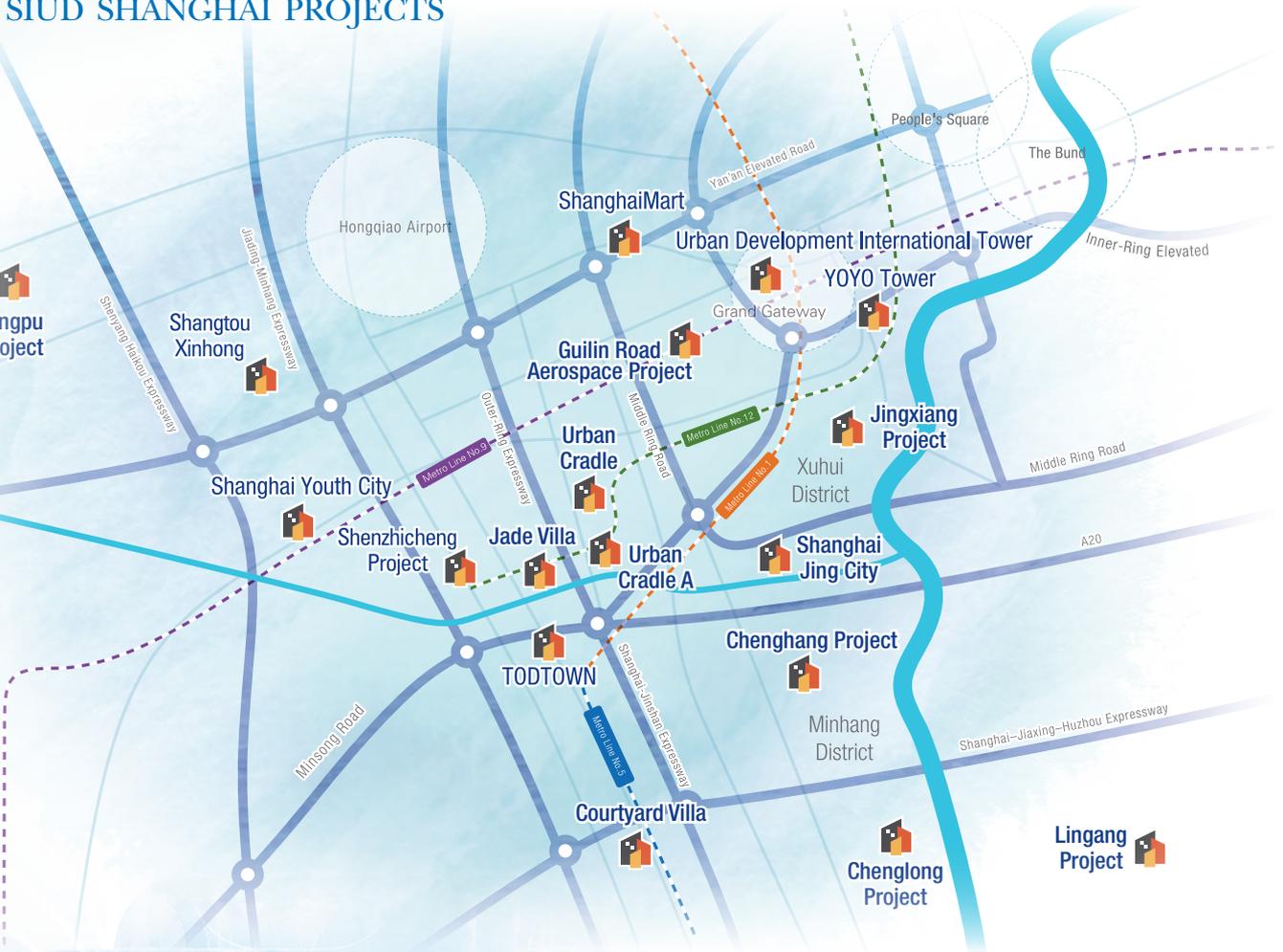
## Notes:

1. Included in page 12 of this interim report.
2. Address: Yan'an West Road No. 2299 of Changning District, Shanghai
3. Address: Hongqiao Road No. 355 of Xuhui District, Shanghai
4. Address: Tianyaoqiao Road No.123 of Xuhui District, Shanghai



# INTRODUCTION OF KEY PROJECTS IN CHINA

## SIUD SHANGHAI PROJECTS



### URBAN CRADLE

**Address:**  
588 Gulong Road,  
Minhang District, Shanghai

**Category:**  
Residence/  
Commerce

**Feature:**

The project is located in Gumei, Minhang District, Shanghai, west of Lianhua Road, east of Hechuan Road, north of Gudai Road and south of Pingnan Road, less than 700 m from the middle ring line. The area is a major focal point for large scale residential development in the “10th Five-Year Plan” of Shanghai. The project spans a total site area of about 943,000 sq.m. with a total G.F.A of about 1.3 million sq.m., including about 770,000 sq.m. of residences, nearly 400,000 sq.m. of underground space and more than 100,000 sq.m. for accommodating amenities for the estimated over 20,000 residents. Urban Cradle is an all-engulfing showcase of architectural forms and brilliant products including international-grade apartments, standalone villas, garden houses, deluxe mansions, modern commercial premises and green landscapes, bringing comfortable and stylish living together with commerce, entertainment, culture, education, and business and leisure pursuits.



INTRODUCTION OF KEY PROJECTS IN CHINA

**TODTOWN**

**Address:**

Xinzhuang Town,  
Minhang District, Shanghai

**Category:**

Residence/  
Commerce/Hotel/  
Office/Apartment office

**Feature:**

Located at the southern and northern squares of the Xinzhuang Station, the secondary city center of Shanghai, with Guangtong Road on its north, West Meilong Road on its east and Xinzhu Road and Dushi Road on its south, TODTOWN will be served by an overpass bridge conveniently linking Shuiqing Road at the northern square and Dushi Road at the southern square.

As one of the most advanced TOD (Transit-Oriented Development) projects in Shanghai, TODTOWN covers a total site area of approximately 118,000 sq.m. with a total G.F.A. of 605,000 sq.m., of which 100,000 sq.m. is transport-related. Upon completion, TODTOWN will be connected to Metro Line Nos. 1 and 5, Shanghai-Hangzhou High-Speed Railway and numerous public bus routes, as well as the station to be established for the Jinshan sub-line. Different modes of transport operated by different departments, such as metro lines, public buses and commuter rail services, will be blended into the project to achieve seamless and convenient transition. TODTOWN will be a “city in the sky” encompassing residential, commercial and leisure functions. As a complex equipped with comprehensive systems and facilities, TODTOWN will offer 50,000 sq.m. of offices, 140,000 sq.m. of shopping mall, 20,000 sq.m. of hotel, 90,000 sq.m. of residential units, 85,000 sq.m. of serviced apartments and 20,000 sq.m. of ancillary public facilities.



**CONTEMPORARY ART VILLA • JADE VILLA**

**Address:**

Minhang District,  
Shanghai

**Category:**

Residence

**Feature:**

Contemporary Art Villa • Jade Villa is situated in Minhang District in the southwest of Shanghai. The project is adjacent to the Outer Ring Line in the east and adjoins the ground satellite communication station of Shanghai in the west. It extends to Gudai Road in the north and connects Zhandou River in the south. The traffic is convenient as the straight-line distance from the entrance to the community to Hongxin Road Station of Metro Line No. 12 in the east is about 390 m. It is opposite to Minhang Sports Park on the other side of Gudai Road in the north and Li'an Park with excellent ecological environment on the opposite bank of Zhandou River in the south. The project covers a total site area of approximately 11.63 hectares and the land's plot ratio is 0.5. The planned aboveground total G.F.A. is approximately 58,100 sq.m., including planned residential floor area of approximately 48,700 sq.m. and planned public supporting building of approximately 9,300 sq.m. The planned residences of the project are villas.



INTRODUCTION OF KEY PROJECTS IN CHINA

**CONTEMPORARY SPLENDOUR VILLA • COURTYARD VILLA**

**Address:**

Minhang District,  
Shanghai

**Category:**

Residence

**Feature:**

Contemporary Splendour Villa • Courtyard Villa is situated in Zhuanqiao Town, Minhang District, Shanghai, with Shanghai-Jinshan Expressway (S4) in the east and Dushi Road in the west. It connects the branch of Wujing-Minhang Railway in the south and adjoins Denghui Road in the north. The project enjoys good traffic conditions and cultural environment as the straight-line distance is approximately 1.1 km from the west side of the project to Jianchuan Road Station of rail transit line #5 and approximately 1.8 km from the east side of the project to rail transit line #15 (under construction) with Shanghai Jiao Tong University and Minhang Campus of East China Normal University on the south. The project covers a site area of 12.05 hectares and the land's plot ratio is 0.6. It is planned to be a low-density residential community with the building height of not more than 10 m. The aboveground total G.F.A. of the project is approximately 72,300 sq.m., and the plot's ratio of green space is more than 35% and the ratio of concentrated green space is above 15%. The project is planned to be built into premium low-density villas.



Artist Impression



**SHANGHAIMART**

**Address:**

2299 Yan'an West Road,  
Shanghai

**Category:**

Exhibition/  
Commerce/Office

**Feature:**

Located in the emerging Shanghai Hongqiao Economic and Technological Development Zone, ShanghaiMart is uniquely positioned with Gubei Road and Hongqiao Road on its west, Yan'an Road on its south as well as the Hongqiao consulate area on its north. Situated next to the Inner Ring Line and the exit of an elevated road, ShanghaiMart is only a 10-minute drive to the "Hongqiao Comprehensive Transportation Hub", which is a convenient transport network assembling numerous transportation routes, including inter-city high speed railway, maglev trains, metro lines, airport and city buses.

With a total G.F.A. of 285,000 sq.m., ShanghaiMart comprises three main buildings: the Mart, Expo and Tower. As a super trading market integrating exhibition, trading, office and information functions, ShanghaiMart offers excellent world-class facilities and services to domestic and international merchants and professional buyers.



## INTRODUCTION OF KEY PROJECTS IN CHINA

**SHANGHAI JING CITY (INCLUDING “晶秀坊”)****Address:**

Lane 136,  
Xiujing Road, Shanghai

**Category:**

Residence/Commerce

**Feature:**

Situated in Meilong Town, Minhang District, the Shanghai Jing City project is an affordable housing project approved by Shanghai Bureau of Housing Security and Housing Administration and was listed as a large scale indemnificatory housing project on the list of major construction projects of Shanghai in 2009, occupying a total site area of about 302,000 sq.m. and a total G.F.A. of 773,000 sq.m. The project is mainly composed of four parts: public rental housing, economically affordable housing, resettlement housing for demolition and relocation purposes as well as ancillary operational housing. In particular, “晶秀坊” was incorporated into the eighth batch of economically affordable housing by the municipal government in 2020. “晶秀坊” has a site area of approximately 15,000 sq.m. and a total G.F.A. of 54,000 sq.m..



Shanghai Jing City will be equipped with two kindergartens, one primary school and one junior secondary school, fully covering the nine-year compulsory education of a child. The project will be supported by three commercial facilities, a community affairs center, a medical center, a sports center and a public transport hub, which can completely satisfy the basic living, cultural and entertainment needs of the local residents.

**CHENGHANG PROJECT****Address:**

Hongmei South Road  
(near Mei South Road),  
Minhang District, Shanghai

**Category:**

Commerce/Office

**Feature:**

Situated west to Hongmei South Road, north to the planned Mei South Road, east to the boundary of the planned site and south to the boundary of the planned site, the project encompasses office and commercial functions with a site area of approximately 20,000 sq.m. and a total G.F.A. of approximately 60,000 sq.m. Occupying the heart of Meilong Town, Minhang District, which is the redevelopment area in Meilong Town, the project will play a forward-looking, leading and representative role with certain potentials in the region.

The project is a commercial and office complex composed of six buildings and connecting corridors. In the future, the commercial portion will be built into a social experience space under the theme of “sporty, healthy and delicate lifestyle”. Made up of standalone buildings with high privacy as well as highly integrative standard offices, the office portion will be linked organically to the commercial portion by making use of an uneven design and connecting corridors. The project is targeted to mid to high end enterprises and will form a unique commercial and office area in the region.



INTRODUCTION OF KEY PROJECTS IN CHINA

**GUILIN ROAD AEROSPACE PROJECT**

**Address:**

402 Guilin Road,  
Xuhui District, Shanghai

**Category:**

Scientific research and  
design/Residential leasing

**Feature:**

The project is located in the Caohejing New Technology Development Zone with Guilin Road in the east, Cangwu Road in the west, Yishan Road in the south and Qinjiang Road in the north. It is connected to Metro Line Nos. 9 and 15 in close proximity to the inner and central rings and Humin Elevated Road, making it a significant industrial project in Shanghai as well as Xuhui District. Covering a total site area of approximately 91,000 sq.m. with a total G.F.A of approximately 600,000 sq.m. and an aboveground capacity building area of approximately 350,000 sq.m., the project will involve scientific research and design, auxiliary facilities as well as residential leasing. With an open-ended general layout, premium buildings, high-quality lifestyle and scientific research facilities, the future aerospace science and technology city project will help empower the city and enhance regional value.



Artist Impression



**SHANGTOU XINHONG**

**Address:**

Lane 255, Hualai Road,  
Minhang District, Shanghai

**Category:**

Residence/Commerce

**Feature:**

Shangtou Xinhong project covers a site area of approximately 205 hectares (including roads, river channels and green areas) with Shanghai-Hangzhou Railway to the east, Songze Elevated Road to the south, Xiaolai Port to the west and the border of Hongxing Village to the north.

There are totally two developable land plots in the project site, which are planned to be used for residential clusters (Category III) and commercial services, respectively.

The land plot for residential clusters has a site area of approximately 69,000 sq.m. It is a planned residential site to be used for the construction of resettlement housing for demolition and relocation purposes. With a land plot ratio of 2.15, it is expected to provide a capacity building area of approximately 149,000 sq.m.

The land plot for commercial services has a site area of approximately 19,000 sq.m. It is planned for commercial service purpose. With a land plot ratio of 2.5, it is expected to provide a capacity building area of approximately 49,000 sq.m. Different types of buildings will be constructed on the land plot in the future, including a brand hotel, standalone commercial villas and self-owned commercial buildings.



Artist Impression



## INTRODUCTION OF KEY PROJECTS IN CHINA

## QINGPU PROJECT • CLOUD VISION

**Address:**

Lot 21-08 located in the north of Huateng Road, Huaxin Town, Qingpu District, Shanghai

**Category:**

Residence

**Feature:**

The project is situated in Huaxin Town, Qingpu District, Shanghai between the outer ring and suburban ring. The land plot is located west of Dahong Bridge, about 10 km to the Hongqiao Central Business District and 5 km to the tentative station of the west extension section of Metro Line No. 13, with Xinyi South Road to its east, Huateng Road to its south, Xinfeng North Road to its west and a land parcel under planning to its north.

The project covers a total site area of 30,051.5 sq.m. This low-density high-quality pure residential project in Huaxin Town, Qingpu District will comprise totally 11 buildings, including three 7-storey buildings and eight 8-storey buildings, offering about 463 apartments in total. The project adopts an expansive curvilinear layout instead of a typical barrack-style layout to provide uninterrupted magnificent views and multi-level enjoyment. Coupled with rarely seen extra wide spacing between buildings, the project is set to become a green ecological community. This project will be one of the most potential projects surrounding Dahong Bridge in future.



## LINGANG PROJECT • OCEAN ONE

**Address:**

Lot A03-02 located in Unit PDCI-0103, Lingang New Area, the China (Shanghai) Pilot Free Trade Zone, Shanghai

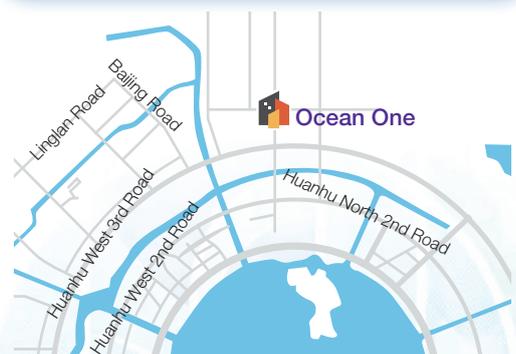
**Category:**

Residence

**Feature:**

Located at the 105 Financial Hub in Lingang Modern Service Open Area, Pudong New District, Shanghai, the project is mainly skirted by the international community, technological innovation community, family community and technological innovation community from south to north. The land lot is located in the international community with a land parcel under planning to its east, Anmao Road to its south, greenbelt to its west and Luoshenhua Road to its north.

The project covers a total site area of 41,961 sq.m. with a plot ratio of 2.5 and a height limit of 50 m. The total floor area for the calculation of plot ratio is 104,900 sq.m. Embracing the design concept of Lingang New Area, the project aims at building a high-quality community ideal for living and working in order to facilitate the development of Lingang and satisfy future urban planning needs. The project is planned to comprise an affordable housing building, 14 commodity housing buildings, a high-rise building with 13 to 16 storeys and a building for community ancillary facilities, providing approximately 1,009 apartments (inclusive of affordable housing). The varying construction layout of the project is both flexible and innovative. The project will adopt a classical architectural style characterised by the features of a high-quality community.



INTRODUCTION OF KEY PROJECTS IN CHINA

**YANTAI**

**YANTAI PROJECT • FELICITY MANSION**

**Address:** Southwest to the intersection of Fuyuan Road and Xingfu 12 Village East Street, Zhifu District, Yantai

**Category:** Residence/Commerce

**Feature:** Located east to Zhuji West Road, north to Fuyuan South Road, south to Fuyuan Road and west to Guihua Road, the project encompasses residential and commercial functions and certain ancillary public service facilities with a site area of approximately 7.77 hectares and a total G.F.A. of approximately 220,000 sq.m. The project is situated in the core area of Xingfu New Town in close proximity to the central business district of the town, with the shoreline just 1.5 km away in the north. According to the general plan of the new town, the project will be surrounded with abundant commercial, educational, medical, transport and scenic resources in the future. Enjoying a significant second-mover advantage, the project has immense growth potential.

Positioned as a residential product targeted at upgraders, the project mainly offers three- to four- room apartments with attractive decoration. The project plans to provide steward property services, nature-themed scenery and smart community management to create a high-quality living environment integrated with dignity, ecology and technology.



**WUHAN**

**YANGLUO PROJECT • 香開長龍**

**Address:** Intersection of Chaibo Avenue and Jintai Road, Heart of Yangluo, Wuhan

**Category:** Residence/Commerce

**Feature:** The project site is situated in the core area of the Heart of Yangluo in the Yangtze River New Area. The project will be surrounded by abundant ancillary facilities, such as commerce, education, landscape, transportation and medical care, in the future, which will empower it with significant advantages and immense potential for development.

Equipped with both residential and commercial functions, the project site is located south to Chaibo Avenue (facing the commercial zone of the Wanda Cultural Tourism City), east to Jintai Road (facing a school site), north to a public primary school site and west to Jinglu Road, with a total planned G.F.A. of approximately 450,000 sq.m..

Posed as a high-end residential product, the project aims to provide a high-end, high-quality liveable environment for the residents by virtue of its proximity to a prestigious school, forward-looking product planning and an extra high efficiency ratio.



## INTRODUCTION OF KEY PROJECTS IN CHINA

## BEIJING

## WEST DIAOYUTAI • EMPEROR SEAL

**Address:**

No. 1 and No. 2 Section,  
West Diaoyutai Village,  
Haidian District, Beijing

**Category:**

Residence

**Feature:**

Located in the west third ring, on the east and north side of Kunyu River and west to the 137-hectare Yuyuantan Park, the project enjoys a 67-hectare expanse of magnificent aquatic scenes, the largest in Beijing where water is a scarce resource, giving it uniqueness and a touch of supremacy. The project has deluxe apartments with river views as its core products aiming to appeal to the affluent on the high-end. The project has three phases. Phases I and II have been completed and sold out, while phase III has almost been sold out.



## TIANJIN

## HEDONG POLYTECHNIC UNIVERSITY PROJECT

## • 仰山華庭

**Address:**

Southeast to the intersection  
of the planned Jinsuo South  
Road and Shaoshan Road,  
Hedong District, Tianjin

**Category:**

Residence/Commerce

**Feature:**

Located west to Hongxing Road, north to Chenglin Road, east to Xinkuo Road and south to Weiguo Road, the project has a site area of approximately 42,000 sq.m. and a total G.F.A. of approximately 175,000 sq.m. (including green areas). The project encompasses residential and commercial functions and certain ancillary public service facilities. The residential function occupies a site area of approximately 116,000 sq.m. at a plot ratio of  $\leq 2.9$ , while the commercial function occupies a site area of approximately 2,500 sq.m.



As a highly customised aesthetic community dedicated in regional, product and lifestyle revival, the project will offer superb and innovative residential products. Featuring a hotel-style lobby, a multi-functional mocha living room, nature-themed landscape and intelligent community management, the project aims to create a premium liveable environment by combining ecology with technology. Poised to be a real regionally leading project, it will be a key driver for the growth of Hedong District, Tianjin.

INTRODUCTION OF KEY PROJECTS IN CHINA

**SHENYANG**

**SHENYANG U CENTER**

**Address:**

South Taiyuan Street,  
Heping District,  
Shenyang

**Category:**

Commerce/Office/  
Serviced Apartment

**Feature:**

The project is located in the most prosperous business district downtown Shenyang — Taiyuan Street, with Zhonghua Road to its north, Minzhu Road to its south, South Taiyuan Street to its west and South Tianjin Street to its east. The region has a profound history and an extensive commercial network covering Northeast Asia. Covering a total G.F.A. of 230,000 sq.m., the U Center comprises high-end offices, SOHO, boutique apartments and open commercial blocks with an integration of cultural and creative industries, food and beverage, leisure, entertainment, offices and luxurious apartments, making it an icon of the city.



Artist Impression



**WUXI**

**URBAN DEVELOPMENT INTERNATIONAL CENTER**

**Address:**

Intersection of Yinxiu Road  
and Taihu Avenue,  
Binhu District, Wuxi, Jiangsu

**Category:**

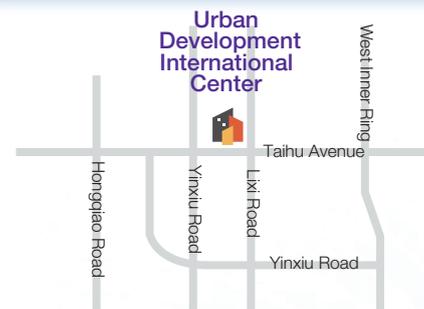
Commerce/Hotel/  
Office/Serviced  
Apartment

**Feature:**

The project is an icon at the heart of the Liyuan Economic Development Zone, the new axis of Wuxi. It is only 5 km from the center of the city with Lihu Lake Scenic Spot, Lihu Central Park and Bogong Island in its vicinity to enjoy. The area is well developed, equipped with all essential facilities and convenient transportation choices. The integrated complex comprises an international five-star hotel, serviced apartments, a 5A-grade office building and a commercial center.



Artist Impression



INTRODUCTION OF KEY PROJECTS IN CHINA

**XI'AN  
ORIGINALLY**

**Address:**  
East to Chan River,  
Chanba Avenue,  
Chanba Ecotope, Xi'an

**Category:**  
Residence/  
Commerce/Hotel

**Feature:**

In the heart of Xi'an Chanba Ecotope, the project lies where the Chan River and Ba River meet. The project with more than 2 million sq.m. in terms of site area is the largest eco-district in northwest China. The area has been well planned and is developing rapidly, enjoying convenient access to road networks and public transports including Metro Line No. 3 which will soon commence operation.

It is the home of the Euro-Asia Economic Forum as well as the Guangyuntan national wetland park and was where the 2011 International Horticultural Exposition took place, asserting its significance in the development of Xi'an. The project has 12 land parcels in the plan to cater to diverse functions and related necessary facilities completed or soon to be completed to meet community business requirements and educational, medical and shopping needs.



**QIYUAN ROAD PROJECT**

**Address:**  
Intersection of Qiyuan 1st Road and  
Shangchun North Road, Xi'an  
(west of Chanba Tenth School)

**Category:**  
Residence

**Feature:**

Located at the intersection of Qiyuan 1st Road and Shangchun North Road, the project occupies the core area of the [three-axis, three-belt] development plan of Xi'an. The project enjoys the triple benefits brought by Chanba Ecotope, the International Trade & Logistics Park and the economic development and political affairs area. Situated only 800 m to Ba River, the project is embraced in a green and natural environment while being served by comprehensive international ancillary facilities, making it a low-density high-end residential project around Weiyang Lake.

The project covers a total site area of approximately 76.8 hectares, providing a G.F.A. of about 140,000 sq.m. The project is planned to comprise 15 residential buildings (eight high-rise apartments and seven low-rise apartments), offering 594 apartments in total. With a greening ratio of 35% and a plot ratio of 2.0, the project is available in various layouts and sizes, i.e. 143 sq.m. for small high-rise apartments and 190 sq.m. (flats), 300 sq.m. (top duplex apartments) and 190 sq.m. (bottom duplex apartments) for low-rise apartments. The project is built with metal aluminum plates and masonry paint, with low-emissivity glasses used in the exterior façade of the buildings to create a fashionable and lightly luxurious feeling. Coupled with supreme ecological resources, this project is destined to provide you with a comfortable and pleasant lifestyle.



## OTHER INFORMATION

### INTERIM DIVIDEND

The board of Directors (the “**Board**”) does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2022.

### PRE-EMPTIVE RIGHTS

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

### CORPORATE GOVERNANCE

During the six months ended 30 June 2022, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the Directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the “**Guidelines for Securities Transactions by Relevant Employees**”) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 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 six months ended 30 June 2022.

In addition, no incident of non-compliance of the Guidelines for Securities Transactions by Relevant Employees by the relevant employees of the Group was noted by the Company throughout the six months ended 30 June 2022.

### LOAN AGREEMENT WITH SPECIFIC PERFORMANCE COVENANT ON THE CONTROLLING SHAREHOLDER

As disclosed in the Company’s announcement dated 17 June 2020 for the purpose of re-financing the term loan facility granted by a bank (as referred to in the announcement of the Company dated 22 November 2019), the Company (as the borrower) entered into a loan agreement with a bank (as the lender) for a term loan facility in the amount of RMB2,400,000,000 for a term of thirty-six months. The loan agreement provides that Shanghai Industrial Investment (Holdings) Company Limited (“**SIIC**”), being a controlling shareholder of the Company and Shanghai Industrial Holdings Limited (“**SIHL**”), shall directly or indirectly own not less than 51% of the total share capital of the Company and maintain management control of the Company (the “**Requisite Covenant**”). A breach of the Requisite Covenant will constitute a default under the loan agreement.

Reference is made to the announcement of the Company dated 4 November 2020 with regard to a facility letter (the “**Facility Letter**”) entered between the Company and a bank for a revolving loan facility of up to HKD500,000,000 granted by a bank (the “**RL Facility**”). As disclosed in the Company’s announcement dated 25 November 2021, the Company (as the borrower) entered into a supplemental facility letter (the “**Supplemental Facility Letter**”) with the lender under the RL Facility to revise certain terms and conditions of the Facility Letter. Pursuant to the Supplemental Facility Letter, the maturity date of the RL Facility is extended to 31 October 2022 and/or such other extended maturity date subject to the lender’s periodic review. The Facility Letter contains an undertaking by the Company that so long as the RL Facility or any sum thereunder are outstanding, SIHL, a controlling and substantial shareholder of the Company and SIIC, being a controlling shareholder of SIHL shall collectively directly or indirectly own not less than 51% of the total share capital of the Company and maintain management control of the Company (the “**Shareholding and Management Covenant**”). A breach of the Shareholding and Management Covenant will constitute a default under the Facility Letter.

As at 30 June 2022, SIHL and SIIC are beneficially interested in approximately 43.93% and 68.01%, respectively, of the total issued share capital of the Company. Other than as disclosed above, there are no other events which are required to be disclosed by the Company under Rule 13.18 of the Listing Rules.

### AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) currently consists of three independent non-executive Directors, namely Mr. Li Ka Fai, David (Committee Chairman), Mr. Doo Wai-Hoi, William, *B.B.S., J.P.* and Mr. Fan Ren Da, Anthony. The Audit Committee is primarily responsible for reviewing the accounting principles and practices adopted by the Group; reviewing the financial reporting process, risk management and internal controls system of the Group; and reviewing the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor. The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2022 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group, risk management and internal controls matter, final results and financial statements and the terms of reference for the Audit Committee.

The Group’s external auditor, Messrs. Deloitte Touche Tohmatsu, has reviewed the Company’s unaudited condensed consolidated financial statements for the six months ended 30 June 2022 in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

### DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

#### (1) Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity	Number of issued ordinary shares held	Number of underlying shares subject to options granted <sup>1</sup>	Approximate % of the issued share capital of the Company
Tang Jun	Beneficial owner	178,000	—	0.00%

Note:

- These interests represent the interests in the underlying shares of the Company in respect of share options granted by the Company to these Directors as beneficial owners.

## OTHER INFORMATION

## (2) Long positions in the shares and underlying shares of the associated corporations of the Company

## SIHL

Name of Directors	Capacity	Number of issued ordinary shares held	Number of underlying shares subject to options granted <sup>1</sup>	Approximate % of the issued share capital of the Company
Tang Jun	Beneficial owner	65,000	—	0.00%

Note:

- These interests represent the interests in the underlying shares of SIHL in respect of the share options (which are unlisted and physically settled equity derivatives) granted by SIHL under its share option scheme.

Save as disclosed herein, as at 30 June 2022, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code.

## SHARE OPTION SCHEME

Pursuant to ordinary resolutions passed by the Shareholders at its special general meeting held on 12 December 2002, the Company adopted a share option scheme (the “**Share Option Scheme**”).

All the share options granted in September 2010 under the Share Option Scheme were lapsed on 24 September 2020. As at 30 June 2022, no share options remained outstanding under the Share Option Scheme. The Share Option Scheme expired on 11 December 2012.

During the six months ended 30 June 2022, there were no movements in the Company’s share options under the Share Option Scheme.

Pursuant to ordinary resolutions passed by the Shareholders at its annual general meeting held on 16 May 2013 (the “**Adoption Date**”), the Company adopted a new share option scheme (the “**New Share Option Scheme**”).

Reference was made to the circular of the Company dated 16 April 2013 in relation to the adoption of the New Share Option Scheme (the “**Circular**”). Unless the context requires otherwise, terms defined in the Circular shall have the same meanings when used in this interim report. As disclosed in the Circular, the New Share Option Scheme will be valid for ten years since the Adoption Date. The purpose of the New Share Option Scheme is to enable the Company to grant options to the eligible participants, as incentives and/or rewards for their contributions to the Group.

The eligible participants include the following classes of participants:

- any employee (whether full time or part time, including any executive Director and non-executive director but excluding any independent non-executive director and (if applicable) any supervisors) of any member of the Group or any invested entity;

- (b) any independent non-executive directors and (if applicable) any supervisors of any member of the Group or any invested entity;
- (c) any supplier of goods or services to any member of the Group or any invested entity;
- (d) any customer of any member of the Group or any invested entity;
- (e) any person or entity that provides research, development or other support (technical or otherwise) to any member of the Group or any invested entity;
- (f) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity;
- (g) any adviser or consultant (professional or otherwise) to any area of business or business development of any member of the Group or any invested entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

For the purposes of the New Share Option Scheme, an offer may be made to any company wholly-owned by one or more eligible participants.

The Board considers that the New Share Option Scheme will provide the eligible participants with the opportunity to acquire shares of the Company and to encourage the eligible participants to work towards enhancing the value of the Company and for the benefit of the Company and its shareholders as a whole. The provisions of the New Share Option Scheme comply with the requirements of Chapter 17 of the Listing Rules. Further details of the New Share Option Scheme can be found in the Circular.

The Company had not granted any share options under the New Share Option Scheme since the Adoption Date up to 30 June 2022.

Save as disclosed herein, the Company had not granted any share options to any persons as required to be disclosed under Rule 17.07 of the Listing Rules during the six months ended 30 June 2022.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES AND UNDERLYING SHARES**

As at 30 June 2022, substantial shareholders and other persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

### **Ordinary shares of HK\$0.04 each of the Company**

<b>Name of substantial shareholders</b>	<b>Capacity</b>	<b>Number of shares of the Company held</b>	<b>Approximate% of the issued share capital of the Company</b>
SIHL	Held by controlled corporation	2,111,229,080(L) <sup>1,2,3</sup>	43.93%
SIIC	Held by controlled corporation	3,268,553,977(L) <sup>1,2,3,4</sup>	68.01%

## OTHER INFORMATION

## Notes:

1. L denotes long positions.
2. These include 2,061,229,080 shares of the Company held by S.I. Smart Charmer Limited and 50,000,000 shares of the Company that are deemed to be held by Novel Good Limited under the pledge described in note 3 below. As S.I. Smart Charmer Limited and Novel Good Limited are both wholly-owned subsidiaries of SIHL, which is in turn controlled by SIIC, SIHL and SIIC are deemed or taken to be interested in the interests in the shares of the Company held by S.I. Smart Charmer Limited and Novel Good Limited.
3. These interests include 50,000,000 shares of the Company (short positions) held by Invest Gain Limited (a company beneficially and wholly owned by Mr. Li Song Xiao who ceased to be a substantial shareholder of the Company during the year ended 31 December 2011) which was pledged to Novel Good Limited. Therefore, SIHL and SIIC are deemed or taken to be interested in these 50,000,000 shares of the Company.
4. SIIC, through Shanghai Investment Holdings Limited (a subsidiary of SIIC) held approximately 55.13% of the shares of SIHL. Therefore, SIIC is deemed or taken to be interested in the 2,111,229,080 shares of the Company held by SIHL for the purpose of the SFO. On the other hand, SIIC is also deemed or taken to be interested in the 1,157,324,897 shares of the Company held by its subsidiaries, namely SIIC Trading Company Limited, Shanghai Industrial Financial Holdings (Hong Kong) Company Limited, SIIC CM Development Limited, SIIC Capital (B.V.I.) Limited and Shanghai Investment Holdings Limited.

Save as disclosed herein, as at 30 June 2022, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## CHANGES IN INFORMATION OF DIRECTORS

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

- (a) Mr. Zhong Tao, an executive director of the Company, has resigned as an executive director, the vice president of the Company and a member of the investment appraisal committee of the Company with effect from 31 March 2022.
- (b) Mr. Fan Ren Da, Anthony, an independent non-executive director of the Company, has been appointed as a non-executive director of Hilong Holding Limited, a company listed on the Stock Exchange with stock code of 1623, with effect from 25 July 2022.

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

## APPRECIATION

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

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

Hong Kong, 29 August 2022

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

**TO THE BOARD OF DIRECTORS OF  
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED**  
上海實業城市開發集團有限公司  
*(incorporated in Bermuda with limited liability)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shanghai Industrial Urban Development Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 30 to 56, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

29 August 2022

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

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue			
Goods and services	3A	6,548,549	4,158,926
Leases		260,064	418,474
Total revenue		6,808,613	4,577,400
Cost of sales		(5,596,970)	(2,730,163)
Gross profit		1,211,643	1,847,237
Other income		73,215	75,265
Other expenses, gains and losses, net		(90,703)	(1,098)
Fair value gain on investment properties, net		1,208	103,938
Distribution and selling expenses		(98,433)	(176,787)
General and administrative expenses		(176,130)	(182,026)
Finance costs	4	(330,192)	(340,606)
Share of results of associates		(118,041)	(4,308)
Share of results of joint ventures		(2,929)	(3,217)
Profit before tax		469,638	1,318,398
Income tax	5	(388,734)	(1,111,174)
Profit for the period	6	80,904	207,224
<b>Other comprehensive (expense) income for the period</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(1,158,576)	324,403
Fair value loss on equity instruments at fair value through other comprehensive income, net of tax		(14,768)	(9,783)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Reclassification adjustment for realisation of revaluation reserve upon disposal of the related properties		(22,176)	—
Other comprehensive (expense) income for the period		(1,195,520)	314,620
Total comprehensive (expense) income for the period		(1,114,616)	521,844

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

	NOTE	Six months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		126,448	54,029
Non-controlling interests		(45,544)	153,195
		80,904	207,224
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(700,440)	230,525
Non-controlling interests		(414,176)	291,319
		(1,114,616)	521,844
Earnings per share	7		
Basic (HK cents)		2.63	1.12

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	NOTE	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
<b>Non-current assets</b>			
Investment properties	8	19,067,868	19,666,136
Property, plant and equipment		2,155,780	2,297,465
Right-of-use assets		470,150	503,099
Goodwill	18	23,604	23,604
Intangible assets		59,740	62,777
Interests in associates		2,020,303	2,246,277
Interests in joint ventures		2,779,559	2,914,426
Amount due from a related company	9	273,841	276,188
Equity instruments at fair value through other comprehensive income		70,045	93,372
Pledged bank deposits		36,590	122,575
Deferred tax assets		54,017	55,164
		<b>27,011,497</b>	28,261,083
<b>Current assets</b>			
Inventories		2,084	2,207
Properties under development for sale and properties held-for-sale		22,452,389	24,630,428
Trade and other receivables	10	1,933,631	4,365,527
Amounts due from related companies	9	1,593	12
Prepaid income tax and land appreciation tax		498,970	459,442
Financial assets at fair value through profit or loss		4,455	2,961
Restricted and pledged bank deposits		35,705	36,457
Bank balances and cash		8,807,685	14,116,711
		<b>33,736,512</b>	43,613,745
<b>Current liabilities</b>			
Trade and other payables	11	5,330,399	6,752,402
Amounts due to related companies	9	719,744	706,814
Pre-sale proceeds received on sales of properties		8,405,252	13,504,748
Bank and other borrowings	12	11,153,274	10,121,944
Lease liabilities		53,979	62,395
Income tax and land appreciation tax payables		1,593,146	3,226,796
Dividend payable		30,402	18,402
Dividends payable to non-controlling shareholders		—	1,963,472
		<b>27,286,196</b>	36,356,973
<b>Net current assets</b>		<b>6,450,316</b>	7,256,772
<b>Total assets less current liabilities</b>		<b>33,461,813</b>	35,517,855

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
<b>Non-current liabilities</b>			
Deferred revenue	11	30,980	32,452
Bank and other borrowings	12	9,010,431	9,598,138
Lease liabilities		32,948	57,794
Deferred tax liabilities		2,948,364	3,118,049
		<b>12,022,723</b>	12,806,433
		<b>21,439,090</b>	22,711,422
<b>Capital and reserves</b>			
Share capital	13	192,253	192,253
Reserves		14,104,908	15,021,633
Equity contributable to owners of the Company		14,297,161	15,213,886
Non-controlling interests		7,141,929	7,497,536
		<b>21,439,090</b>	22,711,422

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company													Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000 (note (i))	Other revaluation reserve HK\$'000 (note (ii))	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Statutory surplus reserve HK\$'000 (note (iii))	Shareholder's contribution/ merger reserve HK\$'000 (note (iv))	Other reserve HK\$'000 (note (v))	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2022 (audited)	192,253	8,909,949	265,355	33,508	–	16,694	1,203,534	2,159,430	(77,883)	1,218,158	1,292,888	15,213,886	7,497,536	22,711,422
Profit (loss) for the period	–	–	–	–	–	–	–	–	–	–	126,448	126,448	(45,544)	80,904
Exchange differences on translation from functional currency to presentation currency	–	–	–	–	–	–	–	–	–	(795,999)	–	(795,999)	(362,577)	(1,158,576)
Fair value loss on equity instruments at fair value through other comprehensive income, net of tax	–	–	–	–	–	(8,713)	–	–	–	–	–	(8,713)	(6,055)	(14,768)
Reclassification adjustment for realisation of revaluation reserve upon disposal of the related properties	–	–	–	(22,176)	–	–	–	–	–	–	–	(22,176)	–	(22,176)
Total comprehensive (expense) income for the period	–	–	–	(22,176)	–	(8,713)	–	–	–	(795,999)	126,448	(700,440)	(414,176)	(1,114,616)
Capital injection from a non-controlling shareholder without change in shareholdings	–	–	–	–	–	–	–	–	–	–	–	–	58,569	58,569
Dividends recognised as distributions (Note 19)	–	–	(216,285)	–	–	–	–	–	–	–	–	(216,285)	–	(216,285)
At 30 June 2022 (unaudited)	192,253	8,909,949	49,070	11,332	–	7,981	1,203,534	2,159,430	(77,883)	422,159	1,419,336	14,297,161	7,141,929	21,439,090
At 1 January 2021 (audited)	192,253	8,909,949	472,027	52,526	(13,813)	27,790	904,577	2,159,430	(77,883)	722,894	1,016,581	14,366,331	11,147,131	25,513,462
Profit for the period	–	–	–	–	–	–	–	–	–	–	54,029	54,029	153,195	207,224
Exchange differences on translation from functional currency to presentation currency	–	–	–	–	–	–	–	–	–	183,434	–	183,434	140,969	324,403
Fair value loss on equity instruments at fair value through other comprehensive income, net of tax	–	–	–	–	–	(6,938)	–	–	–	–	–	(6,938)	(2,845)	(9,783)
Total comprehensive (expense) income for the period	–	–	–	–	–	(6,938)	–	–	–	183,434	54,029	230,525	291,319	521,844
Transfer	–	–	–	–	–	–	11,686	–	–	–	(11,686)	–	–	–
Addition upon acquisition of a subsidiary (Note 18)	–	–	–	–	–	–	–	–	–	–	–	–	8,099	8,099
Dividends recognised as distributions (Note 19)	–	–	(206,672)	–	–	–	–	–	–	–	–	(206,672)	–	(206,672)
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(180,498)	(180,498)
At 30 June 2021 (unaudited)	192,253	8,909,949	265,355	52,526	(13,813)	20,852	916,263	2,159,430	(77,883)	906,328	1,058,924	14,390,184	11,266,051	25,656,235

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## Notes:

- (i) Contributed surplus, serving as a distributable reserve, represents an amount transferred from the share premium account which gives Shanghai Industrial Urban Development Group Limited (the "Company") a greater flexibility in its dividend policy and making distributions to the shareholders.
- (ii) Other revaluation reserve comprises the difference between the fair value, net of deferred tax, and the carrying amount of additional interest in associates being acquired and become subsidiaries of the Company. This reserve will be recognised in profit or loss upon the earlier of the disposal of the subsidiaries or the disposal by the subsidiaries of the assets to which it relates.
- (iii) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), subsidiaries established in the PRC are required to transfer 10% of its profit after tax to the statutory surplus reserve. Contribution to the statutory surplus reserve is discretionary when the reserve balance reaches 50% of the registered capital of the subsidiaries and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the subsidiaries.
- (iv) Merger reserve comprises (1) the difference between the fair value of the consideration paid to the intermediate holding company of the Company, Shanghai Industrial Holdings Limited ("SIHL"), for the acquisition of subsidiaries controlled by SIHL (the "Acquiree") and the fair value of net assets of the Acquiree at the date of the Company and its subsidiaries (collectively referred to as the "Group") and the Acquiree became under common control in year 2011; and (2) the difference between the consideration paid to Shanghai Shangtou Assets Operation Company Limited 上海上投資產經營有限公司 ("Shangtou Assets"), to which Shanghai Industrial Investment (Holdings) Company Limited ("SIIC"), being the ultimate holding company of the Company, exercises the authority as a state-owned shareholder, for acquisition of Shanghai Shangtou Real Estate Investment Company Limited 上海市上投房地產投資有限公司 ("Shangtou Real Estate") and its subsidiaries (collectively referred to as "Shangtou Real Estate Group") (after carving out certain assets and liabilities upon completion of the acquisition) controlled by Shangtou Assets and the fair value of net assets of Shangtou Real Estate Group at the date of the Group and Shangtou Real Estate Group became under common control in year 2018.
- Shareholder's contribution represents capital contribution from SIHL and State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District ("Xuhui SASAC") in the PRC, being a non-controlling shareholder (based on their respective percentage of equity interest), to a subsidiary of the Company, Shanghai Urban Development (Holdings) Co., Ltd. ("SUD"), as paid-in capital in April 2011. Xuhui SASAC holds 41% interests in SUD.
- (v) Other reserve represents a premium contributed by the owners of the Company on acquiring additional interests in non-wholly owned subsidiaries of the Company. It comprises (1) the acquisition of the remaining 1.0% interest in 上海世界貿易商城有限公司 ("Shanghai World Trade") from a non-controlling shareholder subsequent to the acquisition of Continental Land Development Limited and its partially owned subsidiary, namely Shanghai World Trade, in the PRC; and (2) the acquisition of the remaining 20% interest in, 瀋陽向明長益置業有限公司 from a non-controlling shareholder. These acquisitions, without changing the Group's control over these entities, were accounted for as equity transactions. The difference between the cash consideration and the Group's acquired share of fair value of net assets held by the non-controlling shareholders was recognised directly in equity as other reserve and attributable to owners of the Company.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	NOTE	Six months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
<b>OPERATING ACTIVITIES</b>			
Profit before tax		469,638	1,318,398
Adjustments for:			
Finance costs		330,192	340,606
Fair value gain on investment properties, net		(1,208)	(103,938)
Share of results of associates and joint ventures		120,970	7,525
Other non-cash items		142,795	38,741
Operating cash flows before movements in working capital		1,062,387	1,601,332
Decrease (increase) in inventories, properties under development for sale and properties held-for-sale		4,544,316	(3,456,683)
(Increase) decrease in trade and other receivables		(1,168,895)	103,120
(Decrease) increase in pre-sale proceeds received on sales of properties		(4,627,695)	1,866,032
Decrease in trade and other payables		(1,150,817)	(1,117,405)
Increase in financial assets at fair value through profit or loss		—	(19,240)
Other working capital items		(930)	3,786
Cash used in operations		(1,341,634)	(1,019,058)
Income tax paid		(1,988,559)	(1,332,547)
Net cash used in operating activities		(3,330,193)	(2,351,605)
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		321	147
Purchase of property, plant and equipment		(31,125)	(6,147)
Proceeds from refund of capital of equity instruments at fair value through other comprehensive income		—	19,291
Development costs paid for investment properties		(193,223)	(89,484)
Net cash inflow from acquisition of a subsidiary	18	—	196,439
Investments in joint ventures		—	(179,942)
Decrease (increase) in restricted and pledged bank deposits		82,016	(331,920)
Advances to related companies		(10,329)	(114,079)
Dividends received from equity instruments at fair value through other comprehensive income		—	7,513
Interest received		47,665	41,615
Net cash used in investing activities		(104,675)	(456,567)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interests	<b>(1,963,472)</b>	(180,498)
Dividends paid	<b>(204,285)</b>	(195,200)
Proceeds from new bank and other borrowings	<b>4,504,385</b>	3,717,769
Repayments of bank and other borrowings	<b>(3,239,491)</b>	(688,643)
Transaction costs attributable to the issue of medium term notes	<b>(3,009)</b>	—
Repayments of lease liabilities	<b>(31,402)</b>	(35,551)
Capital injection from a non-controlling shareholder without change in shareholdings	<b>58,569</b>	—
Advances from related companies	<b>101,066</b>	2,590
Repayments to related companies	<b>(62,511)</b>	(750)
Interest paid	<b>(358,099)</b>	(338,991)
Net cash (used in) from financing activities	<b>(1,198,249)</b>	2,280,726
Net decrease in cash and cash equivalents	<b>(4,633,117)</b>	(527,446)
Cash and cash equivalents as at 1 January	<b>14,116,711</b>	9,550,663
Effect of foreign exchange rate changes	<b>(675,909)</b>	16,126
Cash and cash equivalents as at 30 June, represented by bank balances and cash	<b>8,807,685</b>	9,039,343

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

During the six months ended 30 June 2022, the outbreak of Covid-19 pandemic in Shanghai in the PRC and the related quarantine measures had certain impacts to the operations of the Group. It affected the Group’s lease business in Shanghai directly and its hotel operations in the surrounding regions indirectly. Certain financial measures and supports offered by the local government in Shanghai, which included requesting lessors to waive rentals to tenants, in response to the pandemic affected the Group’s revenue from leases for the period.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the preparation of condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current interim 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 condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****Application of amendments to HKFRSs (continued)****2.1 Impacts and changes in accounting policies on application of Amendments to HKFRS 3 “Reference to the Conceptual Framework”****2.1.1 Accounting policies**

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the “Conceptual Framework”) except for transactions and events within the scope of HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or HK(IFRIC)-Int 21 “Levies”, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

**2.1.2 Transition and summary of effects**

The Group applies the amendments to business combinations for which the acquisition date is on or after 1 January 2022. The application of the amendments in the current interim period had no impact on the condensed consolidated financial statements.

**2.2 Impacts and accounting policies on application of Amendments to HKAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”****2.2.1 Accounting policies**Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in profit or loss.

**2.2.2 Transition and summary of effects**

The application of the amendments in the current interim period had no material impact on the condensed consolidated financial statements.

**2.3 Impacts on application of Amendments to HKFRSs “Annual Improvements to HKFRSs 2018–2020”**

The Group has applied the annual improvements which make amendments to the following standards:

**HKFRS 9 “Financial Instruments”**

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

The application of the amendments in the current interim period had no impact on the condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**3A. REVENUE FROM GOODS AND SERVICES****Disaggregation of revenue from contracts with customers**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Types of goods or services		
Sales of properties	<b>6,464,820</b>	4,031,412
Hotel operations	<b>83,283</b>	124,679
Property management	<b>446</b>	2,835
<b>Total</b>	<b>6,548,549</b>	4,158,926
Timing of revenue recognition		
A point in time	<b>6,464,820</b>	4,031,412
Over time	<b>83,729</b>	127,514
<b>Total</b>	<b>6,548,549</b>	4,158,926

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

**3B. 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 six months ended 30 June 2022 and 2021.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. FINANCE COSTS

	Six months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interests on bank and other borrowings	448,963	440,837
Interests on lease liabilities	3,580	2,076
Total finance costs	452,543	442,913
Less: Amount capitalised into properties under development for sale	(122,351)	(102,307)
	330,192	340,606

Borrowing costs capitalised during the six months ended 30 June 2022 arising on the general borrowing pool are calculated by applying a capitalisation rate of 3.70% (six months ended 30 June 2021: 3.71%) per annum to the expenditure on qualifying assets.

## 5. INCOME TAX

	Six months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	184,540	317,949
PRC Land Appreciation Tax ("LAT")	230,582	721,870
PRC withholding tax on dividend income	—	8,253
Deferred tax	415,122 (26,388)	1,048,072 63,102
Income tax for the period	388,734	1,111,174

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**5. INCOME TAX (CONTINUED)**

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures in relation to the gains arising from sales of properties in the PRC effective from 1 January 2004, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arises in, nor is derived from, Hong Kong.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and the BVI in respect of the six months ended 30 June 2022 and 2021.

**6. PROFIT FOR THE PERIOD**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Profit for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	<b>78,349</b>	75,040
Depreciation of right-of-use assets	<b>10,339</b>	15,105
Interest income on bank deposits (included in other income)	<b>(47,665)</b>	(41,615)
Net foreign exchange loss (included in other expenses, gains and losses, net)	<b>96,649</b>	22,132

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**7. EARNINGS PER SHARE**

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Earnings:</b>		
Earnings for the purpose of calculating basic earnings per share		
Profit for the period attributable to owners of the Company	<b>126,448</b>	54,029
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>'000</b>	'000
<b>Number of shares:</b>		
Number of ordinary shares for the purpose of calculating basic earnings per share	<b>4,806,323</b>	4,806,323

**8. MOVEMENTS IN INVESTMENT PROPERTIES**

The fair values of the Group's investment properties as at 30 June 2022 have been arrived at on the basis of a valuation carried out by Cushman & Wakefield Limited ("CWL"), an independent qualified professional valuer not connected to the Group. CWL has appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The address of CWL is 27th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong. The Group's investment properties are valued individually on market value basis, which conforms to HKIS Valuation Standards 2020 Edition published by Hong Kong Institute of Surveyors. The fair value is arrived at by reference to comparable sales transactions available in the relevant markets and, where appropriate, using investment approach which capitalises the net rental income derived from existing tenancies with due allowance for the reversionary potential of the properties. The resulting net increase in fair values of the Group's investment properties of HK\$1,208,000 (six months ended 30 June 2021: HK\$103,938,000) is recognised directly in profit or loss for the six months ended 30 June 2022.

During the six months ended 30 June 2022, the Group has subsequent expenditures on certain investment properties of HK\$193,223,000 (six months ended 30 June 2021: HK\$89,484,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**8. MOVEMENTS IN INVESTMENT PROPERTIES (CONTINUED)**

During the six months ended 30 June 2022, the management of the Group changed the intention from selling the apartments and commercial units of several residential property projects to lease them out for rentals. Accordingly, properties held-for-sale with carrying amount of HK\$110,506,000 (six months ended 30 June 2021: HK\$274,846,000) was transferred to investment properties upon inception of lease agreements with the tenants. No fair value gain or loss (six months ended 30 June 2021: a fair value gain of HK\$122,917,000) in respect of these properties is recognised in profit or loss during the period.

The Group did not dispose of any investment properties during the six months ended 30 June 2022 and 2021.

**9. AMOUNTS DUE FROM (TO) RELATED COMPANIES**

The Group has the following balances with related parties:

	NOTES	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Amount due from a related company recognised in non-current assets:			
– A joint venture	(iii)	273,841	276,188
Amounts due from related companies recognised in current assets:			
– A joint venture	(iii)	246	12
– An entity controlled by Xuhui SASAC	(i)	1,347	—
		1,593	12
Amounts due to related companies recognised in current liabilities:			
– Xuhui SASAC and entities controlled by Xuhui SASAC	(i)	47,036	47,649
– A non-controlling shareholder	(ii)	81,996	61,350
– Non-controlling shareholders	(iv)	556,281	559,581
– SIHL	(v)	27,756	29,074
– Associates	(vi)	6,675	9,160
		719,744	706,814

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**9. AMOUNTS DUE FROM (TO) RELATED COMPANIES (CONTINUED)**

Notes:

- (i) The entire amounts due from (to) Xuhui SASAC and entities controlled by Xuhui SASAC are non-trade in nature, interest-free, unsecured and repayable on demand.
- (ii) The entire amount due to a non-controlling shareholder as at 30 June 2022 and 31 December 2021 is non-trade in nature and unsecured.

The balance as at 31 December 2021 represented a loan advanced from a non-controlling shareholder which carried a fixed interest at 108% of three year's People's Bank of China Benchmark Lending Rate per annum at the date of borrowing. It was repaid in full during the six months ended 30 June 2022.

The balance as at 30 June 2022 is interest-free and repayable on demand.

- (iii) The entire amounts due from joint ventures are non-trade in nature and unsecured.

The amount due from a joint venture as at 30 June 2022 of RMB233,778,000 (equivalent to HK\$273,841,000) (31 December 2021: RMB225,093,000 (equivalent to HK\$276,188,000)) represents funds advanced by the Group at a guaranteed return of 8% per annum to a joint venture for its acquisition of parcels of land and subsequent construction in respect of a property development project in Wuhan in the PRC. In the opinion of the management of the Group, the amount will not be repaid in 12 months from the end of the reporting period.

The remaining balance is interest-free and repayable on demand.

- (iv) The amounts due to non-controlling shareholders of the Group's subsidiaries are non-trade in nature and unsecured.

Included in the amounts due to non-controlling shareholders as at 30 June 2022, there is an amount of RMB154,183,000 (equivalent to HK\$180,606,000) (31 December 2021: RMB154,183,000 (equivalent to HK\$189,182,000)), which represents interest-free loans advanced from a non-controlling shareholder. As at 30 June 2022, these loans were overdue and classified as current liabilities. During the six months ended 30 June 2022, the Group completed the litigation procedure with this non-controlling shareholder and is pending to finalise the repayment arrangement. The management of the Group is in the opinion that this event has no material impact to the condensed consolidated financial statements for the six months ended 30 June 2022.

The remaining balance is interest-free and repayable on demand.

- (v) The amounts are due to the Group's intermediate holding company (i.e. SIHL) and they are non-trade in nature, interest-free and repayable on demand.
- (vi) The amounts are trade in nature, unsecured and interest-free. The Group is granted an average credit period of 30 days for the balances.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 10. TRADE AND OTHER RECEIVABLES

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
<b>Trade and other receivables</b>		
Trade receivables		
— Contracts with customers		
Sales of properties (note (i))	301,862	—
Hotel operations and others	17,585	6,267
— Lease receivables	31,160	15,512
	<b>350,607</b>	21,779
Less: Loss allowance	<b>(284)</b>	(297)
	<b>350,323</b>	21,482
Other receivables (note (ii))	420,628	448,081
Advance payments to contractors	28,420	54,613
Prepaid other taxes (note (iii))	386,062	357,113
Prepayments for acquisition of parcels of land (note (iv))	729,130	3,472,790
Deposits and prepayments	19,068	11,448
	<b>1,933,631</b>	4,365,527

## Notes:

- (i) The balance represents a trade receivable from Shanghai government department in respect of the sales of affordable housings and it will be settled once the project clearance process completes.
- (ii) Other receivables mainly comprise various warranty deposits placed with the relevant government bodies in respect of properties under development for sale, properties held-for-sale and properties being sold.
- (iii) Prepaid other taxes comprise prepayments for urban real estate tax, city maintenance and construction tax, business tax and value-added tax.
- (iv) The balance as at 31 December 2021 represented the full amount of the considerations of RMB2,830,324,000 (equivalent to HK\$3,472,790,000) paid by the Group in respect of the acquisition of parcels of land in Qingpu and Lingang districts in Shanghai in the PRC for the development of residential properties for sales, while the land use right certificates were not ready. During the six months ended 30 June 2022, the Group obtained the land use right certificates and the amount was transferred to properties under development for sale.

During the six months ended 30 June 2022, the Group and a non-controlling shareholder entered into a land use right transfer agreement with Shanghai government department in Lingang district to acquire parcels of land in Shanghai in the PRC for the development of residential and commercial properties for sale at a consideration of RMB3,890,360,000 (equivalent to HK\$4,557,058,000). As at 30 June 2022, a deposit of RMB622,458,000 (equivalent to HK\$729,130,000) was paid by the Group and it is recognised as a prepayment for the acquisition.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**10. TRADE AND OTHER RECEIVABLES (CONTINUED)**

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 the Group's trade receivables, net of loss allowance, presented based on the date of billing at the end of the reporting period:

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
Within 90 days	<b>341,741</b>	15,673
Within 91–180 days	<b>4,721</b>	2,967
Over 180 days	<b>3,861</b>	2,842
	<b>350,323</b>	21,482

**11. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE**

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
<b>Trade and other payables recognised as current liabilities</b>		
Trade payables	<b>1,238,849</b>	1,586,139
Accrued expenditure on properties under development for sale	<b>2,172,508</b>	3,002,366
Amounts due to former shareholders of the Company's former subsidiaries (note (i))	<b>164,807</b>	171,594
Rental deposits and receipt in advance from tenants	<b>248,719</b>	220,902
Interest payable	<b>221,894</b>	127,450
Payables to the Shanghai government department (note (ii))	<b>163,857</b>	171,637
Accrued charges and other payables	<b>441,782</b>	429,187
Other taxes payables (note (iii))	<b>677,983</b>	1,043,127
	<b>5,330,399</b>	6,752,402
<b>Deferred revenue recognised as non-current liabilities</b>		
Deferred revenue (note (iv))	<b>30,980</b>	32,452

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**11. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE (CONTINUED)**

Notes:

- (i) The amounts are non-trade in nature, interest-free and repayable on demand.
- (ii) The amount represents the receipts of HK\$1,110,340,000 (31 December 2021: HK\$1,163,064,000) from the purchasers of affordable housings which were collected on behalf of Shanghai government department, net of receivable of HK\$946,483,000 (31 December 2021: HK\$991,427,000) from Shanghai government department for the construction and other related costs and the agreed profit margin of the affordable housings. The amount is repayable on demand. During the six months ended 30 June 2022, there was no repayment to Shanghai government department (six months ended 30 June 2021: HK\$253,539,000 was repaid to Shanghai government department).
- (iii) Other taxes payables comprise urban real estate tax payable, city maintenance, construction tax payable, business tax payable and value-added tax payable.
- (iv) The balance mainly represents the deferred portion of the government's subsidies in relation to the development of rental market for residential properties in the PRC.

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:

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
Within 30 days	<b>918,128</b>	1,122,073
Within 31–180 days	<b>17,688</b>	3,987
Within 181–365 days	<b>213,907</b>	177,648
Over 365 days	<b>89,126</b>	282,431
	<b>1,238,849</b>	1,586,139

**12. BANK AND OTHER BORROWINGS**

During the six months ended 30 June 2022, the Group obtained new bank and other borrowings of HK\$4,504,385,000, of which HK\$450,000,000 is denominated in foreign currency of the related entity (six months ended 30 June 2021: HK\$3,717,769,000, of which HK\$350,000,000 is denominated in foreign currency of the related entity). As at 30 June 2022, the bank and other borrowings carry variable interest ranging from 2% to 6.51% (31 December 2021: 2.21% to 6.51%) per annum and are payable from three months to over five years (31 December 2021: three months to over five years). The borrowings are obtained for the purpose of property development projects and general working capitals of the Group.

During the six months ended 30 June 2022, the Group also repaid the bank and other borrowings of HK\$3,239,491,000 (six months ended 30 June 2021: HK\$688,643,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**12. BANK AND OTHER BORROWINGS (CONTINUED)**

Included in the bank and other borrowings as at 30 June 2022, there is a bank borrowing of RMB187,600,000 (equivalent to HK\$219,749,000) and other borrowing of RMB57,600,000 (equivalent to HK\$67,471,000) which are overdue and classified as current liabilities due to dispute with a non-controlling shareholder of a subsidiary of the Company regarding the arrangement of providing additional capital to that subsidiary. Up to the date of the condensed consolidated financial statements are authorised for issue, the Group is still finalising the settlement arrangement. In the opinion of the management of the Group, this event has no material impact to the condensed consolidated financial statements for the six months ended 30 June 2022.

**13. SHARE CAPITAL**

	Number of shares '000	Share capital HK\$'000
Authorised:		
At 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022		
— Ordinary shares of HK\$0.04 each	<b>10,000,000</b>	<b>400,000</b>
Issued and fully paid:		
At 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022	<b>4,806,323</b>	<b>192,253</b>

**14. CAPITAL COMMITMENTS**

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Expenditure contracted for but not provided for in the condensed consolidated financial statements		
— additions in properties under development for sale	<b>6,889,648</b>	7,188,016
— acquisition of parcels of land	<b>2,916,517</b>	—
— capital contribution into a joint venture	<b>63,024</b>	77,005
	<b>9,869,189</b>	7,265,021

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**15. FINANCIAL GUARANTEE CONTRACTS****Financial guarantee contracts**

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
Guarantees given to banks in respect of banking facilities utilised by:		
– property buyers	<b>1,997,325</b>	2,453,534
– an associate	<b>5,043</b>	438,037
– a joint venture	<b>136,318</b>	240,491
	<b>2,138,686</b>	3,132,062

***Guarantees given to banks in respect of banking facilities utilised by property buyers***

The Group entered into agreements with certain banks with respect to mortgage loans provided to buyers of the Group's property units and made deposits as security to and gave guarantees on mortgage loans provided to the buyers by these banks under the agreements. The management of the Group considers that the possibility of default of repayment of the mortgage loans by the relevant buyers is remote and, in case of default, the net realisable value of the related properties withheld by the Group can recover the repayment of the outstanding mortgage principals together with the accrued interests and penalties. Accordingly, no expected credit loss under HKFRS 9 "Financial Instruments" has been made in the condensed consolidated financial statements for these guarantees.

***Guarantee given to a bank in respect of banking facilities utilised by an associate of the Group***

The Group entered into an agreement with a bank to provide a corporate guarantee with respect to the bank borrowing granted to an associate of the Group. As at 30 June 2022, the maximum liability of the Company under such guarantee is RMB4,305,000 (equivalent to HK\$5,043,000) (31 December 2021: RMB357,000,000 (equivalent to HK\$438,037,000)) which represents the Group's portion of the outstanding amount of the bank borrowing to the associate.

***Guarantee given to a bank in respect of banking facilities utilised by a joint venture of the Group***

The Group entered into an agreement with a bank to provide a corporate guarantee with respect to the bank borrowing granted to a joint venture of the Group. As at 30 June 2022, the maximum liability of the Company under such guarantee is RMB116,375,000 (equivalent to HK\$136,318,000) (31 December 2021: RMB196,000,000 (equivalent to HK\$240,491,000)) which represents the Group's portion of the outstanding amount of the bank borrowing to the joint venture.

In the opinion of the management of the Group, the fair values of the aforementioned financial guarantee contracts of the Group are insignificant at initial recognition. At the end of the reporting period, the management of the Group has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of these financial contracts. Accordingly, the loss allowance for these contracts issued by the Group is measured at an amount equal to 12-months expected credit loss. However, no loss allowance was recognised in profit or loss during the six months ended 30 June 2022 (six months ended 30 June 2021: nil) as the amount of the loss allowance was not significant.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**16. RELATED PARTY TRANSACTIONS**

- (i) Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related parties during both periods:

Related party	Nature of transactions	Six months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Entities controlled by SIHL	Management fee	(1,876)	(1,913)
	Property charges	(1,434)	(1,257)
	Rental expenses	(1,187)	(1,400)
	Sales agency fee	—	(763)
	Service charges	—	(36)
A joint venture	Management service income	1,590	—
Associates	Property agency fee	(907)	(2,338)
	Rental income	—	457
	Management fee	(433)	(334)
Non-controlling shareholders of a subsidiary	Management fee	—	(3,715)
Entities controlled by Xuhui SASAC	Management service income	8,342	4,527

**(ii) Compensation of key management personnel**

The remuneration of key management personnel of the Group, including amounts paid to the directors of the Company during the period, is as follows:

	Six months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Short-term employee benefits	3,033	2,156
Post-employment benefits	18	43
	<b>3,051</b>	2,199

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**16. RELATED PARTY TRANSACTIONS (CONTINUED)****(iii) Government-related entities**

The Group itself is part of a larger group of companies under SIIC Group (SIIC and its subsidiaries are collectively referred to as “SIIC Group”) which is controlled by the PRC government. The management of the Group considers that the Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government (“PRC Government Related Entities”). Apart from the transactions with the SIIC Group and Xuhui SASAC which have been disclosed above and in other notes to the condensed consolidated financial statements, the Group also conducts businesses with other PRC Government Related Entities in the ordinary course of business. The Group’s saving deposits, borrowings and other general banking facilities are placed or entered into with certain banks which are PRC Government Related Entities in its ordinary course of business. In view of the nature of those banking transactions, the management of the Group is of the opinion that separate disclosures would not be meaningful.

In addition, the Group has entered into various transactions, including sales, purchases and other operating expenses with other PRC Government Related Entities. In the opinion of the management of the Group, these transactions are considered as individually and collectively insignificant to the operation of the Group during the six months ended 30 June 2022 and 2021.

**17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

This note provides information about how the Group determines fair values of various financial assets.

Some of the Group’s financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages an independent qualified professional valuer to perform the valuation. The management of the Group works closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)****(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

The Group's financial assets at fair value through profit or loss ("FVTPL") and equity instruments at fair value through other comprehensive income ("FVTOCI") are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	30 June 2022 (unaudited)	31 December 2021 (audited)			
Financial assets at FVTPL	Listed equity securities in the PRC – HK\$4,455,000	Listed equity securities in the PRC – HK\$2,948,000	Level 1	Quoted bid prices in an active market	N/A
	N/A	Listed equity securities in Hong Kong – HK\$13,000	Level 1	Quoted bid prices in an active market	N/A
Equity instruments at FVTOCI	Listed equity securities in the PRC – HK\$56,603,000	Listed equity securities in the PRC – HK\$71,264,000	Level 1	Quoted bid prices in an active market	N/A
	Unlisted equity securities in the PRC – HK\$13,442,000	Unlisted equity securities in the PRC – HK\$22,108,000	Level 3	Adjusted net asset value method under cost approach	Discount factor of 5% (31 December 2021: 4%)

**(ii) Reconciliation of Level 3 fair value measurement**

	Unlisted equity securities classified as equity instruments at FVTOCI HK\$'000
At 1 January 2022	22,108
Change in fair value recognised in other comprehensive income	(7,903)
Exchange realignment	(763)
At 30 June 2022 (unaudited)	13,442

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)****(ii) Reconciliation of Level 3 fair value measurement (continued)**

In the opinion of the management of the Group, there is no material change in fair value of unlisted equity instruments at FVTOCI during the six months ended 30 June 2022 and there is no material impact on the fair value of these instruments given 5% increase or decrease of the discount factor. Therefore, no sensitivity analysis for these Level 3 instruments are presented.

There were no transfer between instruments in Level 1, 2 and 3 during the six months ended 30 June 2022 and 2021.

**(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cashflow analysis.

The management of the Group considers that the carrying amounts of other financial assets and financial liabilities carried at amortised cost approximate their respective fair values.

**18. ACQUISITION OF A SUBSIDIARY**

In February 2021, the Group acquired 80% of the equity interest in Chelsea Securities Limited (“CSL”) for a cash consideration of HK\$56,000,000 from independent third parties. This acquisition was accounted for as a business combination. CSL operates in Hong Kong and is principally engaged securities dealing and portfolio management. CSL was acquired to enhance the competitiveness of the Group’s business and explore a new dimension in Hong Kong. However, CSL has limited operation and, in the opinion of the directors of the Company, the business of CSL is not regarded as a separate segment of the Group.

	HK\$'000
Consideration transferred:	
Cash	26,000
Deposit paid in previous years	30,000
	56,000

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**18. ACQUISITION OF A SUBSIDIARY (CONTINUED)**

The fair value of the assets acquired and liabilities assumed of CSL recognised at the date of acquisition are as follows:

	HK\$'000
Property, plant and equipment	63
Right-of-use assets	608
Intangible assets	200
Financial assets at fair value through profit or loss	13
Other receivables, deposits and prepayments	4,894
Prepaid income tax	4
Amount due from a shareholder	30,002
Bank balances and cash	222,439
Other payables and accrued charges	(217,107)
Lease liabilities	(621)
	<b>40,495</b>

	HK\$'000
Goodwill arising from the acquisition:	
Consideration transferred	56,000
Add: Non-controlling interests	8,099
Less: Fair value of identifiable net assets acquired	(40,495)
	<b>23,604</b>

Goodwill arose from the acquisition of CSL because the consideration paid for the acquisition included amounts paid for the benefits of expected revenue growth, future market development and the assembled workforce brought by CSL. These benefits were not recognised separately from goodwill as they did not meet the recognition criteria for identifiable intangible assets.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

Net cash inflow arising from the acquisition during the six months ended 30 June 2021:

	HK\$'000
Cash and cash equivalents acquired	222,439
Cash paid	(26,000)
	<b>196,439</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**19. DIVIDENDS**

Dividends recognised as distribution during the period:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
2021 final dividend declared — HK2.1 cents (2021: HK1.9 cents for year 2020)	<b>100,933</b>	91,320
2021 special dividend declared — HK2.4 cents (2021: HK2.4 cents for year 2020)	<b>115,352</b>	115,352
	<b>216,285</b>	206,672

A final dividend and a special dividend of HK2.1 cents (2021: HK1.9 cents) per ordinary share and HK2.4 cents (2021: HK2.4 cents) per ordinary share respectively, in an aggregate amount of HK\$216,285,000 (six months ended 30 June 2021: HK\$206,672,000), were declared and an amount of HK\$204,285,000 was paid during the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$195,200,000).

No 2022 interim dividends were proposed during the six months ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period.