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上海實業城市開發集團有限公司
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board of directors (the "**Board**") of Shanghai Industrial Urban Development Group Limited (the "**Company**") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2012 (the "**Period**"), together with the comparative figures for the six months ended 30 June 2011 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2012

	NOTES	Six months ended 30 June 2012 HK$'000 (unaudited)	2011 HK$'000 (unaudited) (restated)
Revenue	4	**1,091,912**	2,032,317
Cost of sales		**(856,981)**	(1,207,785)
Gross profit		**234,931**	824,532
Other income		**74,990**	83,831
Other expenses, gains and losses		**(3,924)**	(80,359)
Fair value changes on investment properties		**(8,271)**	337,324
Fair value gain on transfer of inventories to investment properties		**–**	152,212
Impairment loss in respect of inventories		**(19,732)**	(39,084)
Distribution and selling expenses		**(58,477)**	(151,502)
General and administrative expenses		**(240,502)**	(274,831)
Finance costs	5	**(270,220)**	(224,315)
Share of losses of associates		**(4,970)**	(1,309)
(Loss) profit before tax		**(296,175)**	626,499
Income tax	6	**71,815**	(481,003)
(Loss) profit for the period	7	**(224,360)**	145,496
Other comprehensive (expense) income			
Exchange differences arising on translation into presentation currency		**(209,439)**	478,017
Reclassification adjustment for realisation of revaluation gains transferred to profit or loss upon sales of completed properties held for sale		**(153)**	(188)
Other comprehensive (expense) income for the period		**(209,592)**	477,829
Total comprehensive (expense) income for the period		**(433,952)**	623,325
(Loss) profit for the period attributable to:			
– Owners of the Company		**(308,826)**	81,841
– Non-controlling interests		**84,466**	63,655
		(224,360)	145,496
Total comprehensive (expense) income attributable to			
– Owners of the Company		**(425,668)**	338,955
– Non-controlling interests		**(8,284)**	284,370
		(433,952)	623,325
(Loss) earnings per share	8		
– Basic (HK cents)		**(6.42)**	1.70
– Diluted (HK cents)		**(6.42)**	1.70

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2012

	NOTES	**30 June 2012 *HK$'000* (unaudited)**	31 December 2011 *HK$'000* (audited) (restated)
Non-current Assets			
Investment properties	*9*	**6,031,856**	6,168,963
Property, plant and equipment	*10*	**1,149,274**	1,182,210
Prepaid lease payments		**92,693**	94,031
Intangible assets		**62,256**	62,870
Interests in associates		**1,567,572**	1,588,071
Amount due from a related company	*11*	**86,792**	80,436
Amount due from an associate	*12*	**83,095**	83,915
Available-for-sale investments		**33,760**	37,761
Restricted and pledged bank deposits		**113,868**	121,619
Deferred tax assets		**223,516**	245,383
		9,444,682	9,665,259
Current Assets			
Inventories	*13*	**40,397,894**	39,517,770
Trade and other receivables	*14*	**868,424**	830,921
Amounts due from related companies	*11*	**128,834**	123,969
Prepaid lease payments		**2,545**	2,545
Consideration receivables for disposal of assets		**21,792**	22,007
Financial assets at fair value through profit or loss		**14,495**	14,638
Pledged bank deposits		**21,730**	24,521
Prepaid income tax and land appreciation tax		**404,182**	359,527
Bank balances and cash		**2,691,348**	3,490,568
		44,551,244	44,386,466
Current Liabilities			
Trade and other payables	*15*	**3,912,609**	4,398,642
Amounts due to related companies	*11*	**586,165**	700,300
Amounts due to associates		**83,093**	83,913
Consideration payables for acquisition of subsidiaries		**383,419**	387,200
Pre-sale proceeds received on sales of properties		**9,862,399**	9,378,864
Bank and other borrowings	*16*	**5,660,919**	4,805,875
Derivative financial instrument – warrants		**–**	3
Income tax and land appreciation tax payables		**1,870,208**	2,131,516
Dividend payable		**6,423**	6,423
Dividend payable to non-controlling shareholders		**408,569**	418,846
		22,773,804	22,311,582
Net Current Assets		**21,777,440**	22,074,884
Total Assets less Current Liabilities		**31,222,122**	31,740,143

	NOTES	30 June 2012 HK$'000 (unaudited)	31 December 2011 HK$'000 (audited) (restated)
Non-current Liabilities			
Bank and other borrowings	*16*	**6,350,946**	6,374,383
Senior notes	*17*	**3,028,531**	3,009,479
Deferred tax liabilities		**3,298,578**	3,384,589
		12,678,055	12,768,451
		18,544,067	18,971,692
Capital and Reserves			
Share capital	*18*	**192,461**	192,461
Reserves		**11,663,686**	12,083,027
Equity attributable to owners of the Company		**11,856,147**	12,275,488
Non-controlling interests		**6,687,920**	6,696,204
		18,544,067	18,971,692

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

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 (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. MERGER ACCOUNTING AND RESTATEMENTS

The Group accounts for all its business combinations involving entities under common control under the principles of merger accounting. On 23 November 2011, the Group acquired Silvery Champ Limited ("**Silvery Champ**") together with its subsidiaries, including Joy Century Investment Limited ("**Joy Century**"), 上海城開(集團)有限公司 ("**SUD**") and its subsidiaries (together with Silvery Champ as the "**SUD Group**") from its parent, Shanghai Industrial Holdings Limited ("**SIHL**"), and accordingly, the Group applied the principles of merger accounting to the acquisition.

Silvery Champ and Joy Century were incorporated on 19 January 2011 and 22 February 2011 respectively. SUD and its subsidiaries first came under common control with the Company when the Company was acquired by SIHL on 24 June 2010.

The condensed consolidated statement of comprehensive income for the six months ended 30 June 2011 was restated to include the results of SUD from 1 January 2011, the results of Silvery Champ and Joy Century from their respective dates of incorporation (see below for the financial impact). The condensed consolidated statement of cash flows for the six months ended 30 June 2011 was also restated to include the cash flows of SUD from 1 January 2011 and the cash flows of Silvery Champ and Joy Century from their respective dates of incorporation.

The effects of the application of merger accounting on the condensed consolidated statement of comprehensive income for the six months ended 30 June 2011 are as follows:

		Adjustments on merger accounting	Adoption of amendments to HKAS12 (note 3)	
	HK$'000 (unaudited) (originally stated)	*HK$'000*	*HK$'000*	*HK$'000* (unaudited) (restated)
Revenue	882,472	1,149,845	–	2,032,317
Cost of sales	(718,698)	(489,087)	–	(1,207,785)
Gross profit	163,774	660,758	–	824,532
Other income, gains and losses	(18,102)	21,574	–	3,472
Fair value changes on investment properties	337,324	–	–	337,324
Fair value gain on transfer of inventories to investment properties	152,212	–	–	152,212
Impairment loss in respect of inventories	(39,084)	–	–	(39,084)
Distribution and selling expenses	(107,034)	(44,468)	–	(151,502)
General and administrative expenses	(194,482)	(80,349)	–	(274,831)
Finance costs	(89,631)	(134,684)	–	(224,315)
Share of (losses) profits of associates	(1,447)	138	–	(1,309)
Profit before tax	203,530	422,969	–	626,499
Income tax	(196,885)	(206,174)	(77,944)	(481,003)
Profit (loss) for the period	6,645	216,795	(77,944)	145,496
Other comprehensive income for the period:				
Exchange difference arising on translation into presentation currency	118,425	359,592	–	478,017
Reclassification adjustment for realisation of revaluation gains transferred to profit or loss upon sales of completed properties held for sale	(188)	–	–	(188)
Other comprehensive income	118,237	359,592	–	477,829
Total comprehensive income (expense) for the period	124,882	576,387	(77,944)	623,325
Profit (loss) for the period attributable to:				
Owners of the Company	56,700	103,527	(78,386)	81,841
Non-controlling interests	(50,055)	113,268	442	63,655
	6,645	216,795	(77,944)	145,496
Total comprehensive income (expense) attributable to:				
Owners of the Company	164,812	252,529	(78,386)	338,955
Non-controlling interests	(39,930)	323,858	442	284,370
	124,882	576,387	(77,944)	623,325
Earnings (loss) per share				
Basic (HK cents)	1.18	2.15	(1.63)	1.70
Diluted (HK cents)	1.18	2.15	(1.63)	1.70

3. 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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA:

- amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*; *and*
- amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets.*

Amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*

Under the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that certain of the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, the Group recognised deferred taxes on changes in fair value of those investment properties in The People's Republic of China (the "**PRC**") that are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, which included the effect of land appreciation taxes and enterprise income taxes in the PRC upon sales of the properties. Previously, the Group recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being increased by HK$904,914,000 as at 31 December 2011, with the corresponding adjustment being recognised in equity.

In addition, the application of the amendments has resulted in the Group's income tax expense for the six months ended 30 June 2012 and 30 June 2011 being decreased by HK$7,688,000 and increased by HK$77,944,000 respectively and hence resulted in the loss for the six months ended 30 June 2012 being decreased by HK$7,688,000 and profit for the six months ended 30 June 2011 being decreased by HK$77,944,000.

Summary of the effect of the above change in accounting policy

The effect of the change in accounting policy described above on the results for the current and preceding interim periods by line items presented in the condensed consolidated statement of comprehensive income is as follows:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Decrease (increase) in income tax	**7,688**	(77,944)
Net increase (decrease) in profit or loss for the period	**7,688**	(77,944)
Increase (decrease) in profit or loss attributable to:		
Owners of the Company	**7,688**	(78,386)
Non-controlling interests	**–**	442
	7,688	(77,944)

The effect of the change in accounting policy described above on the financial position of the Group as at 31 December 2011 is as follows:

	As at 31.12.2011	**Adjustments**	**As at 31.12.2011**
	HK$'000	*HK$'000*	*HK$'000*
	(originally stated)		(restated)
Deferred tax liabilities	(2,479,675)	(904,914)	(3,384,589)
Total effects on net assets	19,876,606	(904,914)	18,971,692
Total effects on equity	(19,876,606)	904,914	(18,971,692)

The effect of the change in accounting policy described above on the financial position of the Group as 1 January 2011 is as follows:

	As at 1.1.2011	**Adjustments**	**As at 1.1.2011**
	HK$'000	*HK$'000*	*HK$'000*
	(originally stated)		(restated)
Deferred tax liabilities	(2,275,215)	(734,379)	(3,009,594)
Total effects on net assets	19,190,886	(734,379)	18,456,507
Total effects on equity	(19,190,886)	734,379	(18,456,507)

Impact on basic and diluted earnings per share:

	Six months ended 30 June	
	2012	2011
	HK Cents	*HK Cents*
Basic and diluted (loss) earnings per share before adjustments	**(6.58)**	1.18
Adjustments on merger accounting *(note 2)*	**–**	2.15
Adjustments arising from change in accounting policy in relation to application of amendments to HKAS 12 in respect of deferred tax on investment properties	**0.16**	(1.63)
Reported basic and diluted (loss) earnings per share	**(6.42)**	1.70

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received or receivable for goods sold by the Group in the normal course of business to outside customers, net of sales related taxes for the period. The Group is engaged in property development, property investment activities, property management and hotel operation.

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses only on revenue analysis. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented.

5. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Interest on:		
Bank and other borrowings wholly repayable within five years	**424,530**	167,780
Bank and other borrowings wholly repayable after five years	**41,732**	37,691
Convertible loan notes	**–**	107
Senior notes	**170,321**	167,818
Total borrowing costs	**636,583**	373,396
Less: amount capitalised under properties under development	**(366,363)**	(149,081)
	270,220	224,315

Borrowing costs capitalised during the period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 9.2% (six months ended 30 June 2011: 10.9%) per annum to expenditure on qualifying assets.

6. INCOME TAX

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Current tax		
– PRC Land Appreciation Tax ("**LAT**")	**99,744**	474,893
– PRC Enterprise Income Tax ("**EIT**")	**10,028**	60,240
– (Over)underprovision of EIT in prior periods *(note)*	**(147,102)**	6,243
	(37,330)	541,376
Deferred tax	**(34,485)**	(60,373)
	(71,815)	481,003

Note: The Group recognised a write-back of overprovision during the current period upon completion of tax clearance procedures by certain PRC subsidiaries with their respective tax authorities.

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 properties 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's income neither arises in, nor is derived from, Hong Kong.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in Bermuda and the British Virgin Islands in respect of the six months ended 30 June 2012 and 2011.

7. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
(Loss) profit for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	**26,339**	33,879
Gain on disposal of property, plant and equipment	**–**	(146)
Interest income (included in other income)	**(14,168)**	(19,227)
Changes in fair value of derivative financial instruments	**3**	(8,746)
Net foreign exchange loss (gain)	**6,429**	(93,107)
Equity-settled share-based payment expense	**6,327**	24,571
Compensation to customers in respect of late delivery of properties	**5,463**	102,412

8. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
(Loss) earnings:		
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share:		
(Loss) profit for the period attributable to owners of the Company	**(308,826)**	81,841
Number of shares (in thousands):		
Number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	**4,811,523**	4,811,523

The computation of diluted (loss) profit per share does not assume the exercise of the Company's options or warrants because the exercise price of those options or warrants was higher than the average market price for the six months ended 30 June 2012 and 2011.

9. MOVEMENTS IN INVESTMENT PROPERTIES

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Beginning balance (Audited)	**6,168,963**	5,221,079
Fair value change on investment properties	**(8,271)**	337,324
Transfer from inventories	**–**	352,402
Disposals	**(80,407)**	(113,637)
Exchange realignment	**(48,429)**	112,103
Ending balance (Unaudited)	**6,031,856**	5,909,271

All investment properties of the Group were fair valued by Debenham Tie Leung Limited, an independent firm of qualified professional valuers not connected with the Group, at 30 June 2012. Debenham Tie Leung Limited are members of the Institute of Valuers and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations, which conform to the Valuation Standards on Properties of the Hong Kong Institute of Surveyors, were arrived at by reference to comparable sales transactions available in the relevant markets.

During the period, the Group disposed of certain investment properties for cash proceeds of HK$80,407,000 (six months ended 30 June 2011: HK$113,637,000).

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$22,849,000 (six months ended 30 June 2011: HK$104,282,000) on additions to property, plant and equipment.

In addition, during the period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK$124,000 (six months ended 30 June 2011: HK$104,000) for cash proceeds of HK$124,000 (six months ended 30 June 2011: HK$250,000), resulting no gain or loss on disposal (six months ended 30 June 2011: gain on disposal of HK$146,000).

11. AMOUNTS DUE FROM (TO) RELATED COMPANIES

		30 June 2012 HK$'000 (unaudited)	31 December 2011 HK$'000 (audited)
Amounts due from related companies			
– Entities controlled by State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District ("**Xuhui SASAC**")	*note (i)*	**127,559**	122,681
– Non-controlling shareholders	*note (ii)*	**88,067**	81,724
		215,626	204,405
Analysed for reporting purpose as:			
Current assets		**128,834**	123,969
Non-current assets		**86,792**	80,436
		215,626	204,405
Amounts due to related companies			
– Entity controlled by Xuhui SASAC	*note (iii)*	**275,107**	359,289
– Non-controlling shareholders	*note (ii)*	**244,719**	238,315
– SIHL	*note (iv)*	**66,339**	102,696
		586,165	700,300

Notes:

(i) Xuhui SASAC owns 41% equity interests in SUD and therefore is a non-controlling shareholder of the Group. Xuhui SASAC is a government authority authorised by and established directly under the Shanghai Xuhui District People's Government for supervising and managing state-owned assets in the Xuhui District, the PRC.

The amounts due from entities controlled by Xuhui SASAC are unsecured. An amount of approximately HK$109,498,000 as at 30 June 2012 (2011:HK$110,578,000) represents loan advanced to an entity controlled by Xuhui SASAC through an entrusted loan agreement administrated by a bank, which carries fixed interest at 7.7% per annum (2011: 5.8% per annum) and is unsecured and repayable within one year. The remaining balances are non-interest bearing and repayable on demand.

(ii) The amounts are due from (to) non-controlling shareholders of the Group. Included in the amounts due to non-controlling shareholders at 30 June 2012 are approximately HK$96,321,000 (2011: HK$88,866,000) which are entrusted loans which carry interest rates ranging from 5.3% to 7.3% per annum (2011: 5.3% to 7.0% per annum) according to the agreements with the non-controlling shareholders which are repayable on demand. The remaining amounts are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

(iii) The amounts due to entities controlled by Xuhui SASAC are unsecured. An amount of approximately HK$10,950,000 (2011: HK$11,058,000) included in the balances as at 30 June 2012 represents loan advanced from an entity controlled by Xuhui SASAC through an entrusted loan agreement administrated by a bank, which carries fixed interest at 7.2% per annum (2011: 5.8% per annum), and is repayable within one year. The remaining balances are non-interest bearing and repayable on demand.

(iv) The amount is unsecured, non-interest bearing and repayable on demand.

12. AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is non-trade in nature, unsecured, interest free and repayable on demand. The directors of the Company consider that the amount will not be repaid within twelve months. Accordingly, the amount due from an associate is classified as non-current assets as at 30 June 2012 and 31 December 2011.

13. INVENTORIES

Inventories as at 30 June 2012 and 31 December 2011 are mainly properties under development and properties held for sale which are all located in the PRC, and were carried at net realisable value.

During six months ended 30 June 2012, the Group recognised impairment loss in respect of inventories of HK$19,732,000 (six months ended 30 June 2011: HK$39,084,000).

14. TRADE AND OTHER RECEIVABLES

	30 June 2012 *HK$'000* **(unaudited)**	31 December 2011 *HK$'000* (audited)
Trade receivables	**14,498**	34,896
Other receivables	**172,289**	162,112
Advance payments to contractors	**43,779**	55,619
Sales commission deposits	**105,140**	105,208
Prepaid other taxes	**504,454**	438,655
Other deposit and prepayments	**28,264**	34,431
	868,424	830,921

The Group allows an average credit period of 90 days to its corporate hotel customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the date of billing at the end of the reporting period.

	30 June 2012 *HK$'000* **(unaudited)**	31 December 2011 *HK$'000* (audited)
0–90 days	**6,727**	26,577
91–180 days	**640**	475
> 180 days	**7,131**	7,844
Total	**14,498**	34,896

15. TRADE AND OTHER PAYABLES

	30 June 2012 *HK$'000* **(unaudited)**	31 December 2011 *HK$'000* (audited)
Trade payables	**700,309**	701,915
Accrued expenditure on properties under development	**2,165,955**	2,551,053
Amounts due to former shareholders of the Company's former subsidiaries *(note (a))*	**145,192**	146,408
Receipts from customers for payment of expenses on their behalf	**98,258**	111,936
Interest payable	**156,158**	186,337
Accrued charges and other payables	**627,834**	684,893
Other taxes payables *(note (b))*	**18,903**	16,100
	3,912,609	4,398,642

Notes:

(a) The amounts are non-trade in nature, interest-free and repayable on demand.

(b) Other taxes payables comprise urban real estate tax payable, city maintenance and construction tax payable and business tax payable.

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of reporting period.

	30 June 2012 *HK$'000* **(unaudited)**	31 December 2011 *HK$'000* (audited)
Within 30 days	**428,243**	173,056
Within 31–180 days	**95,056**	103,807
Within 181–365 days	**64,428**	193,664
Over 365 days	**112,582**	231,388
	700,309	701,915

16. BANK AND OTHER BORROWINGS

During the current period, the Group obtained new bank and other borrowings of approximately RMB2,463,609,000, equivalent to HK$3,007,335,000 (six months ended 30 June 2011: RMB1,454,467,000, equivalent to HK$1,751,104,000). The loans carry interest ranging from 5.27% to 10.58% per annum and are repayable from one to ten years. The loan was obtained for property project development of the Group.

The Group also repaid bank borrowings of approximately RMB1,698,120,000, equivalent to HK$2,072,900,000, (six months ended 30 June 2011: RMB1,299,637,000, equivalent to HK$1,564,697,000) during the period.

Included in the amount of bank and other borrowings is borrowing from SIHL Finance Limited, a wholly owned subsidiary of SIHL, of HK$1,000,000,000 (six months ended 30 June 2011: HK$1,000,000,000). The amount is unsecured and bearing variable interest at 6.1% per annum and repayable on 30 June 2013. Bank and other borrowings also includes borrowing from Shanghai Industrial Investment (Holdings) Company Limited ("**SIIC**"), ultimate holding company of the Group, of HK$2,442,000,000 (six months ended 30 June 2011: HK$1,203,949,000) through an entrusted loan agreement administered by banks. The amount is bearing variable interest ranging from 6.6% to 7.1% (2011: 6.6%) per annum and is due within one year.

17. SENIOR NOTES

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Beginning balance (Audited)	**3,009,479**	2,974,260
Effective interest for the period	**170,321**	167,818
Interest paid	**(151,269)**	(150,850)
Ending balance (Unaudited)	**3,028,531**	2,991,228

18. SHARE CAPITAL

Ordinary shares of HK$0.04 each

	Number of shares	Share capital
	'000	*HK$'000*
Issued and fully paid:		
As at 1 January 2011 and 30 June 2011	**2,629,332**	105,173
Issue of shares for acquisition of SUD	**2,182,191**	87,288
As at 1 January 2012 and 30 June 2012	**4,811,523**	192,461

On 23 November 2011, 2,182,191,000 ordinary shares at par value of HK$0.04 each were issued to Novel Good Limited, a wholly-owned subsidiary of SIHL, as the consideration to acquire 59% of SUD Group, the shareholder's loan amounting to HK$5,640,545,824 and all the right, title, benefits and advantage of an interest in the dividend receivable from SUD. The fair value of the share of the Company at 23 November 2011 is HK$1.53 per share. These new shares rank pari passu with other shares in issue in all respects.

19. SHARE-BASED PAYMENT

At 30 June 2012, the number of shares of the Company in respect of which options has been granted and remained outstanding under the share option scheme (the "**Scheme**") was 65,250,000 (2011: 91,000,000), representing 1.4% (2011: 1.9%) of the shares of the Company in issue at that date. During the six months ended 30 June 2012, 25,750,000 options (six months ended 30 June 2011: 20,500,000 options) were forfeited.

20. CAPITAL COMMITMENTS

	30 June 2012 *HK$'000* **(unaudited)**	31 December 2011 *HK$'000* (audited)
Contracted for but not provided for		
Additions in properties under development	**4,653,231**	4,681,867

In 2009, the Group agreed to sell 40% out of 80% equity interest in 天津億嘉合置業有限公司 ("**Tianjin Yijiahe**") to Wukuang Zhiye Company ("**Wukuang**"), which owned 20% of the equity interest in Tianjin Yijiahe.

After the completion of disposal of 40% equity interest in Tianjin Yijiahe (the "**Disposal**"), the Group and Wukuang held 40% and 60% of the equity interest in Tianjin Yijiahe, respectively. Upon the Disposal, the Group agreed to pledge the remaining Group's shareholdings in Tianjin Yijiahe to Wukuang, as security for any possible breach of the responsibilities of the Group under the supplemental agreement in relation to the Disposal. The main responsibilities of the Group are as follows:

(i) The Group is responsible for undertaking the preliminary development works of the property development project in respect of the piece of land situated at Tianjin Beichen Qu Yi Xing Bu Project (the "**Project**") including demolition and re-settlement and obtaining planning approval and land clearance;

(ii) Wukuang is responsible for contributing a total amount of funds of RMB1,584,000,000 (equivalent to approximately HK$1,953,000,000) ("**Wukuang's Contribution**") for the demolition and re-settlement expenses of the land lot nos. 7 and 8 with a gross construction area of 800,000 square metres of the land of the Project, whilst the Group is responsible for payment of any excess amount of the actual amount of the demolition and re-settlement expenses over Wukuang's Contribution; and

(iii) In the event that there is any change in the shareholding of the Project, the affected outgoing shareholder shall provide complete and full disclosure to the new shareholder of the Project of all relevant matters and legal documents, and agreed terms of cooperation among the parties with respect to the Project.

As the demolition and re-settlement of the Project is still in progress, in the opinion of the directors of the Company, the capital commitment cannot be quantified as at 30 June 2012 and 31 December 2011.

21. CONTINGENT LIABILITIES

(a) Corporate guarantees

	30 June 2012 *HK$'000* **(unaudited)**	31 December 2011 *HK$'000* (audited)
Guarantee given to banks in respect of banking facilities utilised by:		
– property buyers	**2,378,093**	2,954,655
– an entity controlled by Xuhui SASAC	**263,672**	266,272
– former subsidiaries	**–**	61,637
	2,641,765	3,282,564

In the opinion of the directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition, and the directors of the Company consider that the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realisable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Accordingly, no provision has been made in the condensed consolidated financial statements for these guarantees.

(b) Warranty against defects of properties

Properties purchased by buyers are provided with various warranties with terms ranging from one to two years against certain specified defects as stipulated in the PRC laws and regulations which are covered by back-to-back warranties provided by the relevant contractors of the projects.

(c) Legal proceedings initiated by third parties against the Group

From time to time, the Group may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm the Group's business. The directors of the Company are currently not aware of any such legal proceedings or claims that they believe will have, individually or in the aggregate, a material adverse effect on the Group's business, financial condition or operating results of the Group.

22. RELATED PARTY TRANSACTIONS

(i) Related party transactions

During the period, the Group had the following significant transactions with related parties:

Related party	Nature of transactions	Six months ended 30 June **2012** *HK$'000* **(unaudited)**	2011 *HK$'000* (unaudited) (restated)
SIIC	Interest expense	**(50,466)**	(35,610)
Entities controlled by SIHL	Interest expense	**(30,001)**	(27,274)
Entity controlled by an independent non-executive director of SIHL	Rental expense and management fee	**(2,463)**	(2,823)
Associates	Property agency fee	**(33,194)**	(19,078)
	Rental income	**1,296**	–
Entities controlled by Xuhui SASAC	Interest income	**6,113**	3,139
	Interest expense	**(607)**	(130)
Non-controlling shareholders of a subsidiary	Interest expense	**(3,014)**	–

(ii) Related party balances

Details of the balances with related parties as at 30 June 2012 and 31 December 2011 are set out in notes 11, 12 and 16.

(iii) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June **2012** *HK$'000* **(unaudited)**	2011 *HK$'000* (unaudited) (restated)
Short-term benefits	**6,908**	6,669
Post-employment benefit	**16**	–
Equity compensation benefit	**3,200**	15,121
	10,124	21,790

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

(iv) Government-related entities

The Group itself is part of a larger group of companies under SIIC, which is controlled by the PRC government. The directors consider that the Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predenominated 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 deposits placements, borrowings and other general banking facilities are 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 directors are 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 directors, these transactions are considered as individually and collectively insignificant to the operation of the Group during the six months ended 30 June 2012 and 2011.

23. EVENTS AFTER THE END OF THE INTERIM PERIOD

On 25 July 2012, a writ of summons (the "**Writ**") was issued by an independent third party against the Company. Pursuant to the Writ, the independent third party is claiming against the Company for a sum of approximately HK$156,367,000 (RMB128,096,000) being the outstanding payment of the consideration payable for the acquisition of the entire issued share capital of Moral Luck Group Limited in 2007 (the "**Consideration Payable**"), damages of HK$266,134,000 (equivalent to RMB218,017,000) and daily liquidated damages from 26 July 2012 at HK$156,367 (equivalent to approximately RMB128,096) per day (the "**Damages**"). The Consideration Payable was recognised and included in consideration payables for acquisition of subsidiaries in the statement of financial position. The directors of the Company, after consulting legal advisors, are of the opinion that there is a genuine good defence for the case. The Company has taken action and is in the process of defending the case and no provision was made for the Damages during the period ended 30 June 2012.

In July 2012, SUD Group obtained an authorisation from National Development and Reform Commission for issuance of corporate bond (the "**Bond**") with par value of RMB1,500,000,000 (equivalent to approximately HK$1,831,054,000). Upon issuance, the Bond will be listed and traded on Shanghai Stock Exchange. The directors of the Group intend to use the proceeds to finance its development of affordable housing projects in Shanghai.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2012, the global macro economy was in complex predicaments and volatile, while the transformation of the Chinese economy continued. The Central Government lowered its expectation for economic growth and maintained the regulatory measures on the real estates industry. Many real estate enterprises thus resorted to "selling in quantity rather than holding onto the price tag", creating yet more severe competition in the market. As for the Group, steadfast in its strategy of "going with the tide and preserving strength for development", solid strides were made in carrying out its onuses and active efforts were directed into exploring sales channels and improving sales strategies so as to boost sales and speed up collection of pre-sale proceeds. And, at the coordinated diligences of the Group, development and construction of new projects were well underway, laying the foundation for its development in the future.

BUSINESS REVIEW

During the six months ended 30 June 2012, the Group recorded revenue of HK$1.092 billion (six months ended 30 June 2011: HK$2.032 billion), a 46.26% decrease year-on-year because of lesser total gross floor areas delivered and lower average price during the period. The Group expects to deliver more total gross floor areas to property owners in the second half year. As at 30 June 2012, balance of the proceeds from pre-sale was HK$9.862 billion, which will be booked as revenue from the second half year and thereafter. Revenue for the period comprised mainly the sales revenues of three projects, namely Neo Water City in Xi'an, Urban Cradle in Shanghai and Park Avenue in Chengdu, which accounted for approximately 37.7%, 14.4% and 12.2% respectively of the Group's total revenue.

Affected by the volumes, types and locations of the real estates delivered, gross profit was down from HK$825 million for the first half last year to HK$235 million for the review period, with gross profit margin also dropped year-on-year from 40.6% to 21.5%.

In the review period, fair value changes on investment properties decreased by HK$8 million (six months ended 30 June 2011: increased by HK$490 million) because there had been less significant change in the comparable markets and rental returns from those properties. The gain on fair value changes in the same period last year was mainly from the transfer of the underground mall in Jiujiu Youth City in Shanghai to investment property and the revaluation of the commercial constituent of Top City in Chongqing.

Thanks to the judicious control of the Group and its well-mapped out marketing strategy, distribution and selling expenses amounted only to HK$58 million (six months ended 30 June 2011: HK$152 million), down by 62%, and general and administrative expenses were HK$241 million (six months ended 30 June 2011: HK$275 million), down by 12%.

The overall reversal of income tax item for the period was HK$72 million (six months ended 30 June 2011: income tax HK$481 million), attributable mainly to the reversal of tax provision of approximately HK$147 million in previous periods, and also to the fact that in the same period last year, gross profit margin was relatively high with revenues coming from a small number of projects, thus requiring larger provision for land value-added tax and income tax.

For the review period, loss attributable to shareholders of the Company amounted to HK$309 million (six months ended 30 June 2011: attributable profit of HK$82 million). The change when compared with the same period last year was mainly attributable to the difference in turnover, gross profit margin, fair value changes on investment properties and income tax. Basic loss per share for the six months ended 30 June 2012 was HK6.42 cents and the diluted loss per share was HK6.42 cents (six months ended 30 June 2011: basic loss per share was HK1.70 cents; diluted loss per share was HK1.70 cents).

For the six months ended 30 June 2012, the Group pre-sold 146,000 sq. m. of properties (six months ended 30 June 2011: 111,000 sq. m.) and made contract sales worth HK$2.097 billion (six months ended 30 June 2011: HK$1.248 billion), an increase of 68.0% year-on-year, owed to its ability to timely devise and adjust sales strategy in response to market situations. Contract sales for the period came mainly from three projects, namely Urban Cradle in Shanghai, Neo Water City in Xi'an and Top City in Chongqing, which accounted for approximately 47.4%, 19.9% and 9.6% respectively of the Group's total contract sales.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2012, the Group had cash and cash equivalents valued at HK$2.83 billion (31 December 2011: HK$3.64 billion), current ratio of 1.96 (31 December 2011: 1.99) and net gearing ratio of 65.9% (31 December 2011: 55.6%).

With Shanghai Industrial Investment (Holdings) Co., Ltd and a subsidiary of SIHL having a loan balance of HK$3.44 billion to the Group, HK$1.22 billion of which newly added and HK$1 billion renewed during the period, the Group's liquidity risk has been markedly reduced.

The Board believes the Group's liquid assets, funds and future revenue will be sufficient for supporting future expansion and working capital requirement of the Group.

DIVIDEND

The Board does not recommend distribution of any interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

OUTLOOK

Looking ahead at the second half year, uncertainties will continue to loom in the macroeconomic environment. And the market pressure for China to adjust her economic structure and maintain steady growth will rise. With the need to keep the real estate industry in check and the nation's prerequisites in a tug of war, a period of adjustment is inevitable.

The Group will closely monitor the macroeconomic environment and changes in micro policies relevant to its future development, be active and shrewd in marketing, enhance internal management, keep financial risks under proper control and maintain a sound financial position. It will exert its best in the following aspects:

- Expecting to deliver more properties with more gross floor areas to property owners in the second half year, the Group will make sure deliveries are done well and strive to improve overall turnover for the year.

- It will adopt various measures to promote sales, particularly in marketing of projects including Urban Cradle in Shanghai, Neo Water City in Xi'an and Shanghai Jing City (an affordable housing project), that boast high quality, high gross profits and sizeable inventories. The Group's aim is to increase pre-sale income and collection of proceeds.

- It will seek to maintain a healthy and stable cash flow by broadening its choices of financing channel.

- It will continue to enhance internal management and keep improving those measures that can help lower costs and expenses.

- It will explore different ways to optimize its asset portfolio and enhance operation, as well as actively bring in strategic partners and investors.

- To ensure the stability of its financial position and operating results in the future, it will push on with development of all projects, old and new.

- It will also try to improve the operating earnings of its business assets so as to minimize the impacts of cyclical fluctuation of the real estate industry on its performance.

MATERIAL ACQUISITIONS AND DISPOSALS

No material acquisitions and disposals occurred during the six months ended 30 June 2012 and 2011.

SHARE CAPITAL

The Company's issued and fully paid share capital as at 30 June 2012 amounted to HK$192,460,927.56, divided into 4,811,523,189 ordinary shares of HK$0.04 each.

During the review period, no warrants were converted into the ordinary shares of the Company. The warrants expired on 22 July 2012.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2012, the Group employed 1,185 employees (including Hong Kong and PRC offices). The remuneration policies for the employees of the Group are determined according to the performance, qualification and experience and competence of the employee. The emolument of the directors of the Company is determined by the Remuneration Committee, having regard to the operating results of the Company, individual performance and comparable market statistics. Staff benefits include contributions to the Mandatory Provident Fund Schemes and discretionary bonus payments which is linked to the profitability of the Group and individual performances.

The Group has adopted a share option scheme as an incentive to directors and eligible employees. During the period, training programs relating to work were provided 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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period for the six months ended 30 June 2012.

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 existing shareholders.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code (the "**Code**") as set out in Appendix 14 of the Listing Rules throughout the Period except for the following:

Provision A.2.1 of the Code ("Code A.2.1")

The code provision A.2.1 of the Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Ni Jianda, the then President of the Company, had taken up the office of the Chairman of the Board upon the retirement of then Mr. Cai Yu Tian, the then Chairman of the Company, with effect from 24 April 2012. Subsequently on 27 April 2012, the Company appointed Mr. Ji Gang as an Executive Director, Vice Chairman and the President of the Company and by then, the Company has duly complied with the said code provision A.2.1.

The Company is committed to maintaining a high standard of corporate governance practices with a view to enhancing the management efficiency of the Company as well as preserving the interests of the Shareholders as a whole. In the opinion of the Board, the Company has complied with the code provisions set out in the Code contained in Appendix 14 to the Listing Rules throughout the Period to the date of this announcement, except for the deviation from the code provision A.2.1 of the Code within such short period as explained above.

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 unpublished price-sensitive 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. Having made specific enquiry of the Company's directors, all the directors confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2012.

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 Period.

AUDIT COMMITTEE

The Company's audit committee comprises four current independent non-executive directors of the Company, namely Mr. Doo Wai Hoi, William, Dr. Wong Ying Ho, Kennedy, Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David (as Chairman).

The main responsibilities of the Audit Committee are:

1. to review the accounting principles and practices adopted by the Group;

2. to review the financial reporting process and internal control system of the Group; and

3. to review the independence and objectivity of the external auditors, the scope of audit services and related audit fees payable to the external auditors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements of the Company for the six months ended 30 June 2012.

The Group's external auditors, Messrs. Deloitte Touche Tohmatsu, have reviewed the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2012 in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and Hong Kong Accounting Standard 34, "Interim Financial Reporting", both of which were issued by the Hong Kong Institute of Certified Public Accountants.

SERVICE CONTRACT AND DIRECTOR'S EMOLUMENTS OF MR. JI GANG ("MR. JI")

Reference was made to the two announcements of the Company, dated 27 April 2012 and 30 April 2012, both relating to, among other matters, the appointment of Mr. Ji as the Vice Chairman, the President and an Executive Director of the Company with effect from 27 April 2012.

The Company has entered into a service contract with Mr. Ji for a term of three years commencing from 27 April 2012 and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Ji is entitled to a director fee of HK$200,000 per month and a discretionary bonus, which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

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. Ni Jianda, an Executive Director and the Chairman of the Company, be appointed as an Authorised Representative of the Company with effective from 28 March 2012.He be appointed as the Chairman of the Company with effective from 24 April 2012. He has been resigned as the President of the Company with effect from 27 April 2012.

(B) Mr. Ji, an Executive Director, Vice Chairman and the President of the Company, has entered into a service contract with the Company. Mr. Ji has been appointed for a term of three years commencing from 27 April 2012 and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Ji is entitled to a remuneration of HK$200,000 per month and a discretionary bonus which is determined by the Remuneration Committee of the Company and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(C) Mr. Zhou Jun was appointed as an Independent Non-Executive Director of Zhejiang Expressway Co., Ltd. (Stock Code: 0576) on 11 June 2012, the company listed on the Stock Exchange.

(D) Mr. Fan Ren Da, Anthony be appointed as an Independent Non-Executive Director, Members of both of the Nomination Committee and Remuneration Committee of China Development Bank International Investment Limited (formerly known as "New Capital International Investment Limited") (Stock Code: 1062) on 21 March 2012, a company listed on the Stock Exchange.

(E) Dr. Wong Ying Ho, Kennedy was requested by the Independent Commission Against Corruption (**"ICAC"**) to assist in their investigations (the "**Investigations**") on 14 February 2012. On the same date, the ICAC also presented a search warrant according to which, the Investigations are related to alleged irregular activities in the restructuring of Ocean Grand Chemicals Holdings Limited and the acquisition of 3D-Gold Jewellery Holdings Limited or its related companies by Hong Kong Resources Holdings Company Limited. The Investigations are essentially an extension of the investigations conducted by the ICAC in July 2011 referred to the announcement of the Company dated 15 July 2011.

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

PUBLICATION OF FURTHER INFORMATION

The interim report of the Company for the Period, containing the information required by the Listing Rules, will be despatched to the shareholders of the Company as well as published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.siud.com) in due course.

APPRECIATION

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

By order of the Board
Shanghai Industrial Urban Development Group Limited
Ni Jianda
Chairman

Hong Kong, 23 August 2012

As at the date of this announcement, the board of director of the Company comprises Mr. Ni Jianda, Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Biao and Mr. Chen Anmin as executive directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive directors.