



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

Rising Higher Shining Brighter

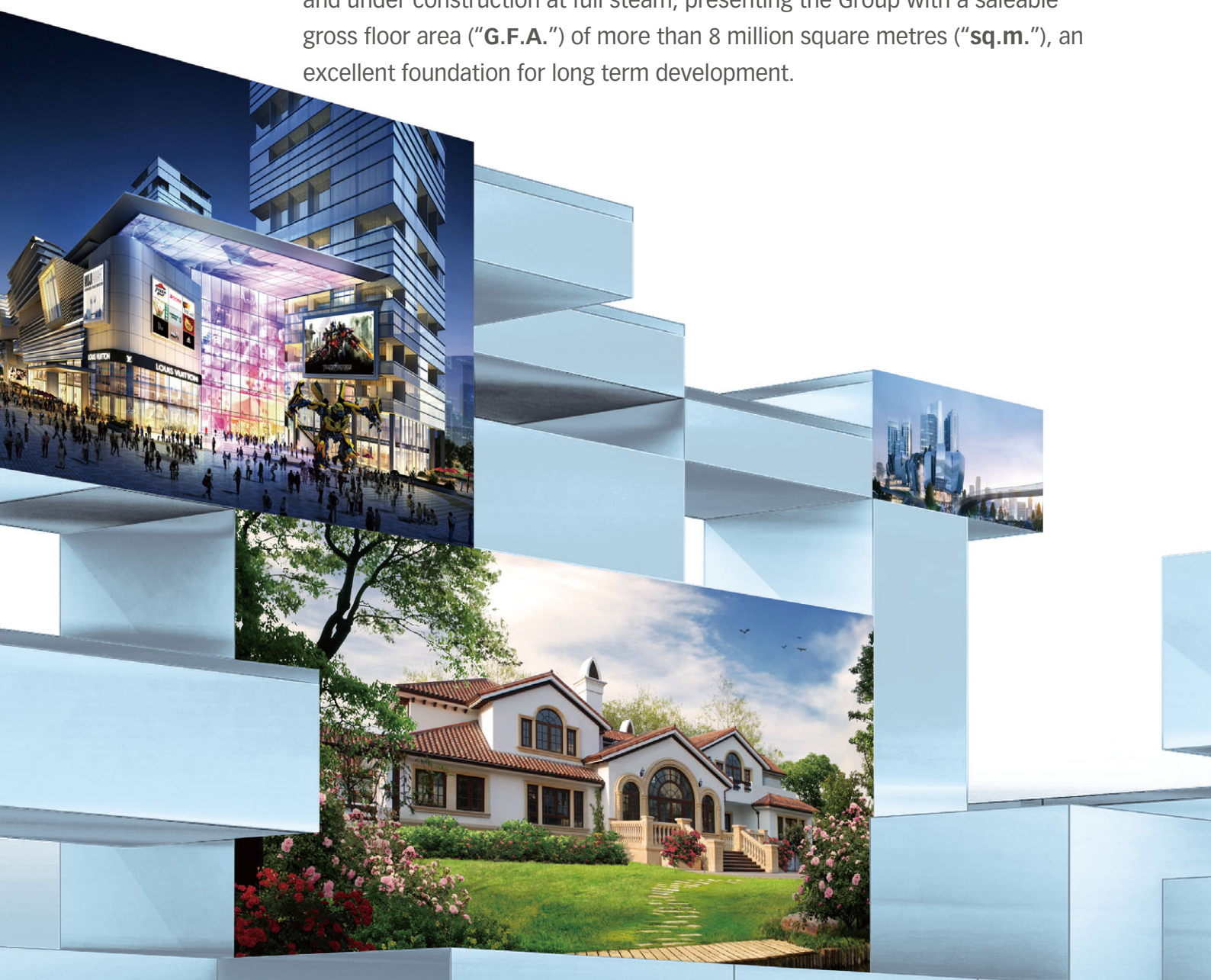
INTERIM REPORT 2013



Rising Higher

Shining Brighter

Shanghai Industrial Urban Development Group Limited (“**SIUD**” or “**the Company**”, together with its subsidiaries, the “**Group**”) currently has 24 real estate projects in 12 major cities in China, namely Shanghai, Kunshan, Wuxi, Beijing, Sanhe, Shenyang, Tianjin, Xi’an, Chongqing, Changsha, Shenzhen and Zhuhai. Most of the projects are mid- to high-end residential projects and under construction at full steam, presenting the Group with a saleable gross floor area (“**G.F.A.**”) of more than 8 million square metres (“**sq.m.**”), an excellent foundation for long term development.



Contents

2	Corporate Information
3	Financial Highlights
4	Chairman's Statement
6	Management Discussion and Analysis
10	Details of Properties
12	Project Portfolio
25	Other Information
33	Report on Review of Condensed Consolidated Financial Statements
34	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
35	Condensed Consolidated Statement of Financial Position
37	Condensed Consolidated Statement of Changes in Equity
39	Condensed Consolidated Statement of Cash Flows
40	Notes to the Condensed Consolidated Financial Statements



DIRECTORS

Executive Directors

Mr. Ni Jianda (*Chairman*)
Mr. Ji Gang (*Vice Chairman & President*)
Mr. Zhou Jun
Mr. Yang Jianwei
Mr. Yang Biao
Ms. Huang Fei
Mr. Ye Weiqi

Independent Non-Executive Directors

Mr. Doo Wai-Hoi, William, J.P.
Dr. Wong Ying Ho, Kennedy, BBS, J.P.
Mr. Fan Ren Da, Anthony
Mr. Li Ka Fai, David

AUTHORIZED REPRESENTATIVES

Mr. Ni Jianda
Mr. Chan Kin Chu, Harry

BOARD COMMITTEES

- **Audit Committee**
Mr. Li Ka Fai, David (*Committee Chairman*)
Mr. Doo Wai-Hoi, William, J.P.
Dr. Wong Ying Ho, Kennedy, BBS, J.P.
Mr. Fan Ren Da, Anthony
- **Remuneration Committee**
Mr. Doo Wai-Hoi, William, J.P. (*Committee Chairman*)
Mr. Fan Ren Da, Anthony
Mr. Ye Weiqi
- **Nomination Committee**
Dr. Wong Ying Ho, Kennedy, BBS, J.P. (*Committee Chairman*)
Mr. Fan Ren Da, Anthony
Mr. Ni Jianda
- **Investment Appraisal Committee**
Mr. Fan Ren Da, Anthony (*Committee Chairman*)
Mr. Zhou Jun
Mr. Ye Weiqi

COMPANY SECRETARY

Mr. Chan Kin Chu, Harry

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PRINCIPAL BANKERS

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China Development Bank Corporation
Shanghai Pudong Development Bank Company Limited
China Construction Bank Corporation
Agricultural Bank of China Limited
Bank of China Limited

AUDITORS

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Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Ordinary Shares
(Stock Code: 563)

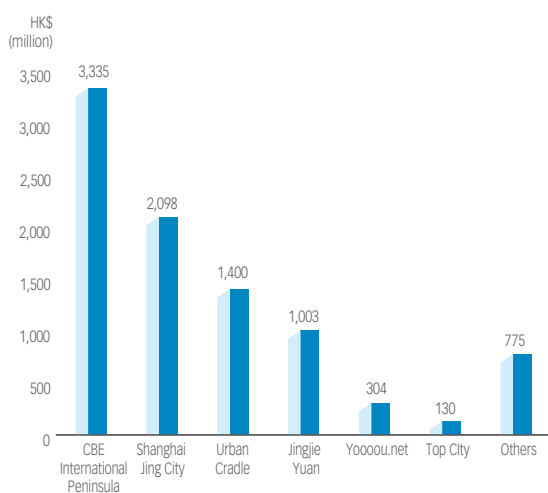
Financial Highlights

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Change %
Financial Highlights (HK\$'000)			
Revenue	2,965,733	1,091,912	171.6%
Profit (Loss) attributable to equity owners of the Company	481,877	(308,826)	Turnaround
Financial Information per share (HK cents)			
Earnings (Loss)			
– Basic	10.02	(6.42)	Turnaround
– Diluted	10.02	(6.42)	Turnaround

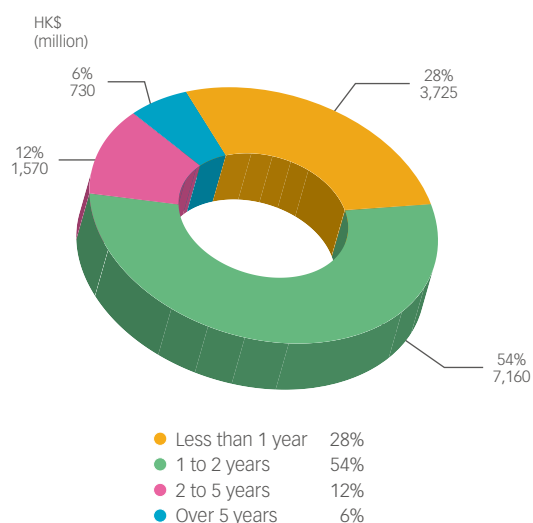
	As at 30 June 2013	As at 31 December 2012
Pre-sale receipts from customers (HK\$'000)	9,044,638	7,826,181
Financial Ratios		
Net debt to total equity (%)	54.2%	50.2%
Current ratio	2.1	2.0

Note: Net debt = total borrowings (including bank borrowings, loan payables, senior notes and convertible notes) less cash and cash equivalents and restricted bank deposits secured against bank borrowings.

ANALYSIS ON ACCUMULATED PRE-SALE RECEIPTS FROM CUSTOMERS



DEBT MATURITY PROFILE



Chairman's Statement

As the new Chinese administration was inaugurated during the first half of 2013, policies to reflect a new ruling philosophy have recently been initiated, with an aim to speed up economic reforms and restructuring as well as to strengthen the overall economic foundation. Bolstered by burgeoning demand for housing, the local property market has warmed again as is often the case. While the global economy saw slow growth in the first half, China's economy is still enjoying stable development, which is boosting the residential housing demand and lays a solid foundation for the future development of the property market in China.



Since the Group's acquisition of Neo-China Land in 2010, all of its businesses have registered significant improvement. As compared to the same period last year, the Group has recorded promising profit in the first half, which has enabled it to reward the long-term support of our shareholders. This was largely the result of efforts of the management team, who has remained composed in face of changing market condition, to create a more sophisticated management, promote our brand, optimize our asset portfolio and to capture the market opportunities while gaining wider recognition from our customers.

During the period under review, the Group has swapped the land parcel in Xuijiahui Centre for four parcels of land in Binjiang, Shanghai. Binjiang within Xuhui District has a compelling location advantage as it is adjacent to Huangpujiang, one of the key areas in Shanghai under the current government development plan. Therefore these parcels have strong potential for appreciation and are expected to benefit our future development. Besides, the good value of our quality assets was clearly demonstrated in the sales of 25% of its interest in U Center, Shanghai, which could unlock the potential value of that particular project and asset, and generated a huge cash inflow.

During the period under review, the Group has enhanced the quality of its projects, implemented strict cost control measures and bolstered its marketing and promotion activities. These efforts have contributed to generating a robust increase in contract sales, which almost doubled during the first half of the year. Including the restructuring transactions aimed to capitalize the assets, the Group has achieved satisfactory results in the first six months of the year.

While maintaining a strong development momentum, the Group remains on guard and continues to be prudently optimistic in the face of the fast-changing economy as well as the development of property market which hinges largely on government's macroeconomic policies during the second half of the year.

China's urbanization, rising incomes and growing demand for a higher standard of living continues to create a strong housing need in the market, in particular within first- and second-tier cities. We have aligned our development strategy to address this demand which has enabled our contract sales to soar, increasing almost 100% during the period. On the other hand, against the backdrop of economic restructuring and evolving new growth model, the property market as a vital component of the economy is becoming more sophisticated. To better match the positioning of our projects with market demand, the Group relies on the concerted efforts of all teams from engineering and marketing to finance to accurately analyze the market demand and make the right decisions in a timely fashion.

The Group will continue to consolidate its assets, enhance our efficiency, and maintain good corporate governance with a high degree of transparency. We will also continue to improve our product quality and the competitiveness of our brand. Effective and clear communication with international investors and other stakeholders will be essential in this regard. Overall, the Board has full confidence in the course of the Group's future development.

In the long run, the Group will focus on the Yangtze River Delta and the prosperous coastal cities and the projects with greater economies of scale. With the capital strength of our parent company Shanghai Industrial Holdings Limited ("SIHL") and the respected property-development brand of SIUD, we will continue to explore opportunities with strong investment potential in first- and second-tier cities. At the same time, the Group will strive to develop more new property projects, accelerate the delivery of products and improve its operating efficiency. We will also consider the feasibility of releasing the true value of other assets within our portfolio.

The Group will continue to follow our established development strategies while striving our utmost to initiate innovation. The Group aims to provide products and services with good value for money and generate satisfactory returns for our shareholders. On behalf of the Board, I would like to deeply thank our staff for their dedicated efforts, and express our sincere gratitude for the solid support of our shareholders.



Ni Jianda

Chairman

26 August 2013

Management Discussion and Analysis

MARKET REVIEW

In the first half of 2013 as China's property market continued its growth momentum in the second half of 2012, both the property price and transaction volume continued to increase steadily from the already high level at the end of 2012. Despite the slowdown in the economic growth in China, temporary tightening of bank liquidity and more austerity measures of the central government in the first half of 2013, the fundamentals of the market remained solid and demand for property continued to be strong, particularly in the first-tier and coastal cities. The overall property market maintained a relatively stable pace of development.

BUSINESS REVIEW

With the acquisition of Neo-China Land in 2010, the Group's projects and businesses continued to improve as reflected in the Group's results. While the external business environment has become more conducive, the Group also bolstered its competitiveness through improving product quality, enhancing its brand position, adopting a more flexible and effective sales management model and speeding up project sales and delivery of properties.

In the first half of the year, the Group has reached an agreement with the Xuhui District Government in Shanghai to swap a piece of land parcel in the Xujiahui Centre project for four parcels of land located in Binjiang, Xuhui District with higher market value and better align with the Group's development strategy. With effective control over the Binjiang land parcels, the Group is able to develop the project at different stages more closely in line with its overall future strategy through greater flexibility and efficiency in allocating resources. This is in contrast with its position in the Xujiahui Centre project, where SIUD owned only one out of a total of six parcels of land. Moreover, the Group sold 25% interest in the U Center project in Shanghai for RMB1,174,500,000, recording a cash inflow of RMB1,391,522,000 (including repayments of other liabilities). All these moves enabled the Group to unlock the potential value of some of its projects and assets, while accelerating the project development and cash receipts cycle as well as the development pace of new projects.

Property Development

During the period under review, the Group had a total G.F.A of approximately 2,140,000 sq.m. under development. Principal projects included CBE International Peninsula in Xi'an, Urban Cradle in Shanghai, Urban Development International Centre in Wuxi and Yooou.net in Kunshan. The Group delivered property with a G.F.A. of 236,000 sq.m. during the period, most of which were commodity housing.

Contract Sales

For the six months ended 30 June 2013, the Group recorded contract sales of RMB3,340,000,000 (six months ended 30 June 2012: RMB1,710,000,000, a year-on-year surge of 95%, largely due to the Group's effort to speed up the launch of key commodity housing projects and affordable housing. Contract sales in terms of G.F.A. were approximately 174,000 sq.m., up 19% year-on-year.

Urban Cradle continued to be the Group's key sales focus during the period, accounting for 58% of its contract sales, while Shanghai Jing City, CBE International Peninsula and Yooou.net accounted for 19%, 8% and 3% respectively. Contract sales from commodity housing amounted to RMB2,700,000,000, representing an increase of 59% year-on-year. Contract sales from affordable housing were RMB640,000,000 (six months ended 30 June 2012: nil)

During the period under review, the average selling price of overall contract sales was approximately RMB19,000 per sq. m., a year-on-year increase of 65%. This was mainly driven by the greater volume of sales at higher-priced Urban Cradle. The Group focused on branding and services when promoting sales and emphasized pricing, gross profit margin and an overall balance of business so as to offer products with an optimum value for money to customers. As a result, the average selling price of most of its projects have achieved single-digit to double-digit growth.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2013, the Group's revenue surged 1.7 times to HK\$2,965,733,000 (six months ended 30 June 2012: HK\$1,091,912,000), which reflected the Group's efforts to accelerate project construction progress and delivery of properties in the first half of the year. Property sales were the Group's main source of revenue. During the first half of the year, the Group has delivered properties of a total of 236,000 sq.m., up from 145,000 sq.m. in the same period a year earlier. In terms of value, the Group achieved sales revenue of HK\$2,771,250,000 during the period (six months ended 30 June 2012: HK\$895,802,000), accounting for 93% of total revenue. The contribution from Urban Cradle accounted for 58% of the Group's property sales, followed by CBE International Peninsula and Shanghai Youth City which accounted for 34% and 4% of total property sales respectively.

Revenues from leasing, property management and services, and hotel operations also provided stable revenue sources for the Group, contributing HK\$117,794,000, HK\$34,739,000 and HK\$41,950,000 respectively. As property sales substantially climbed during the period under review, the proportional contribution from the three business segments changed to 4%, 1% and 2% respectively (six months ended 30 June 2012, 12%, 3% and 3% respectively).

During the period under review, the occupancy rate of investment properties slightly rose to 91% from 89% in the same period last year. However, overall revenue from leasing declined by 9% to HK\$117,794,000 in the first half of the year. This was because temporary vacant period and rent-free period for renovation occurred at certain of the Group's properties as a result of its efforts to upgrade its tenant mix. Revenue from property management and services increased by 16% to HK\$34,739,000. Revenue from hotel operations climbed by 15% to HK\$41,950,000 when compared to the corresponding period last year, mainly due to the higher-than-expected occupancy rate of its hotel in Xi'an.

Gross Profit and Gross Profit Margin

During the period under review, gross profit was HK\$944,807,000, up 302% from the same period last year, due largely to a surge in revenue. Gross profit margin strongly increased from 21.5% in the same period last year to 31.9% as the delivery of specific high gross profit margin projects such as Urban Cradle in the first half bolstered the overall gross profit margin.

Investment Property Revaluation

For the six months ended 30 June 2013, the Group recorded a net deficit on revaluation of properties of HK\$67,849,000. This was mainly because of the change in fair value of the Top City project in Chongqing.

Material Disposal

During the period under review, the Group sold 25% interest in the U Center project in Minhang District, Shanghai for RMB1,174,500,000. Through this transaction, the Group recorded an after-tax gain of approximately RMB592,000,000. Further details of the disposal are set out in note 18 to the condensed consolidated financial statements.

Distribution and Selling Expenses

For the six months ended 30 June 2013, the Group recorded distribution and selling expenses of HK\$129,145,000, surging 121% from HK\$58,477,000 in 2012, principally due to the notable 1.7 times growth in property sales revenue during the period.

General and Administrative Expenses

During the six months ended 30 June 2013, the Group recorded general and administrative expenses of HK\$212,048,000, a decline of 11.8% from HK\$240,502,000 in the same period last year, thanks to the Group's ongoing strict cost control measures, which continued to improve management and operational efficiency.

Profit

During the six months ended 30 June 2013, the Group achieved a turnaround in business with profit attributable to shareholders amounted to HK\$481,877,000 (six months ended 30 June 2012: loss of HK\$308,826,000 attributable to shareholders). The turnaround was mainly due to the sharp increase in turnover and a one-off gain from disposal of the U Center project. In the first half of the year, basic and diluted earnings per share were 10.02 HK cents and 10.02 HK cents respectively (six months ended 30 June 2012: basic and diluted loss per share of 6.42 HK cents and 6.42 HK cents respectively).

Dividend

The board of directors of the Company (the “**Board**”) does not recommend distribution of any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: nil).

Cash and Financial Position

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the 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 the bank and other borrowings, senior notes, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

As at 30 June 2013, the Group’s cash and cash equivalent were reduced to HK\$2,444,651,000 (31 December 2012: HK\$5,533,970,000). This was because the Group allocated about HK\$1,075,000,000 as a deposit of land auction in June and took back that cash amount in July. The net repayments of bank and other borrowings are approximately HK\$2,000,000,000 which resulted in a drop in cash level and a rise in net gearing ratio (net debt (total borrowings less cash and cash equivalents and restricted and pledged bank deposits) to total equity) from 50.2% as at the end of last year to 54.2%, which the current ratio increased to 2.1 (31 December 2012: 2.0).

As at 30 June 2013, the total borrowings of the Group including bank borrowings, other borrowings and senior notes amounted to approximately HK\$13,184,862,000 (31 December 2012: HK\$15,115,081,000). Further details of bank and other borrowings are set out in note 16 to the condensed consolidated financial statements.

The Group had a total of 4,811,523,189 shares in issue as at 30 June 2013. The equity attributable to owners of the Company reached HK\$12,701,506,000 as at 30 June 2013, which was attributable to the net profits during the period.

However, the Group recorded satisfactory contract sales during the period under review which generated a strong cash inflow. The Board believes that the Group’s liquid assets, funds, and future revenue are sufficient to support the current working capital requirements of the Group.

Foreign Exchange Exposure

Other than financing activities such as foreign currency borrowings which were denominated in foreign currencies, the Group conducts its business almost exclusively in RMB. The Group would be affected mainly by the bank deposits denominated in foreign currencies and the outstanding foreign currency borrowings which include US\$400,000,000 senior notes, US\$15,570,000 bank borrowings and HK\$1,000,000,000 other borrowings as at 30 June 2013.

Given the fact that the expected continuing appreciation of Renminbi against Hong Kong dollar would have a positive impact upon the Group’s assets in and income generated from the PRC and the exchange rate between Hong Kong dollars and United States dollars is relatively stable, the Group had not implemented any hedging or other alternative measures during the six months ended 30 June 2013 but is closely monitoring the aforesaid exchange rate risks. As at 30 June 2013, the Group did not have any exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

Human Resources and Remuneration Policies

As at 30 June 2013, the Group had 1,097 employees (at offices in Hong Kong and China). The remuneration for the employees is determined according to the performance, qualification and experience, and competence of the individual. The emolument of the directors of the Company is decided by the Remuneration Committee, having considered the operating results of the Company, 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 Mandatory Provident Fund Schemes. The Group has adopted the Share Option Scheme as an incentive to directors and eligible employees. During the period, training programmes 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 a sense of belonging of the staff.

Contingent Liabilities

Details of contingent liabilities are set out in note 21 to the consolidated financial statements.

Charge on Group's Assets

As at 30 June 2013, certain bank deposits of approximately HK\$26,074,000 (31 December 2012: HK\$25,944,000) were pledged to banks to secure mortgage loans granted by banks to the purchasers of pre-sold properties. These pledged deposits will be released upon the transfer of the property title certificates to the respective purchasers.

As at 30 June 2013, certain inventories, certain investment properties and bank deposits of the Group located in the PRC, with total carrying amounts of approximately HK\$9,726,776,000 (31 December 2012: HK\$10,767,128,000), HK\$5,679,875,000 (31 December 2012: HK\$5,726,976,000) and HK\$332,687,000 (31 December 2012: HK\$177,109,000) respectively, were pledged as collateral for the Group's bank borrowings.

LAND BANK

As at 30 June 2013, the Group had a saleable land bank with a G.F.A of about 8,600,000 sq.m., which has been developed into 24 property projects located across 12 cities. The Group will continue to restructure its land bank and improve its efficiency. It plans to leverage the competitive advantage of its parent company in the Yangtze River Delta to actively seek new high quality projects in the region as well as within the prosperous cities in the coastal areas, in particular projects with higher profitability and greater economies of scale, for future development.

OUTLOOK

Looking into the second half of the year, the market generally expects that the growth in GDP in China would further slow down and more time is needed to break through the bottleneck in economic development. Although the property sector is an increasingly important pillar for the Chinese economy, the austerity measures aimed at suppressing speculative activities would not be relaxed anytime soon as the main objective of the central government is "maintaining stability in property prices."

However, liquidity in the market is expected to increase and the demand for housing should remain strong in the second half. The property market in China is expected to maintain overall steady growth and the first-tier cities would remain the important centres and growth drivers of the property market in China. In the long run, property prices would be driven by housing demand along with the implementation of restrictive measures by the central government and the property market in China should achieve a more healthy and steady balanced growth.

The Group remains cautiously optimistic that it can overcome the challenges it faces. It is continuing its efforts to enhance its own competitiveness and leverage the unique advantages of our parent company, SIHL, in the Yangtze River Delta, to actively explore opportunities in the region and developed cities in the coastal areas and investment in projects with high profit margins and high inventory levels. At the same time it will seek opportunities to divest the assets no longer aligned with its long-term strategic objectives.

At the same time, the Group is starting and speeding up construction of new projects, with an aim to increase new project construction to about 400,000 sq.m. this year. On the other hand, all constructions of piling and foundation works of U Center, in which the Group has concluded the sale of 25% interest, have already been completed. It is expected to launch in 2015. The Group is also considering various alternatives to accelerate unlocking the value of its existing assets. It is also keeping in mind the short- and medium-term interests of shareholders as it seeks to achieve its strategic development goals.

With the Group's business showing substantial improvement as its financial conditions stabilizes, it is also enhancing communication with investors and exploring various financing channels to achieve rapid but stable development.

Details of Properties

The Group has 24 projects in 12 cities, comprising mid- to high-end residential units, serviced apartments, hotels, commercial and office buildings. As at 30 June 2013, the Group's saleable land bank totalled approximately 8,600,000 sq.m. in G.F.A.

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

As at 30 June 2013

Project	City	Site Area (sq.m.)	G.F.A. (sq.m.)	Saleable G.F.A. (sq.m.)	1H2013		G.F.A. for Future Sale (sq.m.)	Under development (sq.m.)	Future development (sq.m.)	Expected Completion Date	Ownership (%)
					G.F.A. Pre-Sold (sq.m.)	Accumulated G.F.A. Sold (sq.m.)					
Urban Cradle	Shanghai	943,000*	1,124,245	824,586	51,335	594,937	229,649	192,517	-	2007-2015 in phases	53.1%
Xujiahui Centre ¹	Shanghai	132,000*	629,000**	629,000	-	-	629,000	-	592,300	Planning	35.4%
Shanghai Youth City	Shanghai	57,944	212,130	164,688	4,485	134,312	30,376	-	-	Completed	100.0%
U Center	Shanghai	65,727	388,125	242,010	-	-	242,010	-	242,010	2014-2016 in phases	59.0%
Shanghai Jing City	Shanghai	259,182	602,400	471,996	42,503	323,050	148,946	89,604	38,187	2012-2016 in phases	59.0%
Jingjie Yuan	Shanghai	49,764	125,143	95,594	-	-	95,594	-	-	Completed	59.0%
Xinzhuang Metro Superstructure Project	Shanghai	117,825	405,000	405,000	-	-	405,000	-	405,000	Planning	20.7%
American Rock	Beijing	121,499	523,833	454,610	1,161	448,251	6,359	-	-	Completed	100.0%
Youngman Point	Beijing	112,700	348,664	295,114	163	240,478	54,636	53,229	-	2007-2014 in phases	100.0%
West Diaoyutai	Beijing	42,541	250,930	230,801	1,106	169,659	61,142	-	49,288	2007-2014 in phases	90.0%
Yanjiao	Sanhe	333,333	666,600	666,600	-	-	666,600	-	666,600	2014-2016 in phases	100.0%
Laochengxiang	Tianjin	244,252	752,883	646,281	3,234	533,231	113,050	62,434	46,880	2006-2014 in phases	100.0%
Beichen	Tianjin	1,115,477	2,042,750	1,893,684	-	-	1,893,684	168,949	1,724,735	2012-2014 in phases	40.0%
Yooouu.net	Kunshan	34,223	129,498	112,812	10,247	24,979	87,833	31,672	-	2012-2013 in phases	30.7%
Royal Villa	Kunshan	205,017	267,350	214,212	4,997	109,609	104,603	26,240	54,071	2007-2014 in phases	53.1%
Urban Development International Center	Wuxi	24,041	193,368	145,363	1,323	10,531	134,832	145,363	-	2011-2013 in phases	59.0%
CBE International Peninsula	Xi'an	2,071,487	3,820,400	3,221,390	35,593	1,684,426	1,536,964	516,151	1,328,773	2008-2017 in phases	71.5%
Shenyang U Center	Shenyang	22,651	239,651	198,551	-	-	198,551	198,551	-	2012-2014 in phases	80.0%
Top City	Chongqing	120,014	785,225	730,293	2,754	315,839	414,454	134,308	-	2008-2015 in phases	100.0%
Ivy Aroma Town	Chongqing	289,812	194,697	188,236	4,515	48,839	139,397	12,524	109,132	2009-2014 in phases	32.5%
Toscana	Changsha	180,541	210,980	186,492	7,326	185,669	823	-	-	Completed	32.5%
Forest Sea	Changsha	667,749	907,194	872,185	3,957	229,114	643,071	4,879	627,881	2007-2017 in phases	67.0%
Qi Ao Island	Zhuhai	2,215,516	1,090,000	770,000	-	-	770,000	-	770,000	Planning	100.0%
China Phoenix Tower	Shenzhen	11,038	106,190	79,391	-	78,343	1,048	-	-	Completed	91.0%
Total		9,437,333	16,016,256	13,738,889	174,699	5,131,267	8,607,622	1,636,421	6,654,857		

908,950 sq. m. obtained

* Divided into six parcels of land (35,343 sq. m. obtained)

** 212,058 sq. m. obtained

Note:

1. Returned to Shanghai Xuhui District Government on 2 July 2013 and will be swapped for Binjiang land parcels.

MAJOR INVESTMENT PROPERTY

Project	City	Type	Lease Term	Ownership (%)	G.F.A. (sq.m.)
Laochengxiang	Tianjin	Residential/ Commercial/Office	Medium term	100%	20,793 ¹
Shanghai Youth City	Shanghai	Commercial	Medium term	100%	16,349 ¹
Top City	Chongqing	Commercial/Car park	Medium term	100%	251,847 ¹
China Phoenix Tower	Shenzhen	Office	Medium term	91%	1,048 ¹
Urban Development International Tower ²	Shanghai	Office	Medium term	59%	45,239
Huimin Commercial Tower ³	Shanghai	Commercial	Medium term	59%	14,235
Others	Shanghai	Commercial/Office	Medium term	59%	9,249
Total					358,760

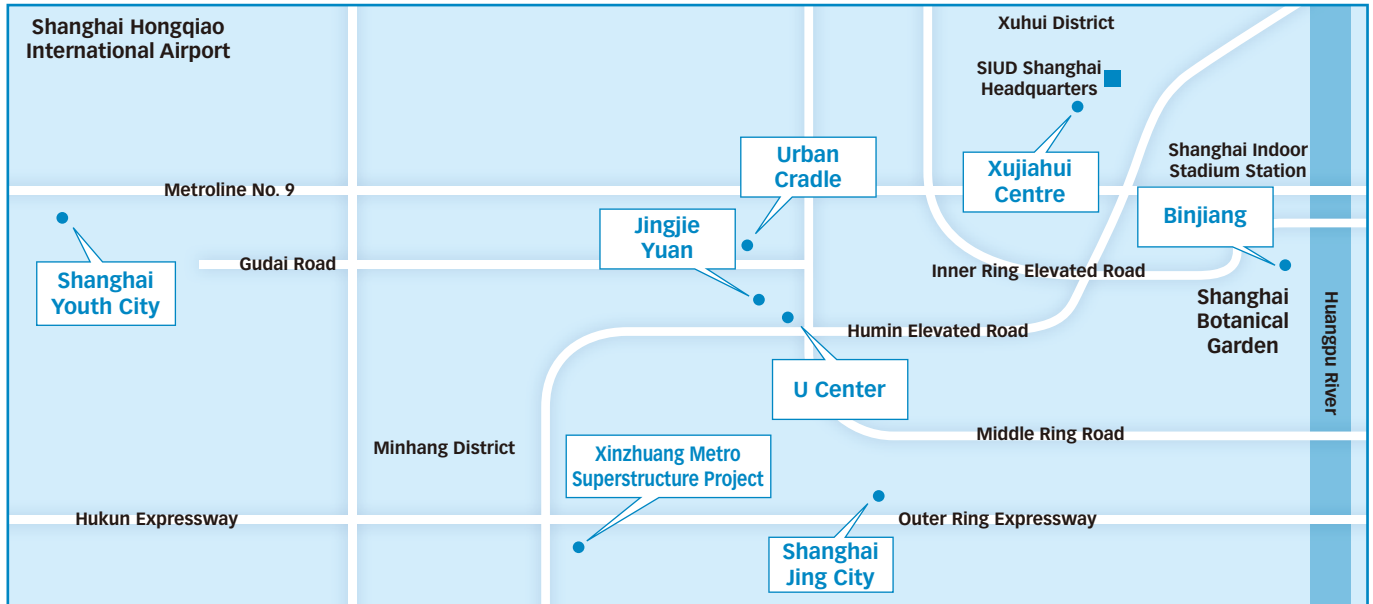
Notes:

1. Included on page 10 of this interim report
2. Address: No. 355, Hongqiao Road, Xuhui District, Shanghai
3. Address: No. 123, Tianyaoqiao Road, Xuhui District, Shanghai



Note: Figures represent the number of projects in the city.

Shanghai



* Xuzhuhui Centre has been returned to Shanghai Xuhui District Government on 2 July 2013. It will be swapped for Binjiang land parcels.



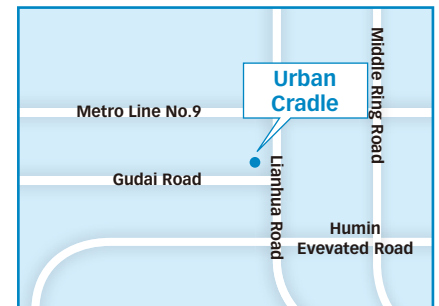
Urban Cradle

Address:

No. 932,
Wanyuan Road,
Minhang District,
Shanghai

Category:

Residence/
Commerce



Feature:

The project is located in Gumei, Minhang District, Shanghai, east of Lianhua Road, west of Hechuan Road, south of Gudai Road and north of Pingnan Road, less than 700 meters 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 943,100 sq.m. with a total construction area of about 1.3 million sq.m., including about 770,000 sq.m. of residences, close to 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, superb grade offices and green landscapes, bringing comfortable and stylish living together with commerce, entertainment, culture, education, and business and leisure pursuits.



Artist's Impression

Binjiang

Address:
Xuhui Binjiang,
Shanghai

Category:
Mixed use



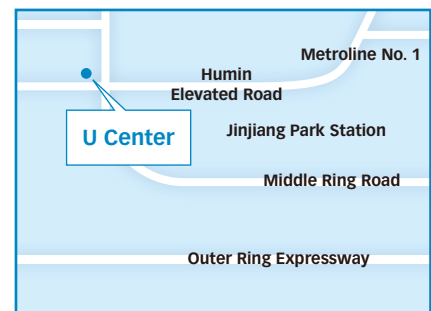
Feature:

The Binjiang land parcels are located at the business centre of Binjiang, Xuhui District, which enjoys a geographical advantage through its superior location, sitting opposite to the designated area for World Expo at Pudong District. The 11 Line north section of the Shanghai Metro will be put into use soon, which will link Binjiang with an extensive transportation network spreading across the city of Shanghai. Adjacent to Xuhui Commercial Zone and Shanghai Botanical Garden, the Xuhui District Government plans to transform the Binjiang area into a commercial district with cultural facilities as the southern extension of the city's development along the coast of Huangpujiang, with a shoreline of 2.5 kilometers. Under the development plan formulated by the local government, a large-scale cultural corridor that highlights Oriental DreamWorks, as well as exhibition facilities and art centres, will also be built within the Binjiang area, which is destined to become a new landmark in Shanghai.

U Center

Address:
Meilong Town,
Minhang District,
Shanghai

Category:
Commerce/
Hotel/Office



Feature:

U Center, primarily located at the intersection of Xuhui and Minhang District, enjoys location advantage, mature amenities and transportation network support with access to, the Lianhua Road Station on Shanghai Rail Transit Line 1 and the Middle Ring Line, and also the Humin Super Highway. It is blessed with the consuming power of an about 600,000 strong permanent population within a three kilometer radius and there are the Xujiahui business district and Caohejing New Technology Development Zone within the eight kilometer radius. The project has a total construction area of about 390,000 sq.m., approximately 100,000 sq.m. of which will be A-grade offices with LEED-CS certification. It will also home a more than 40,000 sq.m. 5-star hotel, an over 110,000 sq.m. commercial complex and a 30,000 sq.m. urban park on the south side, all of vanguard designs taking care of every need of occupants.



Artist's Impression

Xinzhuang Metro Superstructure

Address:

Xinzhuang Town,
Minhang District,
Shanghai

Category:

Residence/
Commerce/
Hotel/Office



Feature:

In a mature neighborhood with convenient transportation support, the project is right at the terminus of Shanghai metro line 1 and 5. Residential premises, serviced apartment, offices, a hotel, commercial premises and related facilities are covered in the project plan.



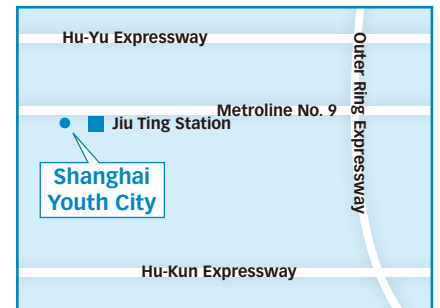
Shanghai Youth City

Address:

No. 1519,
Husong Road,
Jiuting Town,
Songjiang District,
Shanghai

Category:

Residence/
Commerce/Office



Feature:

The project is 40 kilometers from downtown Shanghai above Jiuting Station on subway line 9. The station is the first stop of the subway line in Songjiang district where major roads crisscross and business movers and shakers and crowds gather, a high traffic hub in southwest Shanghai. The project comprises eight petite LOFT apartment blocks, an office building, a deluxe boutique apartment building standing on top of an arcade of shops. Phase I and II of the project had all been sold out and Phase III is in the stage of sale.



Shanghai Jing City

Jingjie Yuan

Address:

Lane 266,
Zhumei Road,
Shanghai

Address:

Lane 399,
Gumei West Road,
Minhang District,
Shanghai

Category:

Residence/
Commerce

Category:

Residence/
Commerce



Feature:

The project is an affordable housing project approved by Shanghai Bureau of Housing Security and Housing Administration. It is a large scale indemnificatory housing project on the list of among major construction projects of Shanghai in 2009. In Meilong Town, Minhang District, the project is on an about 368,000 sq.m. site with construction area totaling about 600,000 sq.m. It will consist of high-rise buildings of 18 to 33 floors and become a major all-encompassing affordable housing community with educational, medical and health care and other community service facilities.

Feature:

On a 50,000 sq.m. site, the project in the southern commercial area of Meilong Town. It will entail 12 residential blocks of 11 to 33 stories with parking spaces underground, security provision, a market, facilities for retirees and other essential amenities. It is in a mature neighborhood well-served by public transports. As a key housing project in Minhang District, the project is for rehousing of relocated citizens.

Beijing



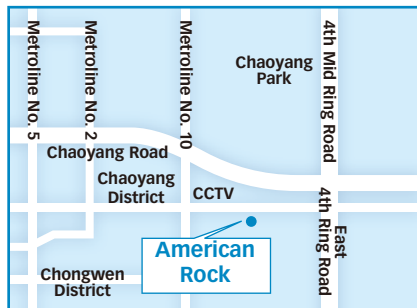
American Rock

Address:

No. 16,
Baizwan Road,
Chaoyang District,
Beijing

Category:

Residence/
Commerce



Feature:

Right next to the CBD, the project has its first phase targeting white-collar customers, attracting them with a host of design novelties. It is an avant product with a strong sense of contemporary style. Offices are included in Phase II to provide work spaces for the many fast growing businesses in the eastern part of the city. Except for a small number of parking spaces, the project is completely developed and sold out.



Youngman Point

Address:

No. 2,
Middle Lane
Ganluyuan,
Qingnian Road,
Chaoyang District,
Beijing

Category:

Residence/Commerce



Feature:

At the intersection of Qingnian Road and Chaoyang North Road in Chaoyang District, the project stands opposite Chaobei Dayuecheng – a major commercial complex in Chaoyang, and is only 3.8 kilometers away from the CBD. With green belts on three sides and a stretch of quiet water on the remaining side, the project presents unique scenic pleasures to its inhabitants. The project has three phases. Phase I and II had been completed and sold out and preparation has begun for Phase III development.

Sanhe



Artist's Impression

West Diaoyutai

Address:

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



Category:

Residence

Feature:

In the west third ring, on the west and south banks of Kunyu River and east 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. Phase I and II had been completed and sold out and preparation work has begun for Phase III.

Yanjiao

Address:

Economic and Technological Development Zone, Yanjiao, Hebei



Category:

Residence/ Commerce/ Hotel/Office

Feature:

The Yanjiao Economic Technology Development Zone is in eastern Beijing, 30 kilometers from Tiananmen Square and accessible on a less than 40 minute ride on the Jingtong and Jingha expressways. And, Hebei has reached an agreement with Beijing on extending the Batong Line eastward to Yanjiao, promising ease of transportation conducive to compatible development of the real estate markets of both places. The project will be developed into a large community encompassing a hotel, commercial premises, offices and residences.

Tianjin



Artist's Impression

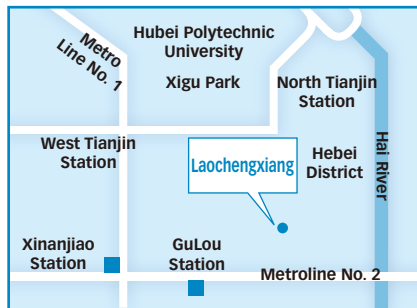
Laochengxiang

Address:

Laochengxiang,
Nankai District,
Tianjin

Category:

Residence/
Commerce/Office



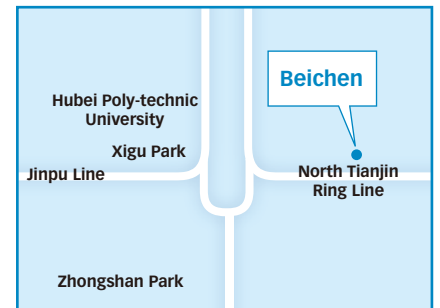
Beichen

Address:

Jiucun Village,
Yixingfu,
Tianjin

Category:

Residence/
Commerce/Hotel



Feature:

In the traditional city center of Tianjin, the project is a major community with location advantage, comprising residences, commercial premises and offices. Its well-knitted cluster of buildings has become a landmark of the city.

Feature:

The aim of the project is to give a new face to an old village. In a transportation hub, the enormous project has the Beijing-Tianjin Railway in close vicinity. There will be a wide array of premises in it to meet residential and commercial needs. At the joint effort of SIUD and its partner Minmetals Real Estate Co., Ltd., construction of phase one of the project is in full steam.

Kunshan



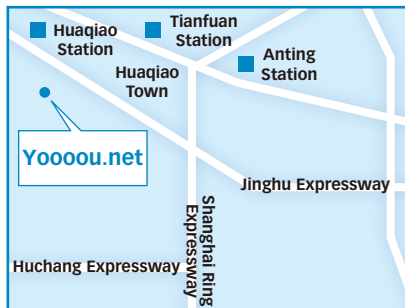
Yooou.net

Address:

No. 258,
Lvdi Avenue,
Huaqiao Town,
Kunshan

Category:

Commerce/
Hotel/Office



Feature:

Located in the centre of Huacheng International Commercial City and adjoining the west gate of Shanghai, the project is less than 25 kilometers from downtown Shanghai and can be reached directly riding the Huning high-speed railway. With four youthful components – commerce, SOHO, LOFT and MINIHOTEL, it stands out as a community where young and intellectual industries such as computer games, entertainment and e-commerce can thrive.

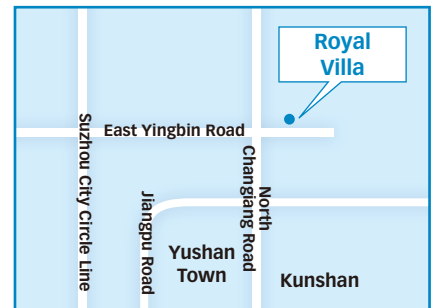
Royal Villa

Address:

No. 859,
Yingbin East Road,
Kunshan (near
Changjiang Road)

Category:

Residence



Feature:

The project is located in Zhoushi Town of Kunshan City, Jiangsu, the core of the administration center in northern Kunshan. Neighboring the Kunshan Ecological Park, it comprises 18 high-rise apartment buildings and 92 standalone villas.

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 kilometers from the center of the city with the scenic Lihu Lake, 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.

Xi'an



CBE International Peninsula

Address:

200 meters east to Chanhe 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 2,000,000 m² in terms of site area is the largest eco-district in northwestern China. The area has been flawlessly planned and is developing rapidly, enjoying convenient access to road networks and public transports including Metro Line 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 including Kempinski Hotel where the Euro-Asia Economic Forum will permanently base and related necessary facilities completed or soon to be completed to meet community business requirements and educational, medical and shopping needs.

Shenyang



Artist's Impression

Shenyang-U Center

Address:

Taiyuan South Street, Heping District, Shenyang

Category:

Commerce/ Office/ Serviced Apartment



Feature:

The project is in the most prosperous business district downtown Shenyang – south of Taiyuan Street business district, with profound historical charisma and deep commercial roots. The integrated real estate complex offers appealing choices in shopping, food and beverage, leisure pleasure, entertainment, offices for work and luxurious apartments, making it an icon of the city. When completed, the project together with Taiyuan North Street and the existing Zhonghua Road business district will see the birth of the larger Taiyuan Street Commercial District.

Chongqing



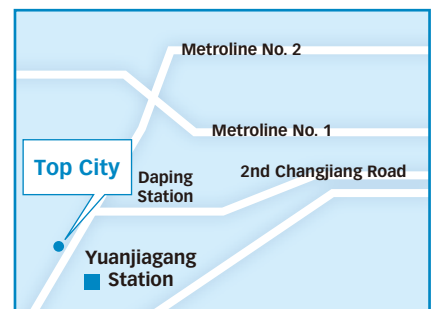
Top City

Address:

No. 1, Aoti Road, Yuanjiagang, Jiulongpo District, Chongqing

Category:

Residence/ Commerce/ Hotel/Office



Feature:

The project is right in the center of Chongqing's main city zone, at the intersection of Jiulongpo District and Yuzhong District with the Chongqing Olympic Sports Center and the city rail line 2 as its neighbors. With prominent business presence, comprising a 5-star hotel, offices and residences, it is currently one of the biggest integrated real estate projects in the main city zone of Chongqing. By the hands of a famed Canadian design company, it embraced diversity, openness and international concept championing the HOPSCA lifestyle of western origins. It is a rare and distinctive metropolis complex that stands out in Chongqing.

Changsha



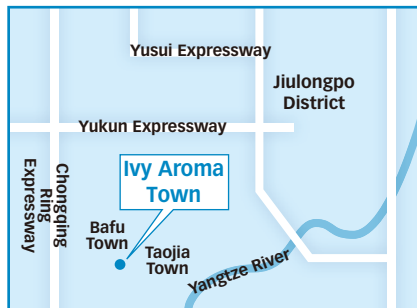
Ivy Aroma Town

Address:

No. 1,
Wenfeng Road,
Taojia Town,
Jiulongpo District,
Chongqing

Category:

Residence/
Commerce



Feature:

In Taojiapian District of Baishiyi, a new city in western Chongqing, the project enjoys obvious advantages from being in the center of the city and the sub-center of Jiulongpo City. The project will be developed in phases over 6 to 8 years into a community of Scandinavian-style residences of low-density and low occupancy-to-floor-area ratio, with full complement of facilities including nurseries and kindergartens, banks and a hospital.



Toscana

Address:

No. 28,
Second Section,
East Xiangfu Road,
Yuhua District,
Changsha

Category:

Residence/
Commerce



Feature:

In southeastern Changsha, the project is neighbor to a wetland park and National Forest Park and downtown Changsha hence is blessed with the opportunity to appreciate nature and its many wonders. Yet, conveniently located where Subway Line 4 and the city rail intersect, it has ready access to the Hongxing Business Area on the southern side of the city and equipped with comprehensive amenities including a shopping arcade, school, bank and a hotel, to name but a few. A 20 minutes' drive will take occupants to the airport, the Jingzhu Expressway, the Wuguang Railway Station and the sizzling downtown area. It adopts a multi-level layout starting with a lake in the center slopping upward where clusters of architecture with distinct aesthetic details and characters stand. The way the townhouses and garden houses are placed is display of aesthetics matching of architectural excellence.

Zhuhai



Forest Sea

Address:

No. 28,
Second Section,
East Xiangfu Road,
Yuhau District,
Changsha

Category:

Residence/Commerce



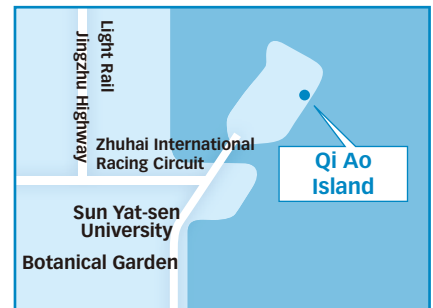
Qi'ao Island

Address:

East side of Qi'ao
East Line Road,
Qi'ao Island, Tangjia
High-tech Zone,
Zhuhai, overlooking
Wangchiling Mountain
Ranges and
surrounding areas

Category:

Residence/Commerce/Hotel



Feature:

The project not only shares the same address as municipal government offices in Wangcheng District, but is also in the Waterfront New Town, a major development focus of the government. Leifeng Avenue and Xiangjiang View Avenue (Xiaoxiang Avenue) are on its east and the ecological technology industrial park area borders with it on the south. The project, which will serve a strong population of community businesses, is only about 200 meters from the Wangcheng old town on the west and is just on the opposite of the road of the new Wangcheng District Government to its north. Positioned as a million square meter ecological new town, the project has adopted innovative design concept, possessing all required supporting facilities while keeping green landscapes at an overall ratio of more than 40%. Its constituents include high-rise apartment buildings with scenic views, elevator-served garden houses, townhouses and elegant mixed design houses, all in pure Mediterranean architectural styles. They come together to form a low-density residential community that promises high comfort.

Feature:

On the east side of a planned main road (Qi'ao East Line Road) of Qi'ao Island, the project is about 20 kilometers from downtown. It is in preliminary planning stage and will be developed into a large eco-community with hotels, high-end residences and special businesses.

Shenzhen



China Phoenix Tower

Address:

No. 2008,
Shennan Road,
Futian District,
Shenzhen

Category:

Residence/
Commerce/Office



Feature:

The project is in the heart of Futian District served by Shennan Avenue, a major road in Shenzhen. It is a joint endeavor of SIUD and another of its shareholder Phoenix Television Holdings Co., Ltd. The project consists of an office building, a commercial/residential building and a shopping arcade, and completed construction and sale.

Other Information

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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 2013.

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

During the period for the six months ended 30 June 2013, the Company has complied with the code provisions as set out in the Corporate Governance 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 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 2013.

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 for the six months ended 30 June 2013.

AUDIT COMMITTEE

The Company's audit committee (the "**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 2013.

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 2013 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2013, the interests and short positions of the directors and chief executives of the Company in the shares and underlying shares of the Company or any of its associated companies (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 set out in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(1) Long position in the shares and underlying shares of the Company

Name of director	Capacity	Number of issued ordinary shares held	Number of underlying shares subject to options granted ¹	Approximate percentage of the issued share capital of the Company
Ni Jianda	Beneficial owner	–	8,000,000	0.17%
Ji Gang	Beneficial owner	150,000	–	0.00%
Zhou Jun	Beneficial owner	–	7,000,000	0.15%
Yang Biao	Beneficial owner	–	7,000,000	0.15%
Huang Fei	Beneficial owner	–	6,000,000	0.12%
Ye Weiqi	Beneficial owner	–	6,000,000	0.12%
Chen Anmin ²	Beneficial owner	–	7,000,000	0.15%
Doo Wai-Hoi, William	Beneficial owner	–	1,000,000	0.02%
Wong Ying Ho, Kennedy	Beneficial owner	–	1,000,000	0.02%
Fan Ren Da, Anthony	Beneficial owner	–	1,000,000	0.02%
Li Ka Fai, David	Beneficial owner	–	1,000,000	0.02%

Notes:

- These interests represented the interests in the underlying shares in respect of share options granted by the Company to these directors as beneficial owners, details of which are set out in the section headed "Share Option Scheme", of this interim report.
- Mr. Chen Anmin resigned as an executive director of the Company with effect from 22 March 2013.

(2) Long Position in shares and underlying shares of the associated company of the Company*Shanghai Industrial Holdings Limited ("SIHL")*

Name of director	Capacity	Number of issued ordinary shares held	Number of underlying shares subject to options granted ¹	Approximate percentage of the issued share capital of the Company
Ji Gang ¹	Beneficial owner	20,000	990,000	0.09%
Zhou Jun ¹	Beneficial owner	195,000	1,350,000	0.14%
Yang Jianwei ¹	Beneficial owner	–	810,000	0.07%

Note:

1. These 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. Particulars of such share options and their movements during the six months ended 30 June 2013 (the "Period") were as follows:

Name of director	Date of Grant	Exercise price per share HK\$	Outstanding at 1 January 2013	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period	Outstanding at 30 June 2013
Ji Gang	2 November 2010	36.60	550,000	–	–	–	550,000
	20 September 2011	22.71	440,000	–	–	–	440,000
Zhou Jun	2 November 2010	36.60	750,000	–	–	–	750,000
	20 September 2011	22.71	600,000	–	–	–	600,000
Yang Jianwei	2 November 2010	36.60	450,000	–	–	–	450,000
	20 September 2011	22.71	360,000	–	–	–	360,000

Share options granted in November 2010 are exercisable during the period from 3 November 2010 to 2 November 2015 in three batches, being:

- 3 November 2010 to 2 November 2011 (up to 40% of the share options granted are exercisable)
- 3 November 2011 to 2 November 2012 (up to 70% of the share options granted are exercisable)
- 3 November 2012 to 2 November 2015 (all share options granted are exercisable)

Share options granted in September 2011 are exercisable during the period from 21 September 2011 to 20 September 2016 in three batches, being:

- 21 September 2011 to 20 September 2012 (up to 40% of the share options granted are exercisable)
- 21 September 2012 to 20 September 2013 (up to 70% of the share options granted are exercisable)
- 21 September 2013 to 20 September 2016 (all share options granted are exercisable)

Save as the disclosed above, as at 30 June 2013, none of the directors or chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated companies (within the meaning of Part XV of the SFO) which would have to be 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 such interests or short positions were required to be entered into the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

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

As at 30 June 2013, the Company granted 59,750,000 shares options to subscribe for up to total of 59,750,000 ordinary shares of nominal value of HK\$0.04 each in the capital of the Company under the Share Option Scheme, representing approximately 1.24% of the issued share capital of the Company as at 30 June 2013. The Share Option Scheme expired on 11 December 2012.

Particulars of the Share Option Scheme and their movements during the six months period ended 30 June 2013 were as follows:

Name of director	Date of Grant	Exercise price per share HK\$	Exercise Period ¹	Outstanding at 1 January 2013	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period	Outstanding at 30 June 2013
Ni Jianda	24 September 2010	2.98	24 September 2010 to 23 September 2020	8,000,000	-	-	-	8,000,000
Zhou Jun	24 September 2010	2.98	24 September 2010 to 23 September 2020	7,000,000	-	-	-	7,000,000
Yang Biao	24 September 2010	2.98	24 September 2010 to 23 September 2020	7,000,000	-	-	-	7,000,000
Huang Fei	24 September 2010	2.98	24 September 2010 to 23 September 2020	6,000,000	-	-	-	6,000,000
Ye Weiqi	24 September 2010	2.98	24 September 2010 to 23 September 2020	6,000,000	-	-	-	6,000,000
Chen Anmin ²	24 September 2010	2.98	24 September 2010 to 23 September 2020	7,000,000	-	-	-	7,000,000
Doo Wai-Hoi, William	24 September 2010	2.98	24 September 2010 to 23 September 2020	1,000,000	-	-	-	1,000,000
Wong Ying Ho, Kennedy	24 September 2010	2.98	24 September 2010 to 23 September 2020	1,000,000	-	-	-	1,000,000
Fan Ren Da, Anthony	24 September 2010	2.98	24 September 2010 to 23 September 2020	1,000,000	-	-	-	1,000,000
Li Ka Fai, David	24 September 2010	2.98	24 September 2010 to 23 September 2020	1,000,000	-	-	-	1,000,000
Senior Management and Employees	24 September 2010	2.98	24 September 2010 to 23 September 2020	15,750,000	-	-	1,000,000	14,750,000
Total				60,750,000	-	-	1,000,000	59,750,000

Notes:

1. Share options granted in September 2010 under the Share Option Scheme are exercisable during the period from 24 September 2010 to 23 September 2020 in three batches, being:
 - 24 September 2010 to 23 September 2011 (up to 40% of the share options granted are exercisable)
 - 24 September 2011 to 23 September 2012 (up to 70% of the share options granted are exercisable)
 - 24 September 2012 to 23 September 2020 (all share options granted are exercisable)
2. Mr. Chen Anmin resigned as an executive director of the Company with effect from 22 March 2013.

Pursuant to ordinary resolutions passed by shareholders of the Company at its special 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 part. 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 contribution to the Group. 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 options under the New Share Option Scheme during the period since the Adoption Date up to 30 June 2013.

Save as disclosed above, the Company had not granted during the six months period ended 30 June 2013 any share options to any persons as required to be disclosed under Rule 17.07 of the Listing Rules.

SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2013, substantial shareholder 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

Name of substantial shareholder	Long/short position	Capacity	Number of shares of the Company interested	Approximate percentage of the Company's issued share capital
Shanghai Industrial Holdings Limited ("SIHL") ¹	Long	Held by controlled corporation	3,415,883,000 ^{1,2}	70.99%
Shanghai Industrial Investment (Holdings) Company Limited ("SIIC") ^{2,3}	Long	Held by controlled corporation	3,415,883,000 ^{1,2,3}	70.99%

Notes:

1. These shares are beneficially held by Novel Good Limited, a wholly owned subsidiary of SIHL.
2. These interests include 50,000,000 Shares (short position) 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.
3. SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, SIIC Treasury (B.V.I.) Limited, Shanghai Industrial Financial (Holdings) Company Limited, South Pacific International Trading Limited, The Tien Chu Ve-Tsin (Hong Kong) Company Limited, SIIC Trading Company Limited, Billion More Investments Limited and SIIC CM Development Limited held approximately 57.35% of the shares of SIHL. Therefore, SIIC is deemed or taken to be interested in the 3,415,883,000 shares held by SIHL for the purpose of the SFO.

Save as disclosed above, as at 30 June 2013, the Company had not been notified by any persons (other than the directors and chief executive 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 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. Doo Wai-Hoi, William ("**Mr. Doo**"), an independent non-executive director of the Company, was appointed as a National Committee Member of the 12th Chinese People's Political Consultative Conference in February 2013.

Mr. Doo was appointed as the vice-chairman and non-executive director of New World Development Company Limited, a company listed on the Stock Exchange with Stock Code: 17, with effect from 1 July 2013.

He resigned as the vice-chairman and a non-executive director of New World China Land Limited, a company listed on the Stock Exchange with Stock Code: 917, with effect from 1 July 2013 and resigned as the deputy chairman and a non-executive director of NWS Holdings Limited, a company listed on the Stock Exchange with Stock Code: 659, with effect from 1 July 2013.

- (b) Mr. Fan Ren Da, Anthony, an independent non-executive director of the Company, was appointed as an independent non-executive director, chairman of nomination committee and remuneration committee and member of audit committee of LT Holdings Limited, a company listed on the Stock Exchange with Stock Code: 112, with effect from 27 March 2013.

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, 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, 26 August 2013

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 34 to 56, which comprise the condensed consolidated statement of financial position as of 30 June 2013 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 Main Board Listing 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 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

26 August 2013

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013

	NOTES	Six months ended 30 June	
		2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Revenue	3	2,965,733	1,091,912
Cost of sales		(2,020,926)	(856,981)
Gross profit		944,807	234,931
Other income		41,473	74,990
Fair value changes on investment properties		(67,849)	(8,271)
Other expenses, gains and losses		(29,379)	(3,924)
Distribution and selling expenses		(129,145)	(58,477)
General and administrative expenses		(212,048)	(240,502)
Impairment loss in respect of inventories		(22,363)	(19,732)
Gain on disposal of assets through disposal of subsidiaries	18	819,125	–
Finance costs	4	(323,180)	(270,220)
Share of losses of associates		(3,664)	(4,970)
Profit (loss) before taxation		1,017,777	(296,175)
Income tax	5	(392,613)	71,815
Profit (loss) for the period	6	625,164	(224,360)
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation into presentation currency		93,133	(209,439)
Item that may be subsequently reclassified to profit or loss:			
Reclassification adjustment for realisation of revaluation gains transferred to profit or loss upon sales of completed properties held for sale		–	(153)
Other comprehensive income (expense) for the period (net of tax)		93,133	(209,592)
Total comprehensive income (expense) for the period		718,297	(433,952)
Profit (loss) for the period attributable to:			
– Owners of the Company		481,877	(308,826)
– Non-controlling interests		143,287	84,466
		625,164	(224,360)
Total comprehensive income (expense) attributable to:			
– Owners of the Company		539,313	(425,668)
– Non-controlling interests		178,984	(8,284)
		718,297	(433,952)
Earnings (loss) per share	7		
– Basic (HK cents)		10.02	(6.42)
– Diluted (HK cents)		10.02	(6.42)

Condensed Consolidated Statement of Financial Position

At 30 June 2013

	NOTES	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Non-current assets			
Investment properties	8	5,945,617	6,028,842
Property, plant and equipment	9	1,427,184	1,451,809
Prepaid lease payments		91,307	92,189
Intangible assets		63,750	63,433
Available-for-sale investments		62,695	34,398
Interests in associates		1,619,705	1,609,955
Amount due from an associate	11	85,090	84,666
Restricted and pledged bank deposits		357,862	231,715
Deferred tax assets		234,088	212,488
		9,887,298	9,809,495
Current assets			
Inventories	12	35,921,352	36,308,151
Trade and other receivables	13	4,152,922	1,384,348
Amounts due from related companies	10	210,963	195,388
Amount due from an associate	11	18,812	–
Prepaid lease payments		2,650	2,615
Prepaid income tax and land appreciation tax		294,795	296,780
Financial assets at fair value through profit or loss		13,133	12,887
Pledged bank deposits		43,986	52,731
Bank balances and cash		2,042,803	5,249,524
		42,701,416	43,502,424
Assets classified as held-for-sale	8	19,108	301,593
		42,720,524	43,804,017

	NOTES	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Current liabilities			
Trade and other payables	14	4,148,545	4,845,705
Amounts due to related companies	10	626,152	606,304
Consideration payables for acquisition of subsidiaries		317,621	316,041
Pre-sale proceeds received on sales of properties		9,044,638	7,826,181
Bank and other borrowings	16	3,724,321	5,777,737
Amounts due to associates		95,727	85,688
Income tax and land appreciation tax payables		1,900,634	2,061,572
Dividend payable		6,423	6,423
Dividend payable to non-controlling shareholders		418,375	416,293
		20,282,436	21,941,944
Net current assets		22,438,088	21,862,073
Total assets less current liabilities		32,325,386	31,671,568
Non-current liabilities			
Bank and other borrowings	16	6,390,358	6,288,433
Senior notes	15	3,070,183	3,048,911
Deferred tax liabilities		3,054,952	3,242,628
		12,515,493	12,579,972
		19,809,893	19,091,596
Capital and reserves			
Share capital	17	192,461	192,461
Reserves		12,509,045	11,969,732
Equity attributable to owners of the Company		12,701,506	12,162,193
Non-controlling interests		7,108,387	6,929,403
		19,809,893	19,091,596

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Other revaluation reserve HK\$'000 (note i)	Statutory reserve HK\$'000	Shareholder's contribution/ merger reserve HK\$'000 (notes ii & iii)	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2012 (audited)	192,461	10,325,453	93,021	54,275	44,311	2,223,975	1,288,401	(1,946,409)	12,275,488	6,696,204	18,971,692
Loss for the period	-	-	-	-	-	-	-	(308,826)	(308,826)	84,466	(224,360)
Exchange differences arising on translation into presentation currency	-	-	-	-	-	-	(116,689)	-	(116,689)	(92,750)	(209,439)
Reclassification adjustment for realisation of revaluation gains transferred to profit or loss upon sales of completed properties held for sale	-	-	-	(153)	-	-	-	-	(153)	-	(153)
Total comprehensive expense for the period	-	-	-	(153)	-	-	(116,689)	(308,826)	(425,668)	(8,284)	(433,952)
Transfer	-	-	-	-	98,170	-	-	(98,170)	-	-	-
Recognition of equity-settled share-based payment	-	-	6,327	-	-	-	-	-	6,327	-	6,327
Transfer to accumulated losses upon forfeiture of share options	-	-	(26,321)	-	-	-	-	26,321	-	-	-
At 30 June 2012 (unaudited)	192,461	10,325,453	73,027	54,122	142,481	2,223,975	1,171,712	(2,327,084)	11,856,147	6,687,920	18,544,067
At 1 January 2013 (audited)	192,461	10,325,453	70,337	54,128	158,622	2,214,569	1,356,745	(2,210,122)	12,162,193	6,929,403	19,091,596
Profit for the period	-	-	-	-	-	-	-	481,877	481,877	143,287	625,164
Exchange differences arising on translation into presentation currency	-	-	-	-	-	-	57,436	-	57,436	35,697	93,133
Total comprehensive income for the period	-	-	-	-	-	-	57,436	481,877	539,313	178,984	718,297
Transfer	-	-	-	-	92,910	-	-	(92,910)	-	-	-
Transfer to accumulated losses upon forfeiture of share options	-	-	(1,160)	-	-	-	-	1,160	-	-	-
At 30 June 2013 (unaudited)	192,461	10,325,453	69,177	54,128	251,532	2,214,569	1,414,181	(1,819,995)	12,701,506	7,108,387	19,809,893

Notes:

- (i) The 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.
- (ii) Merger reserve represents the difference in the fair value of the consideration paid to parent company, Shanghai Industrial Holdings Limited ("**SIHL**") for the acquisition of subsidiaries controlled by SIHL and the acquired carrying amount of the subsidiaries at the date of the Group and the subsidiaries acquired became under common control.
- (iii) Capital contribution from parent company and non-controlling interests represents capital injection from SIHL and State-Owned Assets Supervision and Administration Commission of Shanghai Xuhui District ("**Xuhui SASAC**") to a subsidiary of the Group, Shanghai Urban Development (Holdings) Co., Ltd. ("**SUD**"), as paid-in capital in April 2011.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	NOTE	Six months ended 30 June	
		2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Net cash used in operating activities		(999,635)	(1,140,606)
Net cash from investing activities:			
Proceeds from disposal of property, plant and equipment		61,964	124
Proceeds from disposal of available-for-sale investments		–	3,655
Proceeds from disposal of investment properties		26,108	80,407
Proceeds from disposal of assets held for sale		301,593	–
Purchase of available-for-sale investments		(28,034)	–
Purchase of property, plant and equipment		(64,792)	(22,803)
Withdrawal of restricted and pledged bank deposits		–	9,144
Placement of restricted and pledged bank deposits		(115,730)	–
Advance to related companies		(13,567)	(13,298)
Advance to an associate		(18,812)	–
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	18	244,249	–
Interest received		19,176	14,168
		412,155	71,397
Net cash (used in) from financing activities:			
Proceeds from new bank and other borrowings		3,106,653	3,007,335
Repayment to related parties		–	(5,637)
Repayments of bank and other borrowings		(5,096,795)	(2,072,900)
Advances from related parties		16,636	–
Interest paid		(670,877)	(618,481)
Dividend paid to non-controlling interests		–	(6,225)
		(2,644,383)	304,092
Net decrease in cash and cash equivalents		(3,231,863)	(765,117)
Cash and cash equivalents at 1 January		5,249,524	3,490,568
Effect of foreign exchange rate changes		25,142	(34,103)
Cash and cash equivalents at 30 June, represented by Bank balances and cash		2,042,803	2,691,348

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

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**”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and 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 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant for the Group:

HKFRSs (Amendments)	Annual improvements to HKFRSs 2009–2011 cycle
HKFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 1 (Amendments)	Presentation of items of other comprehensive income
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards that is relevant to the Group is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) – INT 12 Consolidation – Special purpose entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company reviewed and assessed the Group’s investees in accordance with the requirements of HKFRS 10. The directors of the Company concluded that there was no material impact to the Group’s condensed consolidated financial statements for the adoption of HKFRS10.

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for ‘fair value’ and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. The application of this new standard has no material impact on the fair value measurement of the Group’s assets and/or liabilities. Disclosures of fair values information are set out in note 23.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income.

In addition, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and 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 the property development, property investment activities, property management and hotel operation in the People's Republic of China (the "PRC").

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.

4. FINANCE COSTS

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Interest on:		
Bank and other borrowings wholly repayable within five years	397,291	424,530
Bank and other borrowings not wholly repayable within five years	28,604	41,732
Senior notes	172,120	170,321
Total borrowing costs	598,015	636,583
Less: Amount capitalised under properties under development	(274,835)	(366,363)
	323,180	270,220

Borrowing costs capitalised during the period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 9.1% (six months ended 30 June 2012: 9.2%) per annum to expenditure on qualifying assets.

5. INCOME TAX

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Current tax		
– PRC Land Appreciation Tax (“LAT”)	280,873	99,744
– PRC Enterprise Income Tax (“EIT”)	220,597	10,028
– Capital gain tax on gain derived from disposal of PRC entity by non-resident companies	81,913	–
– overprovision of PRC EIT in prior periods (Note)	–	(147,102)
	583,383	(37,330)
Deferred tax	(190,770)	(34,485)
	392,613	(71,815)

Note: The Group recognised a write-back of overprovision during the prior 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.

Pursuant to Circular 698 issued by the State Administration of Taxation, the PRC, the tax rate applicable to the capital gain from disposal of PRC entities through transfer of shares in non-resident companies is 10%.

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 for the six months ended 30 June 2013 and 2012.

6. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit (loss) for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	34,600	26,339
Bank interest income (included in other income)	(19,176)	(14,168)
Gain on changes in fair value of derivative financial instruments	–	(3)
Net foreign exchange (gain) loss	(6,476)	6,429
Equity-settled share-based payment expense	–	6,327
Compensation to customers in respect of late delivery of properties	37,083	5,463

7. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings (loss):		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share		
Profit (loss) for the period attributable to owners of the Company	481,877	(308,826)

	Six months ended 30 June	
	2013	2012
Number of shares (in thousands):		
Number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	4,811,523	4,811,523

The computation of diluted earnings (loss) per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for the six months ended 30 June 2013 and 2012.

8. MOVEMENTS IN INVESTMENT PROPERTIES

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Beginning balance (audited)	6,028,842	6,168,963
Fair value change on investment properties	(67,849)	(8,271)
Disposals	(26,108)	(80,407)
Reclassified as assets classified as held-for-sale	(19,108)	–
Exchange realignment	29,840	(48,429)
Ending balance (unaudited)	5,945,617	6,031,856

All investment properties of the Group were fair valued by DTZ Debenham Tie Leung Limited, an independent firm of qualified professional valuers not connected with the Group, at 30 June 2013. DTZ 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 or by reference to net rental income allowing revisionary income potential prices for similar properties in similar locations and conditions, where appropriate.

During the period, the Group disposed of certain investment properties for cash proceeds of HK\$26,108,000 (six months ended 30 June 2012: HK\$80,407,000).

During the period, the Group entered into sales and purchase agreements to dispose of certain investment properties to independent third parties. At 30 June 2013, the fair value of the investment properties amounting to HK\$19,108,000 (31 December 2012: HK\$301,593,000) reclassified as assets held-for-sale is arrived at by reference to the selling price as stated in the sales and purchases agreements entered into with independent third parties during the period. All investment properties reclassified as assets held-for-sale as at 31 December 2012 were disposed of during the six months ended 30 June 2013.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred HK\$64,792,000 (six months ended 30 June 2012: HK\$22,849,000) 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\$61,964,000 (six months ended 30 June 2012: HK\$124,000) for cash proceeds of HK\$61,964,000 (six months ended 30 June 2012: HK\$124,000), resulting in no gain or loss on disposal (six months ended 30 June 2012: no gain or loss on disposal).

10. AMOUNTS DUE FROM (TO) RELATED COMPANIES

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Amounts due from related companies:		
– Xuhui SASAC and entities controlled by Xuhui SASAC (note (i))	133,059	128,755
– An entity controlled by a former controlling shareholder (note (ii))	–	339
– Non-controlling shareholders (note (iii))	77,904	66,294
	210,963	195,388
Amounts due to related companies:		
– Xuhui SASAC and entities controlled by Xuhui SASAC (note (iv))	308,874	304,868
– An entity controlled by a former controlling shareholder (note (ii))	2,466	2,466
– Non-controlling shareholders (note (iii))	285,193	269,498
– SIHL (note (v))	29,619	29,472
	626,152	606,304

Notes:

- (i) Xuhui SASAC owns 41% equity interests in SUD and is therefore 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 Xuhui SASAC and entities controlled by Xuhui SASAC are unsecured. An amount of HK\$112,126,000 as at 30 June 2013 (31 December 2012: HK\$111,568,000) represents loan advanced to an entity controlled by Xuhui SASAC through an entrusted loan agreement administrated by a bank, which carries fixed interest at 7.02% (31 December 2012: 7.5%) per annum, and is unsecured and repayable within one year. The remaining balances are unsecured, non-interest bearing and repayable on demand.

- (ii) The entity is controlled by Mr. Li Song Xiao, the former controlling shareholder of the Company. Mr. Li Song Xiao was a substantial shareholder of the Company at 31 December 2010. The amount is unsecured, non-interest bearing and repayable on demand.

- (iii) The amounts are due from (to) non-controlling shareholders of the Group. Included in the amounts due from non-controlling shareholders at 30 June 2013 of HK\$77,904,000 (31 December 2012: HK\$65,705,000), which are non-trade in nature, unsecured, non-interest bearing and repayment term was extended to 4 March 2014 (31 December 2012: fully repayable on 7 July 2013) according to the agreement with the non-controlling shareholder. Included in the amounts due to non-controlling shareholders at 30 June 2013 of HK\$138,007,000 (31 December 2012: HK\$120,510,000) represents loans advanced from non-controlling shareholders through entrusted loan agreements administrated by banks, which carry fixed interests ranging from 7.02% to 7.8% (31 December 2012: 7.02% to 7.8%) per annum and repayable within one year.

The remaining amounts are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

- (iv) The amounts due to Xuhui SASAC and entities controlled by Xuhui SASAC are unsecured. An amount of HK\$11,213,000 (31 December 2012: HK\$11,157,000) included in the balances as at 30 June 2013 represents loan advanced from an entity controlled by Xuhui SASAC through an entrusted loan agreement administrated by a bank, which carries fixed interest at 6.6% (31 December 2012: 7.1%) per annum and are repayable within one year. The remaining balances are unsecured, non-interest bearing and repayable on demand.

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

11. AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate, 天津市億嘉合置業有限公司, with carrying amount of HK\$85,090,000 (31 December 2012: HK\$84,666,000) 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 is classified as non-current assets as at 30 June 2013 and 31 December 2012.

The amount due from an associate, 上海莘天置業有限公司, with carrying amount of HK\$18,812,000 (31 December 2012: nil) is non-trade in nature, unsecured, bearing interest at 10% per annum and repayable on demand. The directors of the Company consider that the amount will be repaid within twelve months. Accordingly, the amount is classified as current assets as at 30 June 2013.

12. INVENTORIES

Inventories as at 30 June 2013 and 31 December 2012 are mainly properties under development and properties held for sale which are all located in the PRC, and are carried at net realisable value.

During the six months ended 30 June 2013, the Group recognised impairment loss in respect of inventories of HK\$22,363,000 (six months ended 30 June 2012: HK\$19,732,000).

As at 30 June 2013, included in inventories is a piece of land (the “**Existing Site**”) with carrying amount of HK\$5,258,565,000 which is subject to land swap arrangement. Following the metro construction and statutory changes in the town planning in Shanghai, an agreement was signed between Shanghai Xuhui District Planning and Land Administration Bureau (“**Shanghai Xuhui**”) (上海市徐匯區規劃和土地管理局) and a subsidiary of the Group on 18 May 2013, pursuant to which the Group agreed to swap the Existing Site for four pieces of land assigned by Shanghai Xuhui (“**New Sites**”). No land premium or any other amounts are payable by the Group for the land swap. At the end of the reporting period, the lands swap procedures have not been completed.

13. TRADE AND OTHER RECEIVABLES

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Trade receivables	104,639	79,757
Other receivables	358,565	291,172
Advance payments to contractors	29,792	23,960
Amount due from a former subsidiary	560,619	628,726
Sales commission deposits	11,754	11,754
Prepaid other taxes	515,006	328,635
Deposits and prepayments	8,144	20,344
Deposit placed for land tender (note)	1,075,000	–
Consideration receivables for disposal of subsidiaries (Note 18)	1,489,403	–
	4,152,922	1,384,348

Note: The deposit was fully refunded in July 2013 upon the failure of tender.

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 aged analysis of trade receivables net of allowance for doubtful debts presented based on the date of billing which approximated the revenue recognition date at the end of the reporting period.

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Within 90 days	5,517	77,057
Within 91–180 days (note)	26,220	1,591
Over 180 days (note)	72,902	1,109
Total trade receivables	104,639	79,757

Note: Balances as at 30 June 2013 mainly include the retention receivables for properties sold to government bureau of which the credit period was granted. These balances have not been due at the end of the reporting period.

14. TRADE AND OTHER PAYABLES

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Accrued expenditure on properties under development	2,076,078	2,115,834
Amounts due to former shareholders of the Company's former subsidiaries (note (a))	148,151	147,524
Trade payables	800,847	1,204,283
Compensation payables to customers in respect of late delivery of properties	107,513	135,958
Deposit received for the disposal of investment properties	9,554	188,912
Receipts from customers for payment of expenses on their behalf	117,025	99,280
Interest payable	136,225	230,359
Accrued charges and other payables	628,704	696,495
Other taxes payables (note (b))	124,448	27,060
	4,148,545	4,845,705

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 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Within 30 days	207,693	386,014
Within 31–180 days	238,996	114,162
Within 181–365 days	22,073	480,932
Over 365 days	332,085	223,175
	800,847	1,204,283

15. SENIOR NOTES

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Beginning balance (audited)	3,048,911	3,009,479
Effective interest for the period	172,120	170,321
Interest paid	(150,848)	(151,269)
Ending balance (unaudited)	3,070,183	3,028,531

16. BANK AND OTHER BORROWINGS

During the current interim period, the Group obtained new bank and other borrowings of RMB2,493,400,000, equivalent to HK\$3,106,653,000 (six months ended 30 June 2012: RMB2,463,609,000, equivalent to HK\$3,007,335,000). The loans carry variable interest ranging from 2.15% to 7.48% per annum and are payable from one to ten years. The loans were obtained for property project development of the Group.

The Group also repaid the bank borrowings of RMB4,090,688,000 (equivalent to HK\$5,096,795,000) (six months ended 30 June 2012: RMB1,698,120,000, equivalent to HK\$2,072,900,000) 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 (31 December 2012: HK\$1,000,000,000). The amount is unsecured and bearing variable interest at 6.3% per annum and repayable on 30 June 2014 (31 December 2012: 30 June 2013). Bank and other borrowings also include borrowing from Shanghai Industrial Investment (Holdings) Company Limited (“**SIIC**”), ultimate holding company of the Group, of HK\$1,250,000,000 (31 December 2012: HK\$1,243,781,000) through an entrusted loan agreement administered by banks. The amount is bearing variable interest ranging from 6.6% to 7.1% (31 December 2012: 6.6% to 7.1%) per annum and is due within one year.

17. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.04 each		
Issued and fully paid		
As at 1 January 2012, 30 June 2012, 1 January 2013 and 30 June 2013	4,811,523	192,461

18. DISPOSAL OF ASSETS THROUGH DISPOSAL OF SUBSIDIARIES

In June 2013, the Group disposed of an exclusive right for a specific piece of land held by a subsidiary, Shanghai Urban Development Group Longcheng Properties Co., Ltd ("**SUD Longcheng**"), ("**Specific Land**") through disposal of its wholly owned subsidiaries, Earn Harvest Limited and Power Tact Investment Limited, which holds 25% equity interest in SUD Longcheng to an independent third party at a consideration of RMB1,174,500,000 (equivalent to HK\$1,463,369,000) ("**Purchase Consideration**"). In addition to the Purchase Consideration, the purchaser agreed to take up 25% of SUD Longcheng's net liabilities at the date of completion of the disposal and is not entitled to exert influence or share of any appropriations of SUD Longcheng generated from operations or obliged to bear any additional obligations of SUD Longcheng after the completion, other than its exclusive right for the Specific Land. The disposal was completed on 27 June 2013. At the date of completion, the net liabilities shared by the purchaser was RMB217,022,000 (equivalent to HK\$270,399,000) which in aggregate with Purchase Consideration amounted to RMB1,391,522,000 (equivalent to HK\$1,733,768,000).

The net assets of subsidiaries and assets (including the Specific Land) at the date of disposal were as follows:

	HK\$'000
Consideration received:	
Cash received	244,365
Deferred cash consideration	1,489,403
Total consideration	1,733,768
Analysis of assets and liabilities disposal of:	
Specific Land included in inventories of the Group	914,715
Bank balances and cash	116
Other payables	(188)
	914,643
Gain on disposal	819,125
Net cash inflow arising on disposal:	
Cash consideration	244,365
Less: bank balances and cash disposal of	(116)
	244,249

The deferred consideration will be fully settled in cash by the purchaser on or before 30 June 2014.

19. SHARE-BASED PAYMENT

At 30 June 2013, the number of shares of the Company in respect of which options had been granted and remained outstanding under the Share Option Scheme was 59,750,000 (31 December 2012: 60,750,000), representing 1.2% (31 December 2012: 1.3%) of the shares of the Company in issue at that date. During the six months ended 30 June 2013, 1,000,000 options (six months ended 30 June 2012: 25,750,000 options) were forfeited.

20. CAPITAL COMMITMENTS

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Contracted for but not provided for – additions in properties under development	5,844,705	6,063,806

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 五礦置業有限公司 (“**Wukuang**”), which owned 20% of the equity interest in Tianjin Yijiahe.

After completion of the 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 Group’s remaining 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 HK\$1,980,000,000) (“**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 resettlement 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 2013 and 31 December 2012.

21. CONTINGENT LIABILITIES

(a) Corporate guarantees

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Guarantee given to banks in respect of banking facilities utilised by:		
– property buyers	2,408,995	2,037,260
– an entity controlled by Xuhui SASAC	270,000	393,035
	2,678,995	2,430,295

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 Company

The Group is a defendant to a claim by a third party regarding non-payment of certain outstanding consideration which has been accrued but unpaid by the Group. The third party claim also includes liquidated damage which amounted to approximately HK\$273,000,000 up to 25 July 2012 and which is to be accumulated at a daily rate of approximately HK\$160,000 thereafter until settlement. The Group, after taking legal advice, is of the opinion that it has good ground for withholding the payment of the outstanding consideration and that it is pre-mature to estimate the outcome of the third party claim. Accordingly, no provision for the liquidated damage has been made.

22. RELATED PARTY TRANSACTIONS

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

Related party	Nature of transactions	Six months ended 30 June	
		2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Ultimate holding company	Interest expense	(40,062)	(50,466)
Entities controlled by SIHL	Interest expense	(31,229)	(30,001)
Entity controlled by an independent non-executive director of SIHL	Rental expense and management fee	(3,097)	(2,463)
Associates	Property agency fee	(33,358)	(33,194)
	Rental income	1,286	1,296
Entities controlled by Xuhui SASAC	Interest income	3,596	6,113
	Interest expense	(360)	(607)
Non-controlling shareholders of a subsidiary	Interest expense	(5,100)	(3,014)

22. RELATED PARTY TRANSACTIONS (CONTINUED)**(ii) 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	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Short-term benefits	6,020	6,908
Post-employment benefit	49	16
Share based payment	–	3,200
	6,069	10,124

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

(iii) Government-related entities

The Group itself is part of a larger group of companies under SIIC Group which is controlled by the PRC government. The directors of the Company consider that the Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently redenominated 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 of the Company 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 of the Company, these transactions are considered as individually and collectively insignificant to the operation of the Group during the six months ended 30 June 2013 and 2012.

(iv) Guarantee

As at 30 June 2013, the total amount of loans and credit facilities obtained by the Group in respect of which guarantees were provided by Xuhui SASAC was HK\$402,000,000 (31 December 2012: HK\$414,000,000).

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation(s) techniques and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs
	30.6.2013	31.12.2012				
Held-for trading non derivative financial assets classified as financial assets at fair value through profit or loss in the condensed consolidated statement of financial position	Listed equity securities in the PRC of HK\$13,133,000	Listed equity securities in the PRC of HK\$12,887,000	Level 1	Quoted bid prices in an active market.	N/A	N/A

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

24. EVENT AFTER THE END OF THE INTERIM PERIOD

The following significant event took place after the end of the interim period:

On 2 July 2013, the land use right of the Existing Site was transferred to Shanghai Xuhui. The transfer of land use rights of New Sites are still in progress and not completed at the date of issuance of these condensed consolidated financial statements.