上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Stock Code : 363)

Embracing Openness and Collaboration

Driving Breakthroughs with Innovation

開放協同　創新突破

INTERIM REPORT 2024

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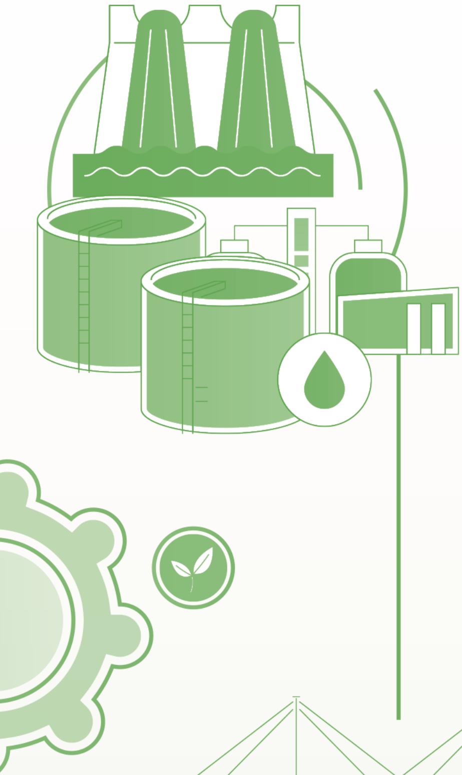

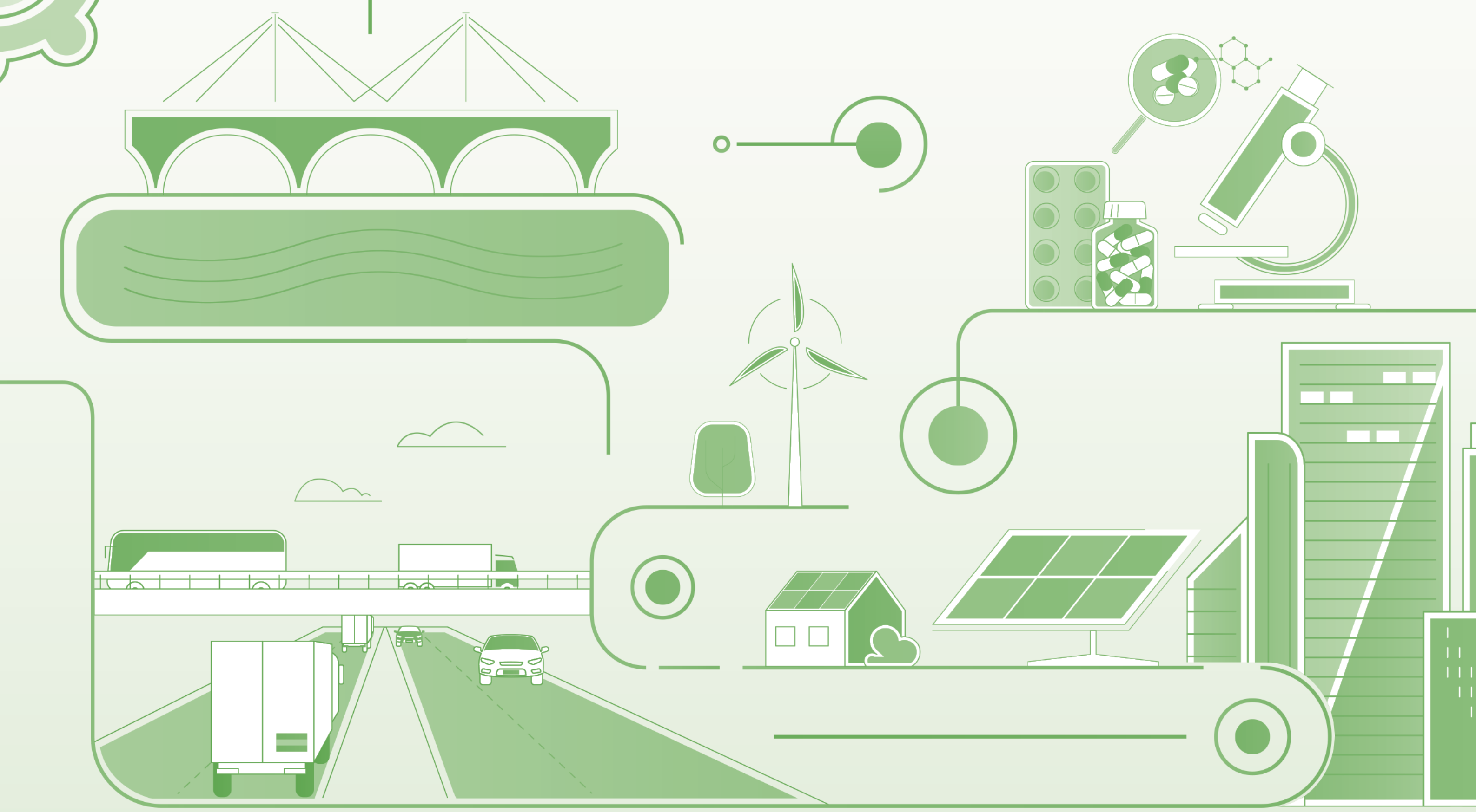

Corporate Information

DIRECTORS

Executive Directors

Ms. Leng Wei Qing *(Chairlady)*
Mr. Zhang Qian *(Chief Executive Officer)*
Mr. Yao Jia Yong
Mr. Xu You Li *(Deputy CEO)*

Independent Non-Executive Directors

Prof. Woo Chia-Wei
Mr. Leung Pak To, Francis
Mr. Yuen Tin Fan, Francis

BOARD COMMITTEES

Executive Committee

Ms. Leng Wei Qing *(Committee Chairlady)*
Mr. Zhang Qian
Mr. Yao Jia Yong
Mr. Xu You Li

Audit Committee

Mr. Leung Pak To, Francis *(Committee Chairman)*
Prof. Woo Chia-Wei
Mr. Yuen Tin Fan, Francis

Remuneration Committee

Prof. Woo Chia-Wei *(Committee Chairman)*
Mr. Leung Pak To, Francis
Mr. Yuen Tin Fan, Francis
Ms. Xu Hui Hua
Ms. Zhou Xu Bo

Nomination Committee

Prof. Woo Chia-Wei *(Committee Chairman)*
Mr. Leung Pak To, Francis
Mr. Yuen Tin Fan, Francis
Ms. Xu Hui Hua
Ms. Zhou Xu Bo

COMPANY SECRETARY

Mr. Yee Foo Hei

QUALIFIED ACCOUNTANT

Mr. Lee Kim Fung, Edward

AUTHORISED REPRESENTATIVES

Mr. Zhang Qian
Mr. Yee Foo Hei

REGISTERED OFFICE

26th Floor, Harcourt House,
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Facsimile : (852) 2529 5067
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COMPANY STOCK CODE

Stock Exchange : 363
Bloomberg : 363 HK
Reuters : 0363.HK
ADR : SGHIY

COMPANY WEBSITE

www.sihl.com.hk

AUDITOR

Deloitte Touche Tohmatsu
Republic Public Interest Entity Auditors

ADR DEPOSITORY BANK

The Bank of New York Mellon
BNY Mellon Shareowner Services
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Telephone : (1) 201 680 6825
Toll free (USA) : (1) 888 BNY ADRS
Website : www.bnymellon.com/shareowner
Email : shrrelations@bnymellon.com

Information for Shareholders

SHAREHOLDER ENQUIRIES

Company Contact Details

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Company Secretarial

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Investor Relations

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Share Registrar

Tricor Secretaries Limited

Address	:	17th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong
Telephone	:	(852) 2980 1333
Facsimile	:	(852) 2861 1465

Our Website

Press releases and other information of the Group can be found at our website: www.sihl.com.hk.

DIVIDEND

The Board of Directors has resolved to pay an interim dividend of HK42 cents per Share for 2024 (2023: HK42 cents per Share), to Shareholders whose names appear on the register of members of the Company on Tuesday, 24 September 2024. The interim dividend will be paid to Shareholders on or about Thursday, 10 October 2024.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed on Tuesday, 24 September 2024, and no transfer of Shares will be effected on that day. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Monday, 23 September 2024.

FINANCIAL CALENDAR

2024 interim results announced	29 August 2024
Despatch of 2024 interim report	on or about 17 September 2024
Ex-dividend date for 2024 interim dividend	20 September 2024
Record date for 2024 interim dividend	24 September 2024
Despatch of notice of 2024 interim dividend	on or about 10 October 2024

Chairlady's Statement

I am pleased to report to our Shareholders the Group's interim results for the period ended 30 June 2024.

The Mainland economy continued to maintain positive growth during the first half of the year. Nevertheless, the international geopolitical situation remained tense and a high-interest-rate environment continued to prevail for major global economies. Trade frictions continued to mount as unilateralism in international trade was still being practiced by a few countries. Against this scenario, the Board of Directors and the management of the Group have made considerable efforts to overcome the challenges. Capitalizing on favourable national policies and development opportunities, the Group continued to streamline its business layout, promote innovations and enhancements, develop new productive forces and strengthen the foundation of its management team. In addition, by enhancing internal controls, the Group has maintained stable operations and development of its core business, achieving satisfactory business performance and profitability for the period.

For the six months ended 30 June 2024, the Group's total revenue amounted to HK$10,369 million, representing a decline of 18.9% over the same period of the previous year. Net profit decreased year-on-year by 12.7% to HK$1,201 million, mainly due to a significant once-off gain recorded by SI Development during the same period last year.

The Board of Directors has resolved to pay an interim dividend of HK42 cents per Share for 2024 (2023: HK42 cents per Share) to Shareholders whose names appear on the register of members of the Company on Tuesday, 24 September 2024. The above interim dividend will be paid to Shareholders on or around Thursday, 10 October 2024.

The Group's core businesses remained stable. In the infrastructure and environmental protection sector, the toll road business saw significant increases in traffic flow and revenue during the Chinese New Year and major holidays following the relaxation of pandemic control measures. For water and clean energy business, the Group closely followed national strategies and increased its efforts to expand its business in the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, further broadening its strategic business layout in key regions. Additional modern infrastructure and environmental-protection projects were built to further bolster its core competitiveness, enabling the Company to seize competitive advantages in the industry, and maintaining its first-tier leading position in China's water and environmental-protection industry. During the period, the infrastructure and environmental protection business recorded a profit of HK$1,056 million, representing a year-on-year decrease of 11.6%. SIIC Environment recorded revenue and a net profit of RMB3,324 million and RMB321 million, representing a year-on-year decrease of 17.3% and 14.8%, respectively. General Water of China's revenue amounted to HK$956 million, representing a year-on-year decrease of 10.3%, and net profit was HK$130 million, representing a year-on-year decrease of 26.5%.

The real estate business recorded a loss of HK$131 million during the period. SI Urban Development's turnover for the first half of 2024 was HK$2,981 million, representing a year-on-year increase of 65.8%, and loss attributable to shareholders was HK$232 million. SI Development's turnover for the period was RMB1,029 million, representing a year-on-year decrease of 70.2%, while loss attributable to shareholders was RMB183 million, turning from profit to loss compared to the same period last year.

In the post-pandemic era, the consumer goods business continued to strengthen its management efficiency and capability to expand its markets, achieving a net profit of HK$320 million, representing a year-on-year increase of 150.4%.

The comprehensive healthcare operations business generated a profit of HK$64.77 million during the period, representing a year-on-year decrease of 6.4% compared to the same period last year.

Stable growth in toll revenue for our toll roads, and steady development in environmental protection and clean energy business

During the period, the overall traffic flow and toll revenue of the Group's three toll roads and the Hangzhou Bay Bridge maintained steady growth. This was mainly due to increased festive and holiday travel during the first Spring Festival following the transition of pandemic control measures, in addition to natural growth in traffic flow. The project companies held toll contests to improve toll collection efficiency and service quality, continuing to optimize its operational plans and smooth traffic management.

During the period, SIIC Environment recorded a decline in revenue and net profit, primarily due to a decrease in construction revenue, while operation revenue, including interest income during the operation period, continued to grow steadily, mainly due to the higher water volume and average price of water treatment and water supply. The company's gross profit margin increased by 38.4% in the first half of the year. During the period, the company made efforts to promote its business and achieved new progress in three projects in Hubei Province, Shandong Province and Guangxi Zhuang Autonomous Region in China. It also replaced its floating non-RMB bank loans which carried high interest rates from outside China with low-cost RMB fixed-rate bank loans within China, thereby reducing finance expenses, controlling interest rate risks, and optimizing the company's financing structure.

Promoting the construction of a beautiful China, the Chinese Government has steadily made considerable efforts to peak carbon dioxide emissions and achieve carbon neutrality, and has continued to introduce favourable policies for the green industry. SIIC Environment will capitalize on development opportunities brought about by such favourable policies while keeping an eye on high-quality new project opportunities and promoting the construction, upgrading and reconstruction of existing projects. Today, the benchmark projects "One Mountain and One Water" have made positive progress. The solid waste benchmark project, Shanghai Baoshan Renewable Energy Utilization Center ("**Baoshan Project**") has been successfully put into operation, and the construction of the key sewage-treatment project, the Xicen water-purification plant in Qingpu, has also reached a key milestone as scheduled.

General Water of China closely adhered to its development strategy, earnestly implementing the "year of quality and efficiency improvement". The company's philosophy highlighting "bold innovation, pursuit of excellence, quality management, stringent cost control" was closely followed, and every effort was made to ensure that established objectives and tasks were accomplished. The company was named one of the Top 10 Most Influential Enterprises in China's Water Industry for the 21st consecutive year and was ranked among the top three for six consecutive years.

Canvest Environmental, 19.48% held by the Company, recorded revenue of HK$2,130 million for the first half of 2024, representing a decrease of 28.5% compared to the same period last year. This was mainly due to a year-on-year decline in construction revenue as most of the company's waste-to-energy projects have been put into operation. The company's profit attributable to equity shareholders for the period decreased by 27.1% year-on-year to HK$445 million, mainly attributable to the absence of construction revenue generated during the period. Recently, Canvest Environmental announced that an independent third party has proposed privatization by way of a general offer to the shareholders of Canvest Environmental. The Company's management is actively studying the offer and making appropriate arrangements accordingly.

SUS Environment, 28.34% held by a 50% joint venture of the Company, recorded a total daily capacity of 45,625 tonnes of its waste-incineration projects (including entrustment operation). The amount of household waste entering the plants for the first half of the year was 8,980,500 tonnes, representing a year-on-year increase of 4.8%. The on-grid electricity generated amounted to 3,138,793,400 kWh, representing a year-on-year increase of 3.3%.

As of the end of June 2024, Shanghai Galaxy and its subsidiary, Galaxy Energy, held photovoltaic power station assets with a total capacity of 740 MW. The amount of on-grid electricity generated by 15 photovoltaic power stations was approximately 518,810,300 kWh, representing a year-on-year decrease of 6.8%, mainly due to the drastic increase in the installation of photovoltaic and wind power facilities in various provinces during the period which made the restriction of power generation limit significantly higher than expected, compounded by the power outage caused by the failure of the main transformer of certain power stations for the safety of the grid system. During the period, the State has promulgated policies to vigorously promote the consumption and development of non-fossil energy, clarify the market transaction volume of renewable energy power generation projects, and promote the grid-connection and dispatching application of new energy storage. The relevant policies are expected to further regulate market transaction practices and facilitate the development of the industry.

Comprehensive healthcare operations business performs steadily, creating new profit contributions to the company

The Company holds 40% equity interests in Shanghai Pharmaceutical Group through a 50-50 joint venture. Shanghai Pharmaceutical Group holds 19.348% of the A shares of Shanghai Pharmaceuticals Holding, dually listed in Shanghai and Hong Kong, and is the single-largest shareholder of its A shares. During the period, Shanghai Pharmaceutical Group recorded revenue of RMB139,658 million, an increase of 5.2% compared to the same period last year; net profit was RMB598 million. As the impact of the pandemic gradually subsided, Shanghai Pharmaceuticals Holding's business operations continued in an orderly manner with steady and improving progress. This investment will continue to create new profit contributions to the Group.

Real estate business adheres to integration of financing and business operations, and actively expands sales and external market development

In the first half of the year, the real estate market in Mainland China remained sluggish. SI Development adhered to the goal of "integrating financing and business operations and promoting innovative developments". Focusing on its strategic presence in key regions such as the Yangtze River Delta Economic Zone with Shanghai as the core, the company pooled its resources, strengthened internal management and sought external development. During the period, the company also insisted on upgrading of its core businesses, optimizing asset allocation and improving service capabilities, to maintain smooth and stable operations.

In the first half of the year, SI Urban Development recorded a decline in revenue and profit, mainly due to diminution in value of its investment properties. The contract sales during the period was RMB2,284 million, a decrease of 54.4% compared to the same period last year.

Consumer products market steadily recovers with continuous technological innovation, cost reduction and efficiency enhancement

In the first half of 2024, Nanyang Tobacco actively responded to market changes and made adjustments in a timely manner. Continued positive results were seen with steady improvement in overall sales. During the period, the technical transformation projects, through technological product innovation and capacity upgrades, have maintained the production quality of the company while efficiency and cost controls have continued to improve.

Underpinned by the rebound in demand from downstream core customers and concerted efforts of all the staff members of the Company, Wing Fat Printing achieved encouraging results with steady improvements compared with the same period of last year, and exceeded the target for the period. Going forward, the company will continue to stabilize its business as first priority, actively forge its core market competitive advantages, and thoroughly promote the sustainable development of the company in the green and environmental-protection packaging market.

PROSPECTS

Looking forward to the second half of 2024, while China's economic development momentum remains positive, uncertainties such as international geopolitical situations and global trade disputes, including the interest rates and exchange rates in various countries, are expected to prevail. This will continue to pose challenges to the Group's business development of its business. Nevertheless, we believe that challenges will bring about new opportunities. The Group will continue to emphasize reforms and innovations, speed up the upgrading of its core business, foster the integration of financing and operations, strengthen risk controls, enhance profitability, and seize new opportunities to further optimize its asset structure in order to create maximum Shareholders' value.

For the infrastructure and environmental protection segment, SIIC Environment will continue to optimize its business footprint, expand its market share, and consolidate its leading position in China's water services and environmental-protection industries. The toll roads business segment will continue to enhance its operational efficiencies to maintain the stable development of its business. Through investments in comprehensive healthcare operations and new business arenas, the Group's investments in the pharmaceuticals and healthcare, environmental protection and green energy segments are expected to make new contributions to the Group.

In the real estate business, the Group will closely monitor changes in industry-related policies in the second half of the year and modify its operating strategies in a timely manner. The company is also expected to strengthen sales and operations, continue to push forward the development of its existing projects, accelerate the recovery of funds, further strengthen internal management, and prevent operating risks. As the central Government gradually relaxes controls and launches policies to support economic growth, the industry outlook for the property market is expected to gradually improve.

Nanyang Tobacco will persistently promote high-quality development, enhance efficient governance, build a high-quality team, and advance the company's digital application capabilities, ensuring the safe, healthy and stable development of the company.

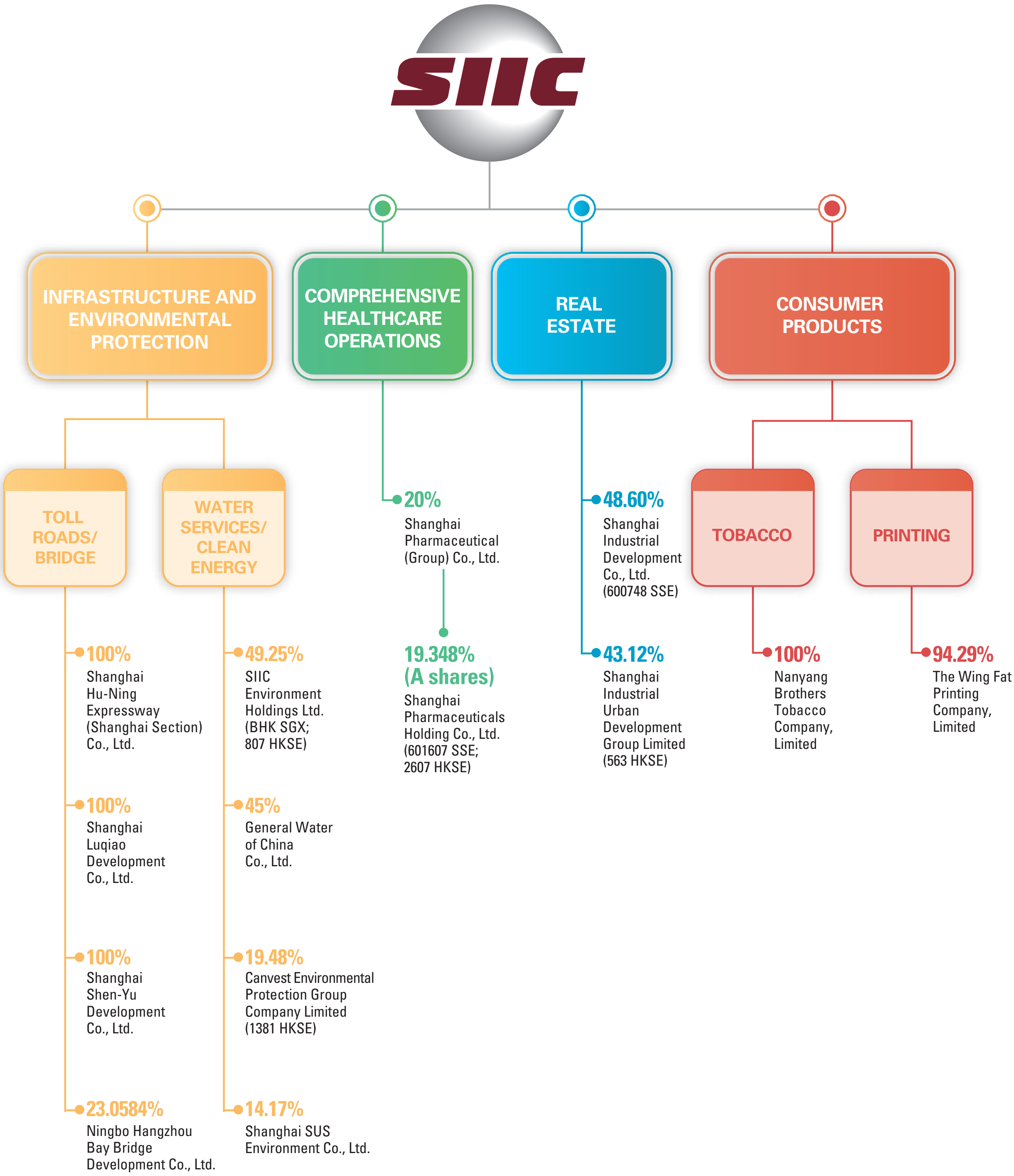
Wing Fat Printing will continue to prioritize stability, enhance market expansion capabilities, and focus on corporate value creation. By improving management efficiency, the company aims to empower its overall competitiveness. Leveraging on technological innovation, it will strengthen and advance its sustainable development in the green environmental-protection packaging market.

Finally, on behalf of the Board of Directors, I wish to thank our Shareholders and business partners for their continued patronage and support to the Group and extend my sincere gratitude to our management team and staff members for their dedication and contributions in the development of our business.

Leng Wei Qing
Chairlady
Hong Kong, 29 August 2024

Group Business Structure

As at 29 August 2024



For the six months ended 30 June 2024, the Group's unaudited revenue amounted to HK$10,369 million, representing a year-on-year decrease of 18.9%. Profit attributable to shareholders was HK$1,201 million, a decline of 12.7% over the same period last year. The reduction in revenue and profit was mainly due to a significant one-off gain recorded by SI Development in the same period last year. During the period, the Group adhered to reforms and innovations, increasing its momentum to upgrade and transform its core business, promoted the integration of its financing and business operations, and revitalized its assets in order to further streamline its asset and business portfolios. In addition, the Group put more focus on strengthening its internal management, enhancing risk prevention, supervision and control, and promoting the healthy development of its business in a steady manner.

INFRASTRUCTURE AND ENVIRONMENTAL PROTECTION

During the period, the infrastructure and environmental protection business recorded a profit of HK$1,056 million, a year-on-year decrease of 11.6% due to the decline in the exchange rate of Renminbi in the same period, and accounted for approximately 80.6% of the Group's Net Business Profit. The toll road business continued to generate stable cash flow for the Group. During the period, the Group continued to capitalize on national strategies and policy opportunities, and strengthened its efforts to expand in the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt with a view to consolidating the Group's leading position in China's water and environmental protection industries.

Toll Roads/Bridge

During the period, the overall traffic flow and toll revenue of the Group's three toll roads and the Hangzhou Bay Bridge increased steadily, mainly due to increased festive and holiday travels during the first Spring Festival following the transition of pandemic-control measures, in addition to natural growth in traffic flow. To further improve efficiency and service quality, the project companies held toll-collection contests and streamlined its operational plans to secure smooth road passage. In the first half of the year, the project company of Jing-Hu Expressway (Shanghai Section) launched a pilot study on quasi-free flow at the exit of the Jiangqiao toll station following the successful implementation of the "1+2+3" intelligent quality enhancement project made it at last year end, further enhancing the capacity of the lanes. The Hu-Yu Expressway (Shanghai Section) continued to pursue comprehensive and meticulous maintenance management programs for bridges, roads and ancillary facilities. Hu-Kun Expressway (Shanghai Section) introduced ETC lanes service enhancements, improved smart application projects and continued to promote digital transformation while simultaneously upgrading the software and hardware facilities in the service areas. The overall safety of the Hangzhou Bay Bridge and the "two districts and one island" was stable, while the bridge technology remained sound and the network toll-collection system operated smoothly.

In order to ensure that transportation facilities are in good order, and to maintain steady road improvement, all toll road companies continued to make efforts to upgrade their facilities management and maintenance quality. Leveraging on past experience and combined efforts arising from annual specific maintenance programs and daily maintenance plans, the project companies launched the road projects for the 7th China International Import Expo during the period, involving comprehensive repairs and improvements and constant enhancements of the overall road conditions. In response to the requirements of the Shanghai Municipal Transportation Commission, preliminary works for the widening and reconstruction project of the Hu-Yu Expressway (Shanghai Section) progressed smoothly during the period. The temporary expansion of two lanes at the entrance and exit of Xicen station was completed in a timely manner to prepare for the opening of the Huawai Qingpu Research Centre in the area.

In the second half of the year, the project companies will continue to streamline their operations and management, and fully utilize toll-collection contests and other initiatives to enhance capacity to deal with emergencies on the roads. In addition, preparation will be duly made for the forthcoming surveillance programs for the monitoring and inspection of all national and provincial trunk road network conditions for 2024. The project companies will also continue to carry out facilities improvement and strive to maintain appropriate technologies used on the roads. Endeavors will also be made to ensure the safe passage of traffic on major holidays; and further efforts will also be made to facilitate flood and typhoon prevention-and-control to ensure safe passage during the flood season.

The key operating figures of the respective toll roads/bridge under the Group as at 30 June 2024 are as follows:

Toll Roads/Bridge	Interest attributable to the Group	Net profit attributable to the Group	Change	Toll revenue	Change	Traffic flow (vehicle journey)	Change
Jing-Hu Expressway (Shanghai Section)	100%	HK$190 million	-0.7%	HK$281 million	-3.2%	20.61 million	+2.9%
Hu-Kun Expressway (Shanghai Section)	100%	HK$279 million	-4.8%	HK$445 million	-1.7%	37.24 million	+3.8%
Hu-Yu Expressway (Shanghai Section)	100%	HK$76 million	-15.1%	HK$243 million	-6.4%	17.85 million	-4.6%
Hangzhou Bay Bridge	23.0584%	HK$106 million	-4.7%	HK$1,133 million	-1.2%	10.26 million	+5.7%
Total		**HK$651 million**	**-5.0%**	**HK$2,102 million**	**-2.2%**	**85.96 million**	**+1.9%**

Water Services/Clean Energy

The Group will continue to expand its water and solid waste business, intensify the construction of key projects and actively explore new investment opportunities in other environmental protection sectors.

SIIC Environment

In the first half of 2024, the revenue of SIIC Environment recorded a decline of 17.3% year-on-year to RMB3,324 million, and net profit attributable to shareholders decreased by 14.8% year-on-year to RMB321 million. The reduction in revenue and net profit was mainly due to the completion of the construction of the Baoshan Project in 2023 while the main construction of key new projects in 2024 is not due to commence until the second half of the year. This has led to a 59.9% year-on-year decrease in construction revenue (including interest income from the construction period) during the reporting period; and a reduction in net profit mainly attributable to a decline in construction revenue. Nevertheless, the company's operation revenue (including interest income from the operation period) continued to grow steadily, rising by 5.9% year-on-year during the period, mainly came from higher sewage-treatment volume and average unit price of water treatment and water supply. Gross profit margin for the first half of the year also increased to 38.4% year-on-year.

During the period, the company's sewage-treatment volume grew by 3.1% year-on-year to 1,277,671,000 tonnes, and water-supply volume rose 4.7% year-on-year to 163,068,000 tonnes. In terms of tariffs, the average sewage-treatment tariff increased by 4.4% to RMB1.88 per tonne while the average water-supply tariff remained relatively stable.

During the period, SIIC Environment made great efforts to develop its business and achieved major progress in three projects, respectively in Hubei Province, Shandong Province and the Guangxi Zhuang Autonomous Region of China, with a total planned daily capacity of 285,000 tonnes. The new projects included the O&M sewage-treatment plant project in the Weifang district, Weicheng city, the O&M sewage treatment plant phase II project in Daguansha of Beihai city and the sewage-treatment plant phase III project in Hanxi, with planned daily capacities of 50,000 tonnes, 35,000 tonnes and 200,000 tonnes respectively. In addition, the expansion of Hegang city sewage treatment project (west district expansion phase II) was completed and commenced commercial operation retrospectively from 30 June 2023, with a planned daily treatment capacity of 30,000 tonnes.

In the first half of the year, SIIC Environment completed the adjustment of its financing structure outside China. The company successfully replaced its floating non-RMB bank loans which carried high-interest rates from outside China with low-cost RMB fixed-rate bank loans from within China, reducing finance expenses, exercising better controls over interest-rate risks and optimizing the company's financing structure.

Striving to promote the construction of a beautiful China, the Chinese Government has steadily pursued carbon emissions peaking and carbon neutrality and continued to introduce favourable policies for the green industry. SIIC Environment will capitalize on development opportunities brought about by these favourable policies while closely keeping an eye on new high-quality project opportunities. The company will also make great efforts to push forward the construction, upgrading and reconstruction of its existing projects. Today, the company's "One Mountain and One Water" benchmark projects have made positive progress. The solid waste benchmark project, the Baoshan Project, successfully commenced operations, and the construction of the key sewage-treatment project, the Xicen water-purification plant in Qingpu, has reached a key milestone according to schedule.

Looking ahead, SIIC Environment will continue to streamline its business layout, expand its market share, and consolidate its leading position in China's water services and environmental protection industries. In addition, the company will take active steps to respond to national policies, keep pace with the times and firmly follow the path of green development through exploration of low-carbon technologies and gradual reduction of carbon emissions from sewage-treatment projects in order to achieve carbon peaking and carbon neutrality. SIIC Environment will also continue to advocate the digitalization of water services in the years ahead to achieve synergies in water management, efficient use of water resources and easy access to water services. While ensuring stable and compliant discharge of effluent-water quality, the company also aims to reduce costs and increase efficiency.

General Water of China

In 2024, General Water of China closely followed its development strategy to earnestly implement works layout for the "year of quality and efficiency improvement". Adhering to the philosophy of "bold innovation, pursuit of excellence, quality management and stringent cost control", the company has made every effort to ensure that established objectives and tasks were accomplished. For the period under review, operating revenue amounted to HK$956 million, representing a year-on-year reduction of 10.3% and a net profit of HK$130 million, representing a year-on-year decrease of 26.5%. In March, General Water of China was named one of the Top 10 Most Influential Enterprises in China's Water Industry for the 21st consecutive year and was ranked among the top three for the sixth consecutive year.

During the period, General Water of China secured five new projects with an investment value of approximately RMB385 million and a daily water treatment capacity of 155,000 tonnes. These new projects include: (1) the TOT project of No. 1 sewage treatment plant in Huyi District of Xi'an; (2) the upgrading and alteration project of the Kanglong sewage plant phase II in Feicheng; (3) the technical improvement of reclaimed water treatment project in Shaxi, Huzhou; (4) the reclaimed water-treatment project of the sewage-treatment plant in Laoting Economic Development Zone; and (5) the capacity expansion, upgrading and alteration project of Jiangyuan plant.

In March 2024, General Water of China put into commercial operation the PPP project for clean emission technology alteration for the sewage treatment plant in the new district of eastern Huzhou. In the same month, the company signed its first TOT investment and co-operation project for the Huyi district sewage treatment plant, representing its first development project in Huyi District, Xi'an, Shaanxi Province, and marking a new milestone for the company in the fulfillment of the national strategy of ecological protection and high-quality development in the Yellow River Basin. In June, the Wuhuashan Reservoir in Suifenhe was affected by continuous heavy rainfall, leading to the opening of the reservoir for the first time this year to release flood water for the safe passage of the flood season. The operation successfully blocked and stored the flood water and gave rise to an increase in power generation year-on-year.

Canvest Environmental

For the six months ended 30 June 2024, the total revenue of Canvest Environmental dropped by 28.5% year-on-year to HK$2,130 million, mainly due to the absence of construction revenue during the period as most of the waste-to-energy projects have been put into operation, while revenue from power sales and waste treatment and the gross profit margin continued to increase. Profit attributable to equity holders of Canvest Environmental decreased by 27.1% year-on-year to HK$445 million. The decline was mainly attributable to an absence of construction revenue for the period. The company's waste-to-energy business expanded in an orderly manner during the period and achieved stable development. As at 30 June 2024, the company had a total of 33 waste-to-energy projects, with a daily municipal solid-waste processing capacity of 43,690 tonnes. In addition, the company innocuously treated approximately 8,699,577 tonnes of waste, representing a year-on-year increase of 7.6%; generated 3,225,219,000 kWh of green energy, representing a year-on-year increase of 4.7%; saved 844,000 tonnes of standard coal, representing a year-on-year increase of 6.4%; and offset 4,787,000 tonnes of carbon dioxide equivalent emissions, representing a year-on-year increase of 18.5%.

On 22 July 2024, Canvest Environmental and an offeror jointly announced that, subject to satisfaction of certain conditions precedent, the offeror would propose privatization of the company to the shareholders of Canvest Environmental by way of a general offer, at a cancellation price of HK$4.90 per share. The privatization proposal will be subject to approval by the independent shareholders at the Grand Court of the Cayman Islands and the extraordinary general meeting of the company.

SUS Environment

Waste incineration projects (including entrustment operation) of SUS Environment recorded a total daily capacity of 45,625 tonnes for the period. The total amount of household waste entering the plants for the first half of the year was 8,980,500 tonnes, representing a year-on-year increase of 4.8%. The amount of on-grid electricity sold was 3,138,793,400 kWh, representing a year-on-year increase of 3.3%.

In terms of market development, three waste-incineration projects were secured by the company in the first half of the year, with a total daily capacity of 3,200 tonnes. For the equipment-sales sector, the company was awarded 3 new equipment-turnkey projects and 2 equipment-supply projects, with a total daily capacity of 2,600 tonnes. During the period, the company accelerated the construction progress of its 13 waste-to-energy projects under construction, with a total daily capacity of 9,600 tonnes. In terms of new business, the total steam supply in the first half of the year was 173,336 tonnes, the heating capacity was 744,537 GJ, and the total amount of newly-signed contracts amounted to RMB74.00 million.

Subsequent to the date of this report, SUS Environment completed the acquisition of a 100% equity interest in Super Earth Energy 1 Co., Ltd., which holds the franchise for the waste-incineration project in Nonthaburi Province near Bangkok, becoming the first wholly-owned project of SUS Environment in Thailand. The acquisition is not only an important milestone in SUS Environment's globalization strategy, but also another example of the deepening cooperation between China and Thailand in the field of environmental protection. The company will adhere to its "one axis and two wings" strategy, make strong efforts to cultivate and explore new business, while consolidating and expanding its existing core business, and continue to develop international markets.

Overview of the geographic distribution of the water development projects under the Group as at 30 June 2024 are as follows:

Note: Please refer to the 2024 Interim Report of SIIC Environment for an overview of its water development projects as at 30 June 2024.

Anhui

Total no. of projects	Daily capacity (tonnes)
2	60,000

Total no. of projects	Daily capacity (tonnes)
2	400,000
3	1,282,800

Fujian

Total no. of projects	Daily capacity (tonnes)
3	50,000

Total no. of projects	Daily capacity (tonnes)
1	2,696,500

Guangdong

Total no. of projects	Daily capacity (tonnes)
14	1,180,000
1	50,000

Total no. of projects	Daily capacity (tonnes)
1	150,000

Guangxi

Total no. of projects	Daily capacity (tonnes)
6	380,000

Heilongjiang

Total no. of projects	Daily capacity (tonnes)
62	3,957,450
5	615,000
4	125,000
6	1,330

Total no. of projects	Daily capacity (tonnes)
1	20,000
1	285,000

Henan

Total no. of projects	Daily capacity (tonnes)
7	240,000
2	40,000
7	1,600

Hubei

Total no. of projects	Daily capacity (tonnes)
11	1,190,000
5	430,000
1	325

Total no. of projects	Daily capacity (tonnes)
1	950,000

Hunan

Total no. of projects	Daily capacity (tonnes)
8	290,000
4	520,000

Total no. of projects	Daily capacity (tonnes)
1	200,000
1	495,000

Inner Mongolia

Total no. of projects	Daily capacity (tonnes)
2	43,500

Jiangsu

Total no. of projects	Daily capacity (tonnes)
13	390,000
2	6,000
1	20,000

Jiangxi

Total no. of projects	Daily capacity (tonnes)
17	251,500

Jilin

Total no. of projects	Daily capacity (tonnes)
7	122,500

Liaoning

Total no. of projects	Daily capacity (tonnes)
9	385,000

Macau

Total no. of projects	Daily capacity (tonnes)
3	89,685

Ningxia Hui Autonomous Region

Total no. of projects	Daily capacity (tonnes)
4	250,000

Shaanxi

Total no. of projects	Daily capacity (tonnes)
1	60,000

Shandong

Total no. of projects	Daily capacity (tonnes)
13	690,000
4	420,000
1	38,500
2	600

Shanghai

Total no. of projects	Daily capacity (tonnes)
10	490,000
2	4,850

Shanxi

Total no. of projects	Daily capacity (tonnes)
1	55,000

Sichuan

Total no. of projects	Daily capacity (tonnes)
3	37,500

Xinjiang

Total no. of projects	Daily capacity (tonnes)
1	5,800

Zhejiang

Total no. of projects	Daily capacity (tonnes)
19	863,000
2	40,000
1	1,100

Total no. of projects	Daily capacity (tonnes)
3	275,000
2	224,500

COMPREHENSIVE HEALTHCARE OPERATIONS

In the first half of 2024, the comprehensive healthcare operations business recorded a profit of HK$64.77 million, representing a decline of 6.4% year-on-year, and accounting for approximately 5.0% of the Group's Net Business Profit. During the period, Shanghai Pharmaceutical Group recorded revenue of RMB139,658 million, representing a year-on-year increase of 5.2%. Net profit amounted to RMB598 million. Shanghai Pharmaceutical Group currently holds 19.348% of the A shares of Shanghai Pharmaceuticals Holding, dually listed in Shanghai and Hong Kong, and is the single-largest shareholder of its A shares. During the period, income from non-listed business was mainly derived from real estate expropriation projects.

NEW BUSINESS ARENA

As at the end of June 2024, the photovoltaic asset capacity of Shanghai Galaxy and its subsidiary, Galaxy Energy, reached 740 MW. The amount of on-grid electricity from 15 photovoltaic power stations was approximately 518,810,300 kWh, representing a year-on-year decrease of 6.8%, mainly due to the drastic increase in installation of photovoltaic and wind power stations in various provinces during the period which made the restriction of power generation limit significantly higher than expected, for the safety of the grid system, and also power outage caused by the failure of the main transformer of certain power stations.

During the period, the state has promulgated policies to actively promote the consumption and development of non-fossil energy, clarify the market transaction volume of renewable energy power generation projects, and promote grid-connection and dispatching application of new energy storage. The respective policies will further regulate market transactions and facilitate the development of the industry.

REAL ESTATE

During the period, the real estate business recorded a loss of HK$131 million, a turnaround from profit to loss compared with the same period last year, accounting for a negative 10.0% of the Group's Net Business Profit. The decrease was mainly due to a relatively large one-off gain recorded by SI Development in the same period last year.

SI Development

SI Development has been committed to the goal of integrating financing with operations and pursuing innovative development. Based on its strategic footprint in key regions such as the Yangtze River Delta Economic Zone with Shanghai as the core, the company pooled competitive resources, strengthened its internal management and sought external developments, primarily by means of upgrading of its principle business, optimizing asset allocation and improving service capabilities. During the period, the revenue of SI Development amounted to RMB1,029 million, representing a year-on-year decrease of 70.2%, mainly due to a significant decrease in the booked revenue from its projects during the period and a relatively large one-off gain recorded in the same period last year. Net loss amounted to RMB177 million, turning from year-on-year profit to loss. In the first half of the year, the overall environment of the real estate industry remained sluggish and sales fell short of expectations, but the construction of the company's key projects continued to progress in an orderly manner. Contract sales of real estate projects amounted to RMB240 million, including parking spaces in Shanghai Bay (Phase 4 and Phase 5) in Qingpu, Shanghai, Belle Rive in Qingpu, Shanghai and the residence of Territory Shanghai in Jing'an, Shanghai, etc., with a contracted area of about 29,000 square meters. During the period, the amount of properties delivered was HK$124 million, with a gross floor area of approximately 4,500 square meters, and the projects mainly included Sea Palace in Quanzhou and Territory Shanghai in Jing'an, Shanghai. The rental income for the period was approximately HK$234 million.

During the period, SI Development rectified major risk issues and thoroughly reviewed its current corporate governance structure. The immovable property business recorded steady growth. Focusing on core commercial office projects, the company took multiple measures to overcome challenges brought about by the downward pressure of the market. The property management business further improved the quality of its service, emphasizing its policy of maintaining "high quality, stable revenue and brand status". Currently, the company has a total of 317 projects under management. In the second half of the year, there will be fewer land reserves and saleable projects. Under the circumstances, the company will continue to strengthen its sales to revitalize its stocks and to closely monitor market conditions in an effort to meet the yearly target for all its projects under construction as scheduled. As of 30 June 2024, the company has 3 projects under construction, with an area of approximately 272,000 square meters.

SI Urban Development

SI Urban Development recorded revenue of HK$2,981 million for the first half of 2024, representing an increase of 65.8% over the same period last year, mainly due to higher sales of several projects delivered compared to the same period last year. Revenue from leasing, property management and hotel operations continued to provide stable revenue sources for the company. Loss attributable to shareholders for the period amounted to HK$232 million, mainly due to diminution in the value of its investment properties during the period. Contract sales amounted to RMB2,284 million, with a year-on-year decrease of 54.4% and a gross floor area of 98,000 square meters, which mainly included Originally in Xi'an, Summitopia in Tianjin, Felicity Mansion in Yantai and Ocean One in Shanghai, etc. Property sales booked during the period amounted to HK$2,454 million, with a gross floor area of approximately 78,600 square meters, which mainly included Cloud Vision in Shanghai, Felicity Mansion in Yantai, Originally in Xi'an and Urban Cradle in Shanghai, etc. Rental income for the first half of 2024 was approximately HK$381 million. As at 30 June 2024, the company has 9 projects under construction, with an area of approximately 1,933,000 square meters.

Set out below is a summary of the major property development projects of the Group as at 30 June 2024:

Major Development Properties

	City	Projects of SI Development	Type of property	Interest attributable to SI Development	Approximate site area (square meters)	Planned total GFA (square meters)	Pre-sold for the period (square meters)	Total GFA sold (square meters)	Expected date of completion
1	Kaifu District, Changsha	Fengsheng Building	Residential and commercial	90%	5,468	70,566	–	32,542	Completed
2	Chenghua District, Chengdu	Hi-Shanghai	Residential and commercial	100%	61,506	254,885	91	201,247	Completed
3	Beibei District, Chongqing	Hi-Shanghai	Residential and commercial	100%	30,845	74,935	70	60,408	Completed
4	Yuhang District, Hangzhou	Hi-Shanghai (Phase I)	Residential and commercial	85%	74,864	230,484	–	150,579	Completed
5	Yuhang District, Hangzhou	Hi-Shanghai (Phase II)	Residential and commercial	85%	59,640	198,203	–	140,236	Completed
6	Wuxing District, Huzhou	Hurun Commercial Plaza	Commercial	100%	13,661	27,322	–	–	Under Planning
7	Wuxing District, Huzhou	SIIC Tianlan Bay	Residential and commercial	100%	115,647	193,292	26	129,081	Completed
8	Wuxing District, Huzhou	SIIC Yungjing Bay	Residential	100%	68,471	207,906	583	152,810	Completed
9	Shilaoren National Tourist Resort, Qingdao	International Beer City	Composite	100%	227,675	806,339	–	417,319	Completed
10	Fengze District, Quanzhou	Sea Palace	Residential and commercial	100%	170,133	1,064,099	426	264,790	2017 to 2025, in phases
11	Baoshan District, Shanghai	Era of Elites (Phase I)	Residential	100%	26,600	73,798	294	41,593	Completed
12	Baoshan District, Shanghai	Era of Elites (Phase II)	Residential	100%	32,130	86,692	259	49,938	Completed
13	Baoshan District, Shanghai	Wusong Innovation City Updated Unit 15 Lot 03-02	Residential and commercial	100%	14, 412	53,424	–	–	2026
14	Hongkou District, Shanghai	North Bund Lot No. 90	Commercial	100%	12,725	110,932	–	–	2028
15	Hongkou District, Shanghai	North Bund Lot No. 91	Commercial and office	50%	34,585 (including underground area)	453,958	–	–	2030
16	Jiading District, Shanghai	Sea Garden	Residential and commercial	100%	58,949	163,351	68	87,882	Completed
17	Jiading District, Shanghai	Essence of Shanghai	Residential and commercial	100%	32,991	75,559	75	41,051	Completed
18	Jing'an District, Shanghai	Territory Shanghai	Residential	100%	32,512	114,737	294	87,061	Completed
19	Qingpu District, Shanghai	Belle Rive	Villa	51%	315,073	59,577	2,094	28,079	2024
20	Qingpu District, Shanghai	Shanghai Bay	Residential	51%	808,572	631,199	25,662	359,910	Completed
21	Qingpu District, Shanghai	He Villa/Sea County	Residential	51%	162,708	121,683	–	85,246	Completed
22	Wuzhong District, Suzhou	The Metropolis	Residential	100%	40,817	126,881	–	–	Completed
Sub-total					**2,399,984**	**5,199,822**			

	City	Projects of SI Urban Development	Type of property	Interest attributable to SI Urban Development	Approximate site area (square meters)	Planned total GFA (square meters)	Pre-sold for the period (square meters)	Total GFA sold (square meters)	Expected date of completion
1	Chaoyang District, Beijing	Youngman Point	Residential and commercial	100%	112,700	348,664	–	258,814	Completed
2	Haidian District, Beijing	West Diaoyutai • Emperor Seal	Residential	97.5%	42,541	250,930	–	220,503	Completed
3	Jiulongpo District, Chongqing	Top City	Residential, commercial and office	100%	120,014	786,233	–	376,424	Completed
4	Baoshan District, Shanghai	Shangtou Baoxu	Residential	71.3%	118,880	306,167	–	228,337	Completed
5	Minhang District, Shanghai	Urban Cradle	Residential and commercial	53.1%	943,000	1,226,298	–	822,103	Completed
6	Minhang District, Shanghai	Shanghai Jing City (including "晶秀坊")	Residential and commercial	59%	301,908	772,885	–	601,277	Completed
7	Minhang District, Shanghai	TODTOWN	Residential, commercial, hotel, office and apartment office	20.7%	117,825	605,000	833	78,506	2020 to 2024, in phases
8	Minhang District, Shanghai	Contemporary Art Villa • Jade Villa	Residential	100%	116,308	80,777	–	80,777	Completed
9	Minhang District, Shanghai	Contemporary Splendour Villa • Courtyard Villa	Residential	100%	120,512	191,636	–	67,286	Completed
10	Minhang District, Shanghai	Shangtou Xinhong • Uplaza Xinhonghui	Residential and commercial	90%	89,432	289,271	–	150,294	2021 to 2024, in phases
11	Minhang District, Shanghai	Chenghang Project • Uplaza Meilong Lane	Commercial and office	80%	20,572	60,195	1,689	9,020	Completed
12	Minhang District, Shanghai	Shenzhicheng Project • Utime Xinzhuang	Rental housing	29.5%	47,435	125,879	–	–	Completed
13	Minhang District, Shanghai	Chenglong Project • Cheng Kai Chuanxinqu	Rental housing	59%	47,383	118,458	–	–	2024
14	Pudong New District, Shanghai	Ocean Times	Residential and commercial	80%	119,545	439,971	1,056	3,539	2025 to 2026, in phases
15	Qingpu District, Shanghai	Qingpu Project • Cloud Vision	Residential	59%	30,052	65,085	1,854	38,535	2024
16	Qingpu District, Shanghai	Ocean One	Residential	47.2%	41,961	156,533	4,380	64,685	2024
17	Songjiang District, Shanghai	Shanghai Youth City	Commercial and office	100%	57,944	212,130	–	139,840	Completed
18	Xuhui District, Shanghai	Jingxiang Project • Utime Xuhui	Rental housing	59%	17,161	44,927	–	–	Completed
19	Xuhui District, Shanghai	Guilin Road Aerospace project	Scientific research and design and residential leasing	21.2%	91,160	590,165	–	–	2025 to 2026, in phases
20	Heping District, Shenyang	Shenyang U Center	Commercial, office and serviced apartment	100%	22,651	228,768	–	71,660	Completed
21	Futian District, Shenzhen	China Phoenix Tower	Residential, commercial and office	91%	11,038	106,190	–	78,343	Completed
22	Hedong District, Tianjian	Summitopia	Residential and commercial	100%	42,146	122,200	22,013	77,871	2024
23	Nankai District, Tianjian	Laochengxiang	Residential, commercial and office	100%	244,252	752,883	–	582,737	Completed

	City	Projects of SI Urban Development (continued)	Type of property	Interest attributable to SI Urban Development	Approximate site area (square meters)	Planned total GFA (square meters)	Pre-sold for the period (square meters)	Total GFA sold (square meters)	Expected date of completion
24	Yangtze New District, Wuhan	Xiang Kai Chang Long	Residential and commercial	28.9%	257,600	452,000	4,368	29,368	2024 to 2027, in phases
25	Binghu District, Wuxi	Urban Development International Center	Commercial, hotel, office and serviced apartment	59%	24,041	193,368	1,664	43,564	Completed
26	Chanba Ecotope, Xi'an	Originally	Residential, commercial and hotel	100%	2,101,967	3,899,867	24,268	2,805,139	2008 to 2025, in phases
27	Chanba Ecotope, Xi'an	Qiyuan	Residential	100%	51,208	102,418	2,097	4,596	2024 to 2025, in phases
28	Zhifu District, Yantai	Felicity Mansion	Residential and commercial	100%	77,681	159,100	12,221	56,979	2022 to 2024, in phases
Sub-total					**5,388,917**	**12,687,998**			

	City	Projects of the Company	Type of property	Interest attributable to the Company	Approximate site area (square meters)	Planned total GFA (square meters)	Pre-sold for the period (square meters)	Total GFA sold (square meters)	Expected date of completion
1	Qingpu District, Shanghai	Belle Rive	Villa	49%	315,073	59,577	2,094	28,079	2024
2	Qingpu District, Shanghai	Shanghai Bay	Residential	49%	808,572	631,199	25,662	359,910	Completed
3	Qingpu District, Shanghai	He Villa/Sea County	Residential	49%	162,708	121,683	–	85,246	Completed
Sub-total					**1,286,353**[1]	**812,459**[1]			
Total					**9,075,254**[1]	**18,700,279**[1]			

Major Future Development Projects

	City	Projects of SI Development	Type of property	Interest attributable to SI Development	Approximate site area (square meters)	Planned total GFA (square meters)	Expected date of completion
1	Qingpu District, Shanghai	Zhujiajiao Lot 20-05[3]	Residential	51%	282,500	177,170	Under Planning
2	Qingpu District, Shanghai	Zhujiajiao Lot 20-03[3]	Public facilities	51%	10,842	10,842	Under Planning
3	Baoshan District, Shanghai	Wusong Innovation City Updated Unit 15 Lot 04-02	Office and scientific research	100%	26,359	105,436	Under Planning
Sub-total					**319,701**	**293,448**	

	City	Projects of the Company	Type of property	Interest attributable to the Company	Approximate site area (square meters)	Planned total GFA (square meters)	Expected date of completion
1	Qingpu District, Shanghai	Zhujiajiao Lot 20-05[3]	Residential	49%	282,500	177,170	Under Planning
2	Qingpu District, Shanghai	Zhujiajiao Lot 20-03[3]	Public facilities	49%	10,842	10,842	Under Planning
Sub-total					**293,342**[1]	**188,012**[1]	
Total					**613,043**[1]	**481,460**[1]	

Major Investment Properties

	City	Projects of SI Development	Type of property	Interest attributable to SI Development	Total GPA for investment properties (square meters)
1	Wenjiang District, Chengdu	Orchard Forest	Commercial	100%	769
2	Qingdao Economic Development Zone	Dali Plaza	Commercial	76%	21,495
3	Laoshan District, Qingdao	Shanghai Industrial Investment Centre	Office Hotel	100% 100%	29,205 66,178
4	Fengze District, Quanzhou	Sea Palace (Phase I of Linghai Yuan)	Commercial	100%	713
5	Changning District, Shanghai	Super Ocean Finance Center	Office	100%	2,321
6	Changning District, Shanghai	United 88	Office Commercial Parking lot	100% 100% 100%	43,237 25,494 28,457
7	Hongkou District, Shanghai	Gao Yang Commercial Centre	Office	100%	13,463
8	Huangpu District, Shanghai	Golden Bell Plaza	Office Office Parking lot	100% 90% 90%	12,270 40,186 4,870
9	Huangpu District, Shanghai	Huangpu Estate	Commercial	100%	20,918
10	Huangpu District, Shanghai	No. 108 Haichao Road	Commercial	100%	474
11	Jiading District, Shanghai	Sea Garden	Serviced apartment and commercial	100%	34,328
12	Jiading District, Shanghai	Essence of Shanghai	Commercial	100%	12,842
13	Jing'an District, Shanghai	Territory Shanghai	Commercial Parking lot	100% 100%	1,455 29 units
14	Pudong New District, Shanghai	No. 1111 Shangchuan Road	Industrial	100%	40,208
15	Pudong New District, Shanghai	Huashen Building	Office	100%	344
16	Xuhui District, Shanghai	Shanghai Industrial Investment Building	Office Office Parking lot	100% 74% 74%	10,089 14,130 8,692
17	Xuhui District, Shanghai	Yonglong Building	Office	100%	798
18	Yangpu District, Shanghai	Hi-Shanghai	Commercial Parking lot	100% 100%	22,027 22,000
Sub-total					**476,963**

	City	Projects of SI Urban Development	Type of property	Interest attributable to SI Urban Development	Total GPA for investment properties (square meters)
1	Chaoyang District, Beijing	Youngman Point	Commercial[2]	100%	19,768[1]
2	Jiulongpo District, Chongqing	Top City	Commercial[2], office and parking lot	100%	317,405[1]
3	Changning District, Shanghai	ShanghaiMart	Exhibition hall, stores and mart, office and parking lot	51%	284,651
4	Minhang District, Shanghai	Block A of Urban Cradle	Commercial[2] and office	53.1%	57,286[1]
5	Minhang District, Shanghai	Utime Xinzhuang	Commercial and affordable rental housing	29.5%	125,879[1]
6	Songjiang District, Shanghai	Shanghai Youth City	Commercial[2]	100%	17,665[1]
7	Xuhui District, Shanghai	Urban Development International Tower	Office and parking lot	59%	45,239
8	Xuhui District, Shanghai	YOYO Tower	Commercial[2]	59%	13,839
9	Xuhui District, Shanghai	Utime Xuhui	Commercial and affordable rental housing	59%	44,927[1]
10	Heping District, Shenyang	Shenyang U Center	Commercial[2] and office	100%	99,741[1]
11	Futian District, Shenzhen	China Phoenix Tower	Office	91%	1,048[1]
12	Chanba Ecotope, Xi'an	Originally	Commercial[2]	100%	32,401[1]
13	Shanghai and Tianjin	Others	Commercial[2], office and parking lot	–	66,030
Sub-total					**1,125,879[1]**
Total					**1,602,842[1]**

Notes:

1. Such total GFAs are duplicate figures, which have been included in the Major Development Properties table.
2. Mainly includes shopping malls.
3. According to the planning adjustment of Shanghai Qingpu District Planning and Natural Resources Bureau, SI Development's original land reserve "Zhujiajiao Lot D2, Qingpu District, Shanghai" was changed to "Zhujiajiao Lots 20-05 and 20-03, Qingpu District, Shanghai". The purpose of Lot 20-30 is for public facilities, and Lot 20-05 is for residential development and construction. The total amount of residential development and construction in the original plan remains unchanged.

CONSUMER PRODUCTS

The consumer products business made a profit contribution of HK$320 million to the Group during the period, representing an increase of 150.4% over the corresponding period last year and accounting for approximately 24.4% of the Group's Net Business Profit. With an uncertain economic outlook in 2024 and the weakness of the consumer market, Nanyang Tobacco proactively responded to market changes and adjusted its business strategies in a timely manner, resulting in continued positive performance and steady improvement in overall sales. Through technological product innovation and capacity upgrades, the technical transformation projects have been able to maintain the company's production quality and continued to improve cost and efficiency. During the period, Wing Fat Printing benefited from the recovery of the tobacco packaging business and orders of the moulded-fibre business were significantly better than in the same period last year, leading to improved results as compared with the same period last year. The medicine-packing business continued to be stable, exceeding expected sales targets.

Tobacco

In 2024, the global tobacco control environment has become increasingly stringent, presenting new challenges and opportunities in the "post-pandemic" international cigarette market. In the first half of the year, Nanyang Tobacco adhered to the general principle of "seeking progress while maintaining stability and upholding integrity and innovation", strengthening technological advancements and striving for breakthroughs despite difficulties. During the period, the company made efforts to expand the domestic and overseas markets and maintained the pace of shipment of goods, resulting in a steady year-over-year increases in sales and sales volume. For the period under review, the company recorded operating revenue of HK$1,093 million, representing an increase of 68.7% over the same period last year. Net profit amounted to HK$281 million, representing a year-on-year increase of 173.5%. Sales volume exceeded 569,000 boxes, representing a year-on-year increase of 185.1%. During the period, Nanyang Tobacco actively and practically engaged in projects such as the QR code project and the upgrading of the exquisite can production line. The setting up of the cigarette QR code application platform has entered into a new stage, and the exquisite can production line upgrading project is progressing smoothly.

The duty-paid market in Hong Kong and Macau recorded a year-on-year decline in sales, mainly due to the significant increase in tobacco tax in the Hong Kong market for two consecutive years. As the tobacco control policy of Hong Kong becomes increasingly stringent, the company has made plans in advance to increase its market share and profit margins by means of multiple strategies while maintaining good cooperative relationships with various sales channels. The sales in the Mainland market recorded almost the same amount as in the same period last year. In response to the higher compliance requirements in the Mainland market, the company continued to introduce new products, increasing the number of available products to nine, and planned to introduce new products in Shanghai, Hubei and Shenzhen in the second half of the year. In the duty-free markets in the Mainland, Hong Kong and Macau, Nanyang Tobacco closely cooperated with various duty-free companies to gradually change its marketing strategy, focusing on mid-to-high-end products and phasing out low-end products, resulting in a satisfactory increase in sales despite fewer outbound tourists, tightened customs policies and reduced core channel stores. The inventory pressure caused by the pandemic has gradually been released, leading to a significant rebound in the overseas market.

Since its production started last year, the Malaysia project has already met its annual target for orders received up till now. The Malaysia branch focused on securing orders externally and ensuring high-quality production internally, thus achieving high-quality production standards and taking a solid step towards Nanyang Tobacco's internationalization. Within the framework of strategic cooperation with large-scale cigarette enterprises, the company has successfully pushed forward the cooperation production project of tobacco shred locally, and will jointly carry out a new round of in-depth cooperation, constantly injecting vitality into the one-stop full production chain cooperation model covering overseas tobacco leaf procurement, process technology and market cooperation.

In the second half of the year, the company will accelerate the development of the existing innovative tobacco market and the launch of new products, and implement the QR code project in accordance with the respective regulations of the State Tobacco Monopoly Administration. The company will also continue to focus on the Malaysia project to ensure that the mass production target for this year will be achieved, and strive for good results for the sustainable development of its international market. Nanyang Tobacco will persistently pursue high-quality development, enhance efficient governance, build a high-quality team, and advance the company's digital application capabilities, ensuring safe, healthy and stable development of the company.

Printing

Wing Fat Printing recorded a turnover of HK$751 million during the period, representing an increase of 3.7% over the same period last year, mainly benefiting from the better growth of the tobacco- and wine-packaging and moulded-fibre businesses during the period as compared to the same period last year. Net profit for the period amounted to HK$47.66 million, representing an increase of 63.8% over the same period last year. The increase mainly came from the combined contributions resulting from structural optimization of income structure, internal cost reduction and efficiency improvements.

During the period, the company improved its income structure by fully optimizing the delivery capabilities and service standards for its core customer groups. By actively exploring internal potential, reducing costs, and improving efficiency, the overall profitability of key factories was significantly boosted. By exploring the operational efficiency of its overall assets, the profitability of the assets has been enhanced. Through effective measures and unremitting efforts at all levels to stabilize the market externally and enhance management internally, the company achieved a notable recovery for its interim results.

The management of the company is fully aware that the current development of the company is still in a complex operating environment, while progress must be made to avoid falling behind. The company will continue to pursue stability as top priority, further enhance market expansion capabilities, and focus on value creation. By improving management efficiency, the company aims to boost its overall competitiveness. Leveraging on technological innovation, the company will strengthen and promote its sustainable development in the green environmental-protection packaging market, aim at achieving the annual performance targets and ensure the company's long-term stable development.

Financial Review

KEY FIGURES

	2024 unaudited	2023	Change %
	Six months ended 30 June		
Results			
Revenue (HK$'000)	**10,369,131**	12,791,180	-18.9
Profit attributable to owners of the Company (HK$'000)	**1,200,896**	1,375,697	-12.7
Earnings per share – basic (HK$)	**1.105**	1.265	-12.6
Dividend per share – interim (HK cents)	**42**	42	
Dividend payout ratio	**38.0%**	33.2%	
Interest coverage ratio (note (a))	**3.9 times**	4.2 times	

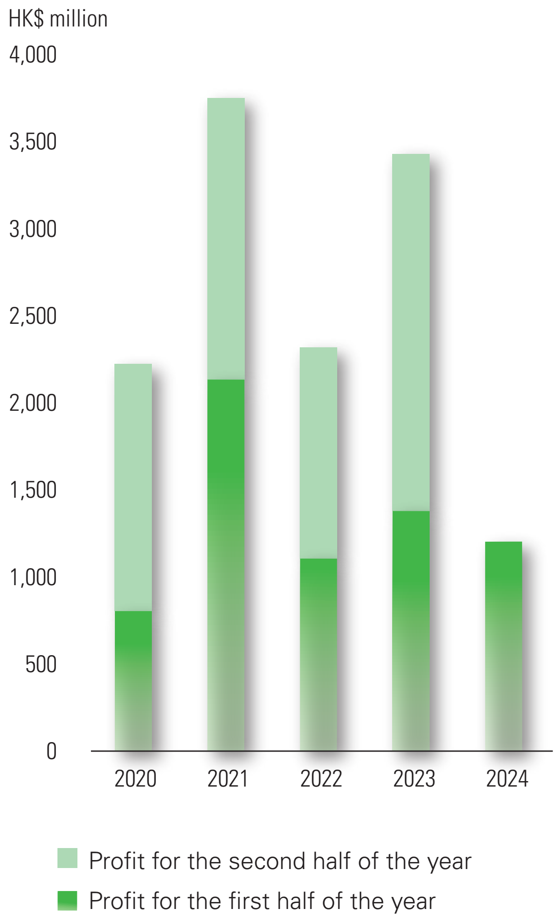
	unaudited 30 June	audited 31 December	Change %
Financial Position			
Total assets (HK$'000)	**174,886,674**	179,311,612	-2.5
Equity attributable to owners of the Company (HK$'000)	**46,279,738**	46,603,040	-0.7
Net assets per share (HK$)	**42.57**	42.86	-0.7
Net debt ratio (note (b))	**71.54%**	66.30%	
Gearing ratio (note (c))	**44.07%**	43.11%	
Number of shares in issue (shares)	**1,087,211,600**	1,087,211,600	

Note (a): (profit before taxation, interest expenses, depreciation and amortisation)/interest expenses
Note (b): (interest-bearing loans – cash)/equity attributable to owners of the Company
Note (c): interest-bearing loans/(equity attributable to owners of the Company + non-controlling interests + interest-bearing loans)

I ANALYSIS OF FINANCIAL RESULTS

1 Profit attributable to owners of the Company

For the six months ended 30 June 2024, the Group recorded a profit attributable to owners of the Company of HK$1,200.90 million, a decrease of HK$174.80 million or approximately 12.7% as compared to the same period of 2023.



2 Profit Contribution from Each Business

The profit contributed by each business in the Group for the first half of 2024 and the comparative figures of the same period last year was summarized as follows:

	2024	2023	Change
	Unaudited		%
	Six months ended 30 June		
	HK$'000	HK$'000	
Infrastructure and Environmental Protection	**1,056,348**	1,194,663	-11.6
Real Estate	**-130,694**	101,519	N/A
Consumer Products	**320,202**	127,887	150.4
Comprehensive Healthcare Operations	**64,765**	69,158	-6.4
	1,310,621	1,493,227	-12.2

Net profit from the infrastructure and environmental protection business for the period amounted to approximately HK$1,056.35 million, accounting for 80.6% of Net Business Profit, and representing a year-on-year decrease of 11.6%. The decrease was mainly due to the water services and clean energy business recording a year-on-year decrease in profit contribution by 20.4%. SIIC Environment's profit contribution for the period recorded a decrease of 19.6%, not only due to the year-on-year decrease in the RMB exchange rate by 4.2%, but also because the main construction projects were completed in 2023 and the main new projects for 2024 are expected to commence gradually in the second half of the year, resulting in a year-on-year decrease in construction revenue and a corresponding decrease in profit.

The real estate business recorded a loss of approximately HK$130.69 million, accounting for negative 10.0% of Net Business Profit. Compared to a net profit of HK$101.52 million in the same period of 2023, this represents a turnaround to loss. Although SI Development recorded a profit from the sale of equity interest in an elderly care investment company during the period, the significant decrease in properties sales booked upon delivery of properties resulted in a substantial decline in revenue, leading to a year-on-year turnaround to loss, coupled with the profit from the sale of the project company related to the land lot No.89, North Bund in the same period last year while the properties sales booked upon delivery of properties of SI Urban Development increased year-on-year, narrowing the loss and offsetting part of the loss of the real estate business.

The consumer products business recorded a net profit of HK$320.20 million for the period, accounting for 24.4% of Net Business Profit, and representing a significant year-on-year increase of 150.4%. The tobacco sales of Nanyang Tobacco increased significantly by 68.7% year-on-year, mainly due to the gradual recovery of tobacco sales post-pandemic, with both sales and profit increased simultaneously. Wing Fat Printing recorded a year-on-year increase in sales by 3.7% due to the recovery in the sales of tobacco packaging business. In the first half of the year, the printing and can packaging business was driven by Nanyang Tobacco's sales, leading to a significant rebound in sales. The moulded-fibre business also experienced growth as compared to the same period last year. The significant recovery in tobacco packaging sales and its increased proportion in the business structure, along with the improved operating rate of the moulded-fibre business, alleviated the pressure from idle-capacity costs. These dual benefits led to a year-on-year increase in the overall gross profit margin by 2.4 percentage points, resulting in a corresponding increase in net profit.

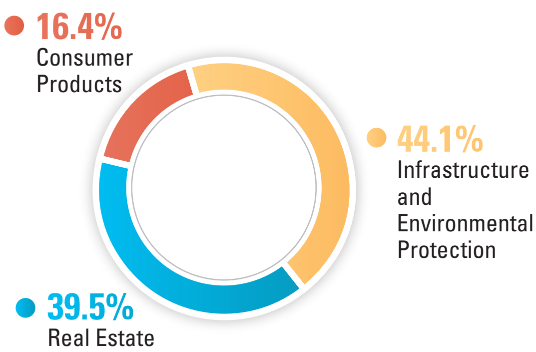
Comprehensive healthcare operations business recorded a net profit of HK$64.77 million for the period, accounting for 5.0% of Net Business Profit, and representing a year-on-year decrease of 6.4%. Although the profit attributable to Shanghai Pharmaceutical Group increased, the depreciation of the RMB exchange rate was less than that of the same period last year, resulted in a decrease in exchange gains from RMB loans invested in Shanghai Pharmaceutical Group.

3 Revenue

The Group's revenue by principal businesses for the first half of 2024 and the comparatives of the same period last year was summarized as follows:

	2024	2023	Change
	Unaudited		%
	Six months ended 30 June		
	HK$'000	HK$'000	
Infrastructure and Environmental Protection	**4,571,508**	5,550,188	-17.6
Real Estate	**4,091,575**	5,925,737	-31.0
Consumer Products	**1,706,048**	1,315,255	29.7
	10,369,131	12,791,180	-18.9

1H2024



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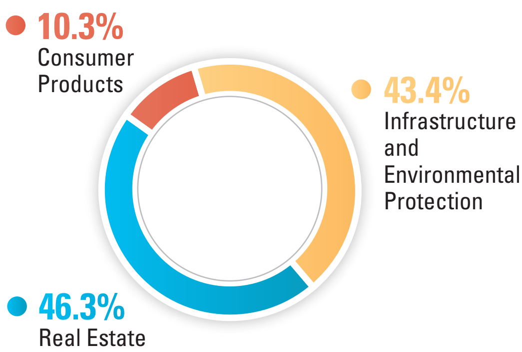


For the six months ended 30 June 2024, revenue amounted to approximately HK$10,369.13 million, representing a year-on-year decrease of 18.9%. This was mainly due to a significant decrease in properties sales booked upon delivery of properties in the real estate business as compared to the same period last year, and a year-on-year decrease in construction revenue in the infrastructure and environmental protection business as SIIC Environment's main construction projects were completed in 2023 and the main new projects for 2024 are expected to commence gradually in the second half of the year. However, the tobacco sales in the consumer products business gradually recovered post-pandemic, offsetting part of the decline in sales revenue.

4 Profit before Taxation

(1) Gross profit margin

The overall gross profit margin for the period decreased by 1.5 percentage points compared to the first half of 2023, mainly due to the decrease in the proportion of delivery of properties with relatively higher margin in the real estate business as compared to the same period last year.

(2) Other income, gains and losses

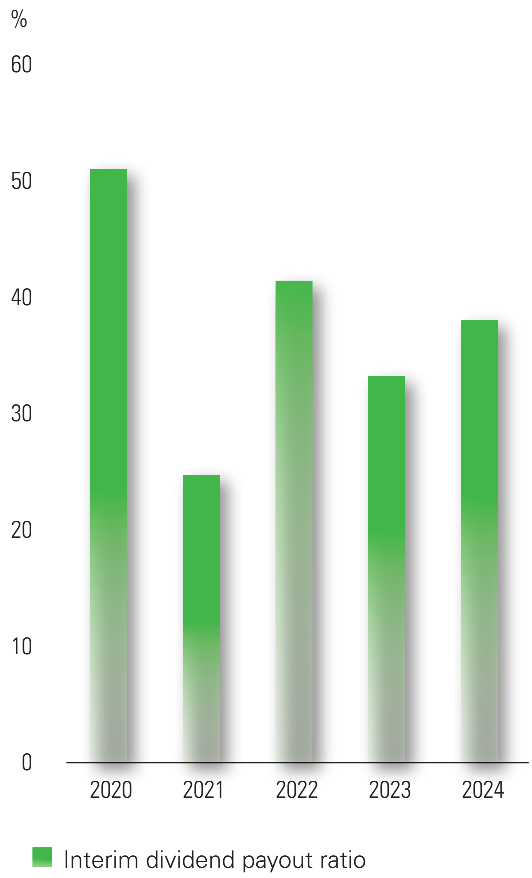
Other income, gains and losses decreased, mainly due to a loss recorded in the change in fair value of investment properties during the period, whereas compensation income from the Fengsheng Project in Hunan was recorded in the same period last year.

(3) Gain on disposal of interests in an associate/subsidiaries

The gain on disposal for the period represents mainly the disposal of an associate, SIIC Elderly Care Investment Co., Ltd.. In the same period last year, the gain was mainly attributable to the disposal of the project company related to the land lot No.89, North Bund.

5 Dividend

The Board of Directors of the Group has resolved to declare an interim dividend of HK42 cents per share, which is the same as 2023 interim dividend of HK42 cents per share. The interim dividend payout ratio is 38.0% (2023 interim: 33.2%).

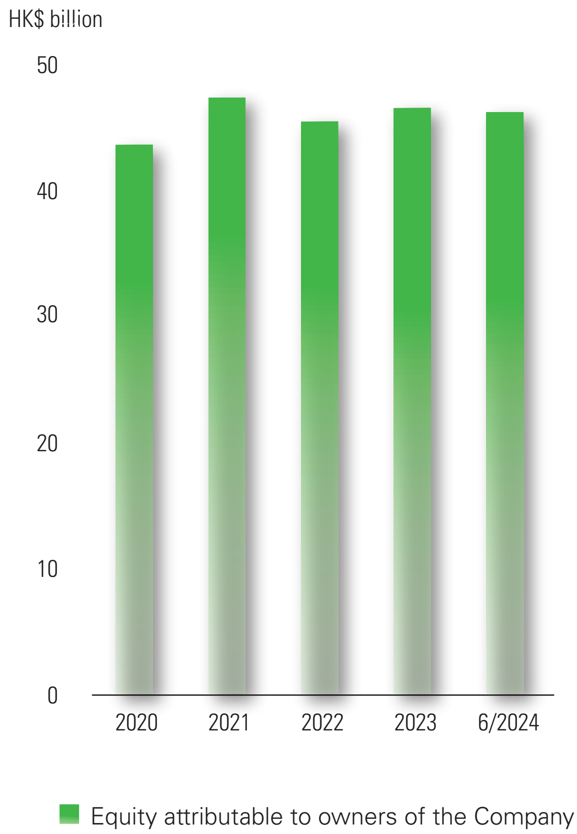


II FINANCIAL POSITION OF THE GROUP

1 Capital and Equity attributable to owners of the Company

The Company had a total of 1,087,211,600 shares in issue as at 30 June 2024. There is no change compared with 1,087,211,600 shares as at the end of 2023.

Equity attributable to owners of the Company reached HK$46,279.74 million as at 30 June 2024, it was attributable to the net profit for the first half of the year after deducting the dividend actually paid during the period.



2 Indebtedness

(1) Borrowings

As at 30 June 2024, the total borrowings of the Group including bank borrowings and other borrowings amounted to approximately HK$60,179.71 million (31 December 2023: HK$58,686.93 million), of which 67.6% (31 December 2023: 77.5%) was unsecured credit facilities. The proportions of US dollars and other currencies, Renminbi and HK dollars of total borrowings were 0.1%, 91.0% and 8.9% (31 December 2023: 6.2%, 83.5% and 10.3%) respectively.

(2) Pledge of assets

The following assets were pledged by the Group to banks to secure banking facilities granted by these banks to the Group:

(a) investment properties with an aggregate carrying value of HK$7,780,870,000 (31 December 2023: HK$10,459,444,000);
(b) leasehold land and buildings with an aggregate carrying value of HK$472,038,000 (31 December 2023: HK$7,032,000);
(c) plant and machineries with an aggregate carrying value of HK$464,582,000 (31 December 2023: HK$629,392,000);
(d) receivables under service concession arrangements/intangible assets with an aggregate carrying value of HK$21,816,128,000 (31 December 2023: HK$16,437,625,000);
(e) properties under development held for sale with an aggregate carrying value of HK$8,087,195,000 (31 December 2023: HK$12,924,145,000);
(f) properties held for sale with an aggregate carrying value of HK$165,110,000 (31 December 2023: HK$129,973,000);
(g) trade receivables with an aggregate carrying value of HK$219,356,000 (31 December 2023: HK$187,245,000);
(h) bank deposits with an aggregate carrying value of HK$191,160,000 (31 December 2023: HK$183,023,000);
(i) land use rights with an aggregate carrying value of HK$534,000 (31 December 2023: HK$610,000); and
(j) equity interests of subsidiaries with an aggregate carrying value of HK$286,029,000 as at 31 December 2023 (30 June 2024: Nil).

(3) Contingent liabilities

As at 30 June 2024, the guarantees given to banks by the Group in respect of banking facilities utilised by property buyers, associates and joint ventures amounted to approximately HK$1,504.94 million, HK$248.53 million and HK$1,890.32 million (31 December 2023: HK$3,841.43 million, HK$468.54 million and HK$1,898.68 million) respectively.

3 Commitments

As at 30 June 2024, the Group had commitments mainly contracted for business development and investments in fixed assets of HK$5,595.32 million (31 December 2023: HK$8,219.73 million). The Group had sufficient internal resources and/or through loan markets for the finance of its capital expenditures.

4 Bank Balances and Short-term Investments

As at 30 June 2024, bank balances (including pledged bank deposits) and short-term investments held by the Group amounted to HK$27,070.86 million (31 December 2023: HK$27,790.82 million) and HK$213.50 million (31 December 2023: HK$242.53 million) respectively. The proportions of US dollars and other currencies, Renminbi and HK dollars of bank balances (including pledged bank deposits) were 2%, 81% and 17% (31 December 2023: 2%, 86% and 12%) respectively. Short-term investments mainly consisted of investments such as Hong Kong and PRC listed shares.

While having sufficient working capital and a healthy interest coverage ratio, the Group is monitoring the market situation and respective funding requirements on a regular basis for business development, and will seek opportunities to optimize its capital structure should the need arises.

III MANAGEMENT POLICIES FOR FINANCIAL RISK

1 Currency Risk

The Group mainly operates in China and the Hong Kong Special Administrative Region and the exposure in exchange rate risks mainly arise from fluctuations in the US dollar, Singapore dollar, HK dollar and Renminbi exchange rates. The management monitors foreign currency exposure and will consider hedging significant foreign currency exposures and adopting suitable measures when necessary.

2 Interest Rate Risk

The Group's fair value and cash flow interest rate risks mainly relate to fixed and variable rates borrowings. In order to exercise prudent management against interest rates risks, the Group continues to review market trends against its business operations and financial position in order to arrange the most effective interest rate risk management tools.

3 Price Risk

The Group's price risks are mainly concentrated on equity instruments quoted in the HKSE and the Shanghai Stock Exchange. The management strictly monitors this exposure by maintaining a portfolio of investments with different levels of risks. In addition, a special team has been appointed by the management to monitor price risks and hedging against such risk exposures will be made should the need arises.

4 Credit Risk

The Group's principal financial assets are receivables under service concession arrangements, contract assets, pledged bank deposits, short-term bank deposits, cash and cash equivalents, securities and debt investments and trade and other receivables. The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the condensed consolidated statement of financial position are net of allowances for doubtful receivables and expected credit loss. An allowance for impairment and expected credit loss are made according to the Group's accounting policy or where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

With respect to the credit risk of the Group's treasury operations, all pledged bank deposits, short-term bank deposits, cash and cash equivalents, securities and debt investments of the Group must be placed and entered into with sound and reputable financial institutions. Strict requirements and restrictions in relation to the outstanding amount and credit ratings on securities and debt investments to be held are followed in order to minimize the Group's credit risk exposures.

Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF SHANGHAI INDUSTRIAL HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shanghai Industrial Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2024, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 August 2024

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June 2024 HK$'000 (unaudited)	2023 HK$'000 (unaudited)
Revenue	3	**10,369,131**	12,791,180
Cost of sales		**(7,061,588)**	(8,521,164)
Gross profit		**3,307,543**	4,270,016
Net investment income		**342,973**	293,122
Other income, gains and losses		**292,895**	507,044
Selling and distribution costs		**(410,691)**	(445,496)
Administrative and other expenses		**(991,634)**	(1,230,656)
Finance costs		**(1,030,039)**	(1,172,635)
Share of results of joint ventures		**182,122**	225,501
Share of results of associates		**314,660**	228,653
Gain on disposal of interests in an associate/subsidiaries		**51,559**	254,982
Profit before taxation		**2,059,388**	2,930,531
Income tax expense	4	**(650,894)**	(1,086,623)
Profit for the period	5	**1,408,494**	1,843,908
Profit for the period attributable to			
– Owners of the Company		**1,200,896**	1,375,697
– Non-controlling interests		**207,598**	468,211
		1,408,494	1,843,908
Earnings per share	7		
		HK$	HK$
– Basic		**1.105**	1.265
– Diluted		**1.105**	1.265

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**1,408,494**	1,843,908
Other comprehensive (expense) income		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
– subsidiaries	**(1,228,734)**	(2,786,384)
– joint ventures	**(396,703)**	(498,807)
– associates	**(101,435)**	(218,097)
Items that will not be reclassified to profit or loss		
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	**(11,237)**	(6,390)
Revaluation of properties upon transfer of property, plant and equipment to investment properties, net of tax	**10,541**	–
Other comprehensive expense for the period	**(1,727,568)**	(3,509,678)
Total comprehensive expense for the period	**(319,074)**	(1,665,770)
Total comprehensive income (expense) for the period attributable to		
– Owners of the Company	**243,740**	(406,620)
– Non-controlling interests	**(562,814)**	(1,259,150)
	(319,074)	(1,665,770)

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Non-Current Assets			
Investment properties	8	**35,550,135**	35,713,121
Property, plant and equipment	8	**6,448,560**	6,966,765
Right-of-use assets		**736,822**	606,173
Toll road operating rights		**4,229,084**	4,668,682
Goodwill		**522,972**	533,783
Other intangible assets		**9,456,517**	9,620,636
Interests in joint ventures		**11,078,998**	11,361,857
Interests in associates		**7,122,109**	7,152,903
Investments	9	**2,053,621**	2,079,155
Receivables under service concession arrangements		**23,981,932**	24,789,341
Deposits paid on acquisition of non-current assets		**480,704**	454,286
Deferred tax assets		**172,864**	197,800
		101,834,318	104,144,502
Current Assets			
Inventories	10	**31,953,037**	33,908,088
Trade and other receivables	11	**11,844,791**	11,229,393
Contract assets		**86,538**	83,487
Investments	9	**213,496**	242,527
Receivables under service concession arrangements		**1,015,624**	986,928
Prepaid taxation		**868,010**	685,336
Pledged bank deposits		**191,160**	183,023
Short-term bank deposits		**2,058,158**	2,382,773
Cash and cash equivalents		**24,821,542**	25,225,026
		73,052,356	74,926,581
Asset classified as held for sale		**–**	240,529
		73,052,356	75,167,110

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Current Liabilities			
Trade and other payables	12	**16,495,272**	19,057,555
Lease liabilities		**48,248**	53,860
Contract liabilities	13	**8,442,160**	8,482,575
Deferred income		**485,287**	455,386
Taxation payable		**2,879,401**	4,828,751
Bank and other borrowings	14	**13,578,452**	14,546,529
		41,928,820	47,424,656
Net Current Assets		**31,123,536**	27,742,454
Total Assets less Current Liabilities		**132,957,854**	131,886,956
Capital and Reserves			
Share capital		**13,649,839**	13,649,839
Reserves		**32,629,899**	32,953,201
Equity attributable to owners of the Company		**46,279,738**	46,603,040
Non-controlling interests		**30,101,968**	30,857,063
Total Equity		**76,381,706**	77,460,103
Non-Current Liabilities			
Provision for major overhauls		**61,549**	80,567
Deferred income		**2,008,017**	2,287,488
Bank and other borrowings	14	**46,582,589**	44,116,832
Deferred tax liabilities		**7,674,587**	7,830,565
Lease liabilities		**249,406**	111,401
		56,576,148	54,426,853
Total Equity and Non-Current Liabilities		**132,957,854**	131,886,956

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company										
	Share capital HK$'000	Other revaluation reserve HK$'000 (Note i)	Other reserve HK$'000 (Note ii)	Merger reserve HK$'000 (Note iii)	Investment revaluation reserve HK$'000	Translation reserve HK$'000	PRC statutory reserves HK$'000 (Note iv)	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2023 (audited)	13,649,839	34,829	(783,445)	(5,922,094)	147,419	(28,077)	3,301,354	35,124,196	45,524,021	31,269,890	76,793,911
Profit for the period	-	-	-	-	-	-	-	1,375,697	1,375,697	468,211	1,843,908
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	-	-	-	-	(1,622)	-	-	-	(1,622)	(4,768)	(6,390)
Exchange differences arising on translation of foreign operations											
– subsidiaries	-	-	-	-	-	(1,324,445)	-	-	(1,324,445)	(1,461,939)	(2,786,384)
– joint ventures	-	-	-	-	-	(294,200)	-	-	(294,200)	(204,607)	(498,807)
– associates	-	-	-	-	-	(162,050)	-	-	(162,050)	(56,047)	(218,097)
Total comprehensive (expense) income for the period	-	-	-	-	(1,622)	(1,780,695)	-	1,375,697	(406,620)	(1,259,150)	(1,665,770)
Transfers	-	-	-	-	-	-	106,696	(106,696)	-	-	-
Contribution from non-controlling interests upon additional capital injection of subsidiaries	-	-	-	-	-	-	-	-	-	18,102	18,102
Transfer upon liquidation of a subsidiary	-	-	-	-	-	18,629	(37,025)	(6,393)	(24,789)	24,789	-
Repurchases of their own shares by a listed subsidiary	-	-	(570)	-	-	-	-	-	(570)	(754)	(1,324)
Dividend recognised as distribution (note 6)	-	-	-	-	-	-	-	(543,606)	(543,606)	-	(543,606)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(421,685)	(421,685)
At 30 June 2023 (unaudited)	13,649,839	34,829	(784,015)	(5,922,094)	145,797	(1,790,143)	3,371,025	35,843,198	44,548,436	29,631,192	74,179,628

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company										
	Share capital HK$'000	Other revaluation reserve HK$'000 (Note i)	Other reserve HK$'000 (Note ii)	Merger reserve HK$'000 (Note iii)	Investment revaluation reserve HK$'000	Translation reserve HK$'000	PRC statutory reserves HK$'000 (Note iv)	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2024 (audited)	13,649,839	34,829	(751,916)	(5,922,094)	140,393	(1,353,991)	3,531,905	37,274,075	46,603,040	30,857,063	77,460,103
Profit for the period	-	-	-	-	-	-	-	1,200,896	1,200,896	207,598	1,408,494
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	-	-	-	-	(2,666)	-	-	-	(2,666)	(8,571)	(11,237)
Revaluation of properties upon transfer of property, plant and equipment to investment properties, net of tax	-	2,682	-	-	-	-	-	-	2,682	7,859	10,541
Exchange differences arising on translation of foreign operations											
– subsidiaries	-	-	-	-	-	(587,015)	-	-	(587,015)	(641,719)	(1,228,734)
– joint ventures	-	-	-	-	-	(293,914)	-	-	(293,914)	(102,789)	(396,703)
– associates	-	-	-	-	-	(76,243)	-	-	(76,243)	(25,192)	(101,435)
Total comprehensive income (expense) for the period	-	2,682	-	-	(2,666)	(957,172)	-	1,200,896	243,740	(562,814)	(319,074)
Transfers	-	-	-	-	-	-	122,810	(122,810)	-	-	-
Repurchases of their own shares by a listed subsidiary	-	-	(1,692)	-	-	-	-	-	(1,692)	(2,231)	(3,923)
Dividend recognised as distribution (note 6)	-	-	-	-	-	-	-	(565,350)	(565,350)	-	(565,350)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(190,050)	(190,050)
At 30 June 2024 (unaudited)	13,649,839	37,511	(753,608)	(5,922,094)	137,727	(2,311,163)	3,654,715	37,786,811	46,279,738	30,101,968	76,381,706

Notes:

(i) Other revaluation reserve is comprised of i) fair value adjustments on acquisition of subsidiaries relating to interests previously held by the Company and its subsidiaries (collectively referred to as the "Group") as associates/joint ventures, which will be recognised in profit or loss upon the earlier of the disposal of that subsidiaries or the disposal by that subsidiaries of the assets to which it relates and ii) fair value adjustments arising upon the transfer of property, plant and equipment to investment properties.

(ii) The Group accounts for acquisitions of associates, joint ventures or investee companies from its ultimate parent, Shanghai Industrial Investment (Holdings) Company Limited ("SIIC"), as equity transactions and any difference between the consideration paid and the fair value of the interest acquired is recorded in other reserve. In addition, the Group accounts for changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over those subsidiaries as equity transactions and any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or recorded in other reserve.

(iii) Merger reserve represents the difference between the fair value of the consideration paid to SIIC for the acquisition of subsidiaries/businesses controlled by SIIC and the share capital of the acquired subsidiaries.

(iv) The statutory reserves are reserves required by the relevant laws in the People's Republic of China (the "PRC") applicable to the Group's PRC subsidiaries, joint ventures and associates.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash (used in) from operating activities	**(838,764)**	1,807,808
Net cash from investing activities:		
Repayment from associates	**507,529**	66,491
Interest received	**331,739**	274,089
Decrease in pledged/short-term bank deposits	**262,441**	1,350,609
Dividend received from associates	**244,019**	22,340
Proceeds from disposal of an associate	**144,257**	–
Dividend received from investments	**91,887**	1,610
Capital reduction in a joint venture	**68,278**	–
Proceeds from disposal of property, plant and equipment	**12,955**	9,945
Development costs paid for investment properties	**(391,234)**	(190,531)
Addition of service concession rights	**(312,795)**	(1,130,678)
Advance to joint ventures	**(226,181)**	(228,115)
Purchase of property, plant and equipment	**(136,188)**	(89,920)
Deposits paid on acquisition of property, plant and equipment/intangible assets	**(97,770)**	(67,968)
Advance to a fellow subsidiary	**(919)**	–
Purchases of financial assets at fair value through other comprehensive income ("FVTOCI")	**–**	(56,567)
Proceeds from disposal of subsidiaries	**–**	359,114
Dividend received from joint ventures	**–**	63,031
	498,018	383,450

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash from (used in) financing activities:		
Bank and other borrowings raised	**9,021,747**	7,950,490
Repayment of bank and other borrowings	**(6,333,939)**	(7,539,661)
Interest paid	**(1,151,407)**	(1,363,006)
Dividends paid	**(512,153)**	(522,342)
Dividends paid to non-controlling interests	**(190,050)**	(421,685)
(Advanced to) repayment from related parties	**(133,180)**	682,726
Repayment of lease liabilities	**(52,132)**	(47,937)
Repurchases of their own shares by a listed subsidiary	**(3,923)**	(1,324)
Settlement of acquisition of an additional interest in a non-wholly owned subsidiary through acquisition of a subsidiary	**–**	(576,337)
Transaction cost attributable to the issue of other borrowings	**–**	(2,613)
Contribution from non-controlling interests upon additional capital injection of subsidiaries	**–**	18,102
	644,963	(1,823,587)
Net increase in cash and cash equivalents	**304,217**	367,671
Cash and cash equivalents at beginning of the period	**25,225,026**	28,870,193
Effect of foreign exchange rate changes	**(707,701)**	(1,253,207)
Cash and cash equivalents at end of the period	**24,821,542**	27,984,657

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 (the "HKICPA") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The financial information relating to the year ended 31 December 2023 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

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 at the end of each reporting period.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker (i.e. the board of directors of the Company) for the purposes of resource allocation and performance assessment, are as follows:

Infrastructure and environmental protection	–	investment in toll road/bridge projects and water services/clean energy business
Real estate	–	property development and investment and hotel operation
Consumer products	–	manufacture and sale of cigarettes, packaging materials and printed products
Comprehensive healthcare operations	–	manufacture and sales of pharmaceutical and healthcare products, provision of distribution and supply chain solutions services and operation and franchise of a network of retail pharmacies

The above operating segments also represent the Group's reportable segments.

Disaggregation of Revenue

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Sales of goods and services		
Sales of properties	**2,578,479**	4,497,950
Sales of goods	**1,706,048**	1,315,255
Income from infrastructure and environmental protection, other than financial income from service concession arrangements		
– toll road operation	**969,563**	1,003,465
– water-related service		
– operating, maintenance and other income	**2,178,597**	2,210,767
– construction income from construction contracts	**754,916**	1,609,401
Ancillary facilities, property services and management income	**665,233**	640,589
Income from hotel operations	**261,087**	170,423
Revenue from goods and services	**9,113,923**	11,447,850
Financial income from service concession arrangements	**668,432**	726,555
Rental income	**586,776**	616,775
	10,369,131	12,791,180
Timing of revenue recognition of revenue from goods and services		
A point in time	**6,463,124**	8,023,972
Overtime	**2,650,799**	3,423,878
	9,113,923	11,447,850

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Six months ended 30 June 2024 (unaudited)

	Infrastructure and environmental protection HK$'000	Real estate HK$'000	Consumer products HK$'000	Comprehensive healthcare operations HK$'000	Elimination and unallocated HK$'000	Consolidated HK$'000
REVENUE						
Segment revenue – external sales	4,571,508	4,091,575	1,706,048	–	–	10,369,131
Segment operating profit	1,824,562	277,072	417,185	–	22,267	2,541,086
Finance costs	(433,567)	(487,218)	(1,538)	–	(107,716)	(1,030,039)
Share of results of joint ventures	108,936	8,421	–	64,765	–	182,122
Share of results of associates	218,381	96,279	–	–	–	314,660
Gain on disposal of interest in an associate	–	51,559	–	–	–	51,559
Segment profit (loss) before taxation	1,718,312	(53,887)	415,647	64,765	(85,449)	2,059,388
Income tax expense	(333,466)	(204,179)	(88,973)	–	(24,276)	(650,894)
Segment profit (loss) after taxation	1,384,846	(258,066)	326,674	64,765	(109,725)	1,408,494
Less: segment (profit) loss attributable to non-controlling interests	(328,498)	127,372	(6,472)	–	–	(207,598)
Segment profit (loss) after taxation attributable to owners of the Company	1,056,348	(130,694)	320,202	64,765	(109,725)	1,200,896

Six months ended 30 June 2023 (unaudited)

	Infrastructure and environmental protection HK$'000	Real estate HK$'000	Consumer products HK$'000	Comprehensive healthcare operations HK$'000	Elimination and unallocated HK$'000	Consolidated HK$'000
REVENUE						
Segment revenue – external sales	5,550,188	5,925,737	1,315,255	–	–	12,791,180
Segment operating profit (loss)	2,060,292	1,193,452	165,045	–	(24,759)	3,394,030
Finance costs	(470,349)	(667,564)	(855)	–	(33,867)	(1,172,635)
Share of results of joint ventures	161,549	(5,206)	–	69,158	–	225,501
Share of results of associates	252,307	(23,654)	–	–	–	228,653
Gain on disposal of interests in subsidiaries	–	254,982	–	–	–	254,982
Segment profit (loss) before taxation	2,003,799	752,010	164,190	69,158	(58,626)	2,930,531
Income tax expense	(407,860)	(591,474)	(28,385)	–	(58,904)	(1,086,623)
Segment profit (loss) after taxation	1,595,939	160,536	135,805	69,158	(117,530)	1,843,908
Less: segment profit attributable to non-controlling interests	(401,276)	(59,017)	(7,918)	–	–	(468,211)
Segment profit (loss) after taxation attributable to owners of the Company	1,194,663	101,519	127,887	69,158	(117,530)	1,375,697

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segments:

At 30 June 2024 (unaudited)

	Infrastructure and environmental protection HK$'000	Real estate HK$'000	Consumer products HK$'000	Comprehensive healthcare operations HK$'000	Elimination and unallocated HK$'000	Consolidated HK$'000
Segment assets	67,262,720	92,539,033	7,469,639	2,389	7,612,893	174,886,674
Segment liabilities	34,009,166	57,302,764	859,987	–	6,333,051	98,504,968

At 31 December 2023 (audited)

	Infrastructure and environmental protection HK$'000	Real estate HK$'000	Consumer products HK$'000	Comprehensive healthcare operations HK$'000	Elimination and unallocated HK$'000	Consolidated HK$'000
Segment assets	68,619,610	96,906,323	7,520,941	38,420	6,226,318	179,311,612
Segment liabilities	34,716,528	59,927,298	837,815	–	6,369,868	101,851,509

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
– Hong Kong	**52,259**	20,127
– PRC Land Appreciation Tax ("LAT")	**67,743**	326,088
– PRC Enterprise Income Tax ("EIT") (including PRC withholding tax of HK$79,230,000 (six months ended 30 June 2023: HK$49,266,000))	**561,739**	660,735
	681,741	1,006,950
(Over) under provision in prior periods		
– Hong Kong	**(356)**	1,949
– PRC LAT	**(47,227)**	–
– PRC EIT	**11,584**	2,020
	(35,999)	3,969
Deferred taxation for the current period	**5,152**	75,704
	650,894	1,086,623

4. INCOME TAX EXPENSE (continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the law of PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the Group's subsidiaries in the PRC are subject to PRC EIT at a rate of 25% for both periods, except that (i) certain PRC subsidiaries are qualified as High New Technology Enterprises and enjoy a preferential tax rate of 15% for both periods (the preferential tax rate is applicable for three years from the date of grant and subject to approval for renewal) and (ii) certain PRC subsidiaries, engaging in public infrastructure projects, are entitled to full exemption from PRC EIT for the first three years and a 50% reduction in PRC EIT for the next three years from the first year of generating operating income.

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including cost of land use rights, borrowing costs and all qualified property development expenditures.

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting) the following items:		
Amortisation of other intangible assets (included in cost of sales)	**259,869**	221,216
Amortisation of toll road operating rights (included in cost of sales)	**339,570**	355,770
Decrease (increase) in fair value of financial assets at FVTPL (included in net investment income)	**28,801**	(6,965)
Depreciation of property, plant and equipment	**265,188**	247,367
Depreciation of right-of-use assets	**56,330**	32,465
Dividend income from investments (included in net investment income)	**(3,762)**	(1,076)
Government compensation of toll road operating rights (included in other income, gains and losses) (Note)	**(190,740)**	(198,074)
Impairment loss on trade receivables (included in other income, gains and losses)	**8,159**	28,581
Interest expenses for lease liabilities	**2,718**	6,096
Interest income (included in net investment income)	**(366,972)**	(283,395)
Net foreign exchange loss (included in other income, gains and losses)	**26,869**	88,156
Net (gain) loss on disposal of property, plant and equipment (included in other income, gains and losses)	**(1,109)**	289
Net decrease (increase) in fair value of investment properties (included in other income, gains and losses)	**36,804**	(33,242)
Share of PRC EIT of associates (included in share of results of associates)	**87,558**	62,077
Share of PRC EIT of joint ventures (included in share of results of joint ventures)	**73,437**	83,113

Note: The amount is transferred from deferred income to other income on a units-of-usage basis, calculated based on the proportion of actual traffic volume for a particular period to the projected total traffic volume over the periods for which the Group is granted the rights to operate the toll roads. This policy has resulted in a credit to other income in the current interim period of approximately HK$191 million (six months ended 30 June 2023: approximately HK$198 million). As at 30 June 2024, an amount of approximately RMB2,317 million (equivalent to approximately HK$2,493 million) (31 December 2023: approximately RMB2,493 million (equivalent to approximately HK$2,743 million)) remains to be amortised.

6. DIVIDENDS

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
2023 final dividend paid of HK52 cents (six months ended 30 June 2023: 2022 final dividend paid of HK50 cents) per share	**565,350**	543,606

Subsequent to the end of the current interim period, the directors of the Company have determined that a 2024 interim cash dividend of HK42 cents (2023 interim: HK42 cents) per share will be paid to the shareholders of the Company whose names appear on the Company's register of members on 24 September 2024.

7. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	**1,200,896**	1,375,697
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,087,211,600**	1,087,211,600

The computation of diluted earnings per share does not assume the exercise of options issued by Canvest Environmental Protection Group Company Limited, a listed associate of the Group, because the exercise price of those options was higher than the average market price for the corresponding period.

8. MOVEMENTS IN INVESTMENT PROPERTIES/PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

The Group's investment properties at the end of the reporting period were fair-valued by Cushman & Wakefield Limited ("C&W"). C&W is a member of the Institute of Valuers and a firm of independent qualified professional valuers not connected with the Group. The valuations were arrived at by reference to market evidence of transaction prices for similar properties in similar locations and conditions, or on the basis of investment approach, where appropriate.

During the current interim period, the Group recognised a net decrease in fair value of investment properties of approximately HK$37 million in profit or loss (six months ended 30 June 2023: net increase in fair value HK$33 million). During the six months ended 30 June 2024, the Group has development cost paid for investment properties of approximately HK$391 million (six months ended 30 June 2023: HK$191 million). In addition, properties held for sale included in inventories with an aggregate carrying amount of approximately HK$33 million (six months ended 30 June 2023: HK$827 million) were transferred to investment properties during the period.

During the six months ended 30 June 2024, the management of the Group changed the intention of certain properties from occupying properties for own use to lease them out for rentals. Accordingly, the owner-occupied properties included in property, plant and equipment with fair value of approximately HK$235 million (six months ended 30 June 2023: HK$nil) were transferred to investment properties upon the date of change of use. The excess of fair value of the owner-occupied properties over their carrying amounts was recognised in equity under the heading of "other revaluation reserve".

During the current interim period, the Group incurred costs for construction in progress of approximately HK$17 million (six months ended 30 June 2023: HK$4 million) and acquired other property, plant and equipment at an aggregate cost of approximately HK$19 million (six months ended 30 June 2023: HK$86 million) for the purpose of expanding the Group's operations and businesses.

9. INVESTMENTS

	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Financial assets at FVTPL		
Listed equity securities	**206,378**	235,368
Unlisted equity securities	**7,678**	7,731
Unlisted exchangeable bonds	**1,637,000**	1,637,000
	1,851,056	1,880,099
Equity instruments at FVTOCI		
Listed equity securities	**22,898**	39,020
Unlisted equity securities	**393,163**	402,563
	416,061	441,583
Total investments	**2,267,117**	2,321,682
Analysed for reporting purposes as:		
Current portion	**213,496**	242,527
Non-current portion	**2,053,621**	2,079,155
	2,267,117	2,321,682

10. INVENTORIES

Inventories mainly represent properties under development held for sale. Included in the amount is HK$8,475,521,000 (31 December 2023: HK$10,962,355,000) which is not expected to be realised within one year.

11. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables, net of allowance for credit loss, presented based on the invoice or contract date, which approximates the respective revenue recognition dates.

	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Within 30 days	**1,302,439**	1,462,762
Within 31 – 60 days	**527,812**	571,207
Within 61 – 90 days	**486,398**	467,673
Within 91 – 180 days	**1,003,218**	866,332
Within 181 – 365 days	**1,292,567**	880,579
Over 365 days	**1,729,494**	1,015,306
	6,341,928	5,263,859

Included in other receivables as at 30 June 2024 were (i) unsecured amounts of HK$363,724,000 (31 December 2023: HK$887,065,000) due from certain associates of which HK$331,128,000 (31 December 2023: HK$855,446,000) carried fixed interest at prevailing market interest rates which included amount of HK$nil (31 December 2023: HK$286,029,000) entrustment fund provided by the Group and (ii) amounts of HK$2,209,693,000 (31 December 2023: HK$2,029,694,000) due from certain joint ventures with amounts of HK$1,840,880,000 (31 December 2023: HK$1,724,869,000) carries interest at prevailing market interest rates.

12. TRADE AND OTHER PAYABLES

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

	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Within 30 days	**1,520,965**	2,616,162
Within 31 – 60 days	**113,299**	195,799
Within 61 – 90 days	**92,626**	100,338
Within 91 – 180 days	**259,048**	212,867
Within 181 – 365 days	**1,043,023**	1,058,338
Over 365 days	**2,182,766**	1,809,432
	5,211,727	5,992,936

Included in other payables as at 30 June 2024 were (i) amounts of HK$43,812,000 (31 December 2023: HK$42,690,000) due to State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District (the "Xuhui SASAC") and entities controlled by the Xuhui SASAC, (ii) amounts of HK$120,163,000 (31 December 2023: HK$121,778,000) due to certain fellow subsidiaries, which are unsecured and have no fixed terms of repayment, (iii) amounts of HK$1,768,913,000 (31 December 2023: HK$1,678,023,000) due to non-controlling interests, of which the amount of HK$1,510,160,000 (31 December 2023: HK$1,365,351,000) carried fixed interest at prevailing market interest rates, (iv) amounts of HK$168,562,000 (31 December 2023: HK$170,880,000) due to other related parties, which are unsecured and have no fixed terms of repayment and (v) accrued expenditure on properties under development of HK$3,910,814,000 (31 December 2023: HK$4,009,281,000).

13. CONTRACT LIABILITIES

The amount mainly represents proceeds received on sales of property units that have not been recognised as revenue in accordance with the Group's revenue recognition policy.

14. BANK AND OTHER BORROWINGS

During the current interim period, the Group (i) obtained new borrowings in the amount of approximately HK$9,022 million (six months ended 30 June 2023: HK$7,911 million); and (ii) repaid borrowings of approximately HK$6,334 million (six months ended 30 June 2023: HK$7,540 million). The borrowings carry interest at market rates.

15. COMMITMENTS

	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Expenditure contracted for but not provided in the consolidated financial statements in respect of		
– acquisition of property, plant and equipment and intangible assets	**25,124**	28,493
– additions in investment properties	**284,926**	–
– additions in properties under development held for sale	**4,716,852**	7,534,809
– investments in joint ventures	**44,335**	45,330
– additions in construction in progress	**524,078**	611,093
	5,595,315	8,219,725

16. FINANCIAL GUARANTEE CONTRACTS

	30 June 2024 HK$'000 (unaudited)	31 December 2023 HK$'000 (audited)
Guarantees given to banks in respect of banking facilities utilised by		
– property buyers	**1,504,938**	3,841,426
– associates	**248,534**	468,542
– joint ventures	**1,890,317**	1,898,677
	3,643,789	6,208,645

The Group entered into agreements with certain banks with respect to mortgage loans provided to buyers of the Group's property units and made deposits as security to and gave guarantees on mortgage loans provided to the buyers by these banks under the agreements. At the end of the current interim period, the management of the Group considers 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 expected credit loss under HKFRS 9 has been made in the consolidated financial statements for these guarantees.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities 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	Fair value as at 30 June 2024 HK$'000 (unaudited)	Fair value as at 31 December 2023 HK$'000 (audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s)
Financial assets at FVTPL					
Listed equity securities	**206,378**	235,368	Level 1	Quoted bid prices in an active market	N/A
Unlisted equity securities	**7,678**	7,731	Level 3	Adjusted net asset value method under cost approach	Discount factor of lack of control, the higher the discount factor, the lower the fair value
Unlisted exchangeable bonds	**1,637,000**	1,637,000	Level 3	Equity component: adopted Trinomial Tree method under Black-Scholes model. Debt component: adopted effective interest methods	Volatility, the higher the volatility, the higher fair value Discount rate, the higher the discount rate, the lower the fair value
Financial assets at FVTOCI					
Listed equity security	**22,898**	39,020	Level 1	Quoted bid prices in an active market	N/A
Unlisted equity securities	**393,163**	402,563	Level 3	Adjusted net asset value method under cost approach	Discount factor of lack of control, the higher the discount factor, the lower the fair value

There was no transfer amongst Levels 1, 2 and 3 in both periods.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements of financial assets

	Unlisted equity instruments at FVTPL HK$'000	Unlisted exchangeable bonds of FVTPL HK$'000	Unlisted equity instruments at FVTOCI HK$'000	Total HK$'000
At 1 January 2023 (Audited)	7,939	–	340,135	348,074
Acquisition	–	–	93,201	93,201
Fair value loss in other comprehensive income	–	–	(9,410)	(9,410)
Exchange loss	(350)	–	(18,818)	(19,168)
At 30 June 2023 (Unaudited)	7,589	–	405,108	412,697
At 1 January 2024 (Audited)	**7,731**	**1,637,000**	**402,563**	**2,047,294**
Fair value loss in other comprehensive income	**–**	**–**	**(568)**	**(568)**
Fair value loss in profit or loss	**(186)**	**–**	**–**	**(186)**
Exchange loss	**133**	**–**	**(8,832)**	**(8,699)**
At 30 June 2024 (Unaudited)	**7,678**	**1,637,000**	**393,163**	**2,037,841**

Fair value measurements and valuation processes

The directors of the Company have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engaged an independent qualified professional valuers to perform the valuation. Management of the Group works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model on a regular basis, or when needs arise and will report the significant results and findings to the board of directors of the Company. The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments.

18. RELATED PARTY TRANSACTIONS AND BALANCES

(i) During the current interim period, save as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following significant transactions and balance with related parties:

Related parties	Nature of transactions/balance	As at/ Six months ended 30 June 2024 HK$'000 (unaudited)	2023 HK$'000 (unaudited)
Fellow subsidiaries	Expenses relating to short-term lease and lease of low-value assets	**20,969**	26,655
Joint venture	Interest income received by the Group	**55,926**	43,917
Associates	Interest income received by the Group	**4,648**	19,308
	Property agency fee	**33**	–
Non-controlling shareholders of subsidiary	Management fee income	**8,839**	2,135
	Interest expense on loan	**13,590**	11,466
	Interest expense on lease liabilities	**1,301**	–
	Lease liabilities	**131,763**	–

Furthermore, the Company granted financial guarantees to the extent of approximately HK$6,900 million (31 December 2023: HK$6,900 million) to banks in respect of banking facilities granted to its subsidiaries, out of which approximately HK$4,900 million (31 December 2023: HK$4,900 million) were utilised. Pursuant to the terms of the agreements, loans principal together with accrued interests and any other amounts accrued under the agreements may become immediately due and payable if (i) SIIC ceases to hold directly and indirectly at least 35% ultimate beneficial interest of and in the voting share capital of the Company or ceases to have management control over the Company; or (ii) the Shanghai Municipal People's Government, the controlling shareholder of SIIC, ceases to hold directly or indirectly at least 51% beneficial interest of and in the voting share capital of SIIC or SIIC ceases to remain under the administrative leadership of the Shanghai Municipal People's Government.

18. RELATED PARTY TRANSACTIONS AND BALANCES (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	
	2024	2023
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Directors' fee and committee remuneration	**715**	1,029
Basic salaries and allowance	**4,187**	4,580
Retirement benefits scheme contributions	**251**	377
	5,153	5,986

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

(iii) Transactions with other PRC government entities

The Group itself is part of a larger group of companies under SIIC, which is controlled by the PRC government. The directors consider that the Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government. Apart from the transactions with SIIC, other connected persons and related parties disclosed as above, the Group also conducts business with other government related entities in the ordinary course of business. In the opinion of the directors of the Company, these transactions are considered as individually and collectively insignificant to the operations of the Group. The directors consider these government-related entities are independent third parties so far as the Group's business transactions with them are concerned.

Other Information

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES OF THE COMPANY

The Company or any of its holding companies or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during or during the six months ended 30 June 2024.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the interests and short positions of the substantial Shareholders and other persons, in the Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

Name of Shareholder	Capacity	Nature of interests	Number of issued Shares beneficially held	Approximate percentage of the issued Shares
SIIC	Interests held by controlled corporations	Corporate	686,654,748 *(Notes 1 and 2)*	63.16%

Notes:

1. SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, Shanghai Industrial Financial Holdings (Hong Kong) Company Limited, SIIC Trading Company Limited and SIIC CM Development Limited held 519,409,748 Shares, 80,000,000 Shares, 52,908,000 Shares, 34,327,000 Shares and 10,000 Shares of the Company respectively, and was accordingly deemed to be interested in the respective Shares held by the aforementioned companies.

2. All interests stated above represented long positions.

Save as disclosed above, no other persons had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO as at 30 June 2024.

DISCLOSURE UNDER RULE 13.51B(1) OF THE LISTING RULES

Change in Directors' information since the date of the annual report 2023 up to the date of this report is set out below:

Mr. Zhang Qian

- appointed as the Chief Executive Officer (no longer a Deputy CEO) of the Company.
- appointed as an executive director and the president (no longer the executive vice president and chief financial officer) of SIIC.
- appointed as a director and the president (no longer the executive vice president) of SIIC Shanghai (Holdings) Ltd.
- resigned as the chairman and director of Shanghai Galaxy.
- resigned as the chairman and director of SIIC Investment Company Limited.
- resigned as the chairman and director of SIIC Investment Group Finance Limited.

Mr. Yuen Tin Fan, Francis

- redesigned as a deputy chairman, non-executive and non-independent director of Pacific Century Regional Development Limited.

EMPLOYEES AND REMUNERATION POLICIES

During the six months ended 30 June 2024, the number of employees is 18,873. The Group appraises staff remuneration with reference to the operating results of the enterprises, individual performance and industry average. With a strong commitment to staff relationship and training, the Group also encourages employees to continue their education, adding value both for themselves and for the Group.

REVIEW OF REPORT

The Audit Committee has reviewed the Company's interim report for the six months ended 30 June 2024.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has established its own Code for Securities Transactions by Directors or Relevant Employees, which was set on terms no less exacting than the required standards set out in the Model Code. Having made enquiries with all Directors and the relevant employees of the Company, each of them has confirmed that they have fully complied with the requirements of the Model Code and the code of the Company during the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2024, SI Urban Development, a subsidiary of the Company, bought back a total of 9,368,000 of its own ordinary shares on the Stock Exchange for a total consideration of HK$3,317,670, and all of which were cancelled on 26 March 2024.

Save as disclosed above, during the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

Glossary of Terms

Term used	Brief description
Canvest Environmental	Canvest Environmental Protection Group Company Limited (HKSE stock code: 1381)
Companies Ordinance	Companies Ordinance (Chapter 622) of the laws of Hong Kong
Company	Shanghai Industrial Holdings Limited (HKSE stock code: 363)
Director(s)	director(s) of the Company
Galaxy Energy	SIIC Aerospace Galaxy Energy (Shanghai) Co., Ltd.
General Water of China	General Water of China Co., Ltd.
Group	the Company and its subsidiaries
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules
Nanyang Tobacco	Nanyang Brothers Tobacco Company, Limited
Net Business Profit	Net profit excluding net corporate expenses
PRC	The People's Republic of China
SFO	Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
SGX	Singapore Stock Exchange
Shanghai Galaxy	Shanghai Galaxy Investment Co., Ltd.
Shanghai Pharmaceutical Group	Shanghai Pharmaceutical (Group) Co., Ltd.
Shanghai Pharmaceuticals Holding	Shanghai Pharmaceuticals Holding Co., Ltd. (SSE stock code: 601607; HKSE stock code: 2607)
Share(s)	ordinary share(s) of the Company
Shareholder(s)	shareholder(s) of the Company
SI Development	Shanghai Industrial Development Co., Ltd. (SSE stock code: 600748)
SI Urban Development	Shanghai Industrial Urban Development Group Limited (HKSE stock code: 563)
SIIC	Shanghai Industrial Investment (Holdings) Company Limited
SIIC Environment	SIIC Environment Holdings Ltd. (SGX stock code: BHK; HKSE stock code: 807)
SSE	Shanghai Stock Exchange
Stock Exchange or HKSE	The Stock Exchange of Hong Kong Limited
SUS Environment	Shanghai SUS Environment Co., Ltd.
Wing Fat Printing	The Wing Fat Printing Company, Limited

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