



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Stock Code : 363)

INTERIM REPORT 2015



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Wang Wei (*Chairman*)
Mr. Zhou Jie
(*Vice Chairman & Chief Executive Officer*)
Mr. Lu Shen (*Executive Deputy CEO*)
Mr. Zhou Jun (*Deputy CEO*)
Mr. Xu Bo (*Deputy CEO*)

Independent Non-Executive Directors

Dr. Lo Ka Shui
Prof. Woo Chia-Wei
Mr. Leung Pak To, Francis
Mr. Cheng Hoi Chuen, Vincent

BOARD COMMITTEES

Executive Committee

Mr. Wang Wei (*Committee Chairman*)
Mr. Zhou Jie
Mr. Lu Shen
Mr. Zhou Jun
Mr. Xu Bo

Audit Committee

Mr. Cheng Hoi Chuen, Vincent
(*Committee Chairman*)
Prof. Woo Chia-Wei
Mr. Leung Pak To, Francis

Remuneration Committee

Dr. Lo Ka Shui (*Committee Chairman*)
Prof. Woo Chia-Wei
Mr. Leung Pak To, Francis
Mr. Cheng Hoi Chuen, Vincent
Mr. Li Han Sheng
Mr. Guo Fa Yong

Nomination Committee

Dr. Lo Ka Shui (*Committee Chairman*)
Prof. Woo Chia-Wei
Mr. Leung Pak To, Francis
Mr. Cheng Hoi Chuen, Vincent
Mr. Li Han Sheng
Mr. Guo Fa Yong

COMPANY SECRETARY

Mr. Yee Foo Hei

QUALIFIED ACCOUNTANT

Mr. Lee Kim Fung, Edward

AUTHORISED REPRESENTATIVES

Mr. Zhou Jie
Mr. Yee Foo Hei

REGISTERED OFFICE

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COMPANY STOCK CODE

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

COMPANY WEBSITE

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AUDITOR

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INFORMATION FOR SHAREHOLDERS

DIVIDEND NOTICE

Interim Dividend

The Board of Directors has resolved to pay an interim dividend of HK36 cents (2014: HK45 cents) per share for the six months ended 30 June 2015, which will be payable on or about Tuesday, 6 October 2015 to shareholders whose names appear on the register of members of the Company on Thursday, 17 September 2015.

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 Thursday, 17 September 2015. 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 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 16 September 2015.

FINANCIAL CALENDAR

2015 interim results announced	31 August 2015
Despatch of 2015 interim report	on or about 16 September 2015
Ex-dividend date for 2015 interim dividend	15 September 2015
Record date for 2015 interim dividend	17 September 2015
Despatch notice of 2015 interim dividend	on or about 6 October 2015

CHAIRMAN'S STATEMENT

I am pleased to report to our shareholders our interim results for the period ended 30 June 2015.

During the first half year of 2015, many complicated and unsteady issues were surrounding the global economy such as the volatility in the capital market, the appreciation of the U.S. dollar and uncertainties on interest rate hikes. The persistent Greek debt crisis and a slowdown in China's economic growth with continuous industry regulatory policies have also brought about much uncertainty in the market. Against this scenario, the Group has carefully monitored its resources in accordance with the strategic development targets of the Company for the year and continued to promote the integration of its financing activities and business operation under the leadership of the Board and the management. While the Group has been driving forward the development of its core-businesses to further improve operational efficiency, it has capitalized on market opportunities for sizable financing as well as merger and acquisition activities, thereby enlarging its share capital, optimizing its capital structure and effectively revitalizing its assets. During the period under review, all the Group's subsidiaries have achieved satisfactory operating results through the enhancement of their risk management and strategic operation to effectively coordinate the cooperation and integration of their businesses.

For the six months ended 30 June 2015, the Group's total revenue amounted to HK\$6,982 million, representing a decrease of 8.6%. The Group realized a net profit of HK\$1,373 million, a decrease of 29.5%, mainly due to the fact that considerable gains from the disposal of lot E of the Qingpu District in Shanghai were recorded in the same period last year, while only the disposal of the Yanjiao project was accounted for during the period. Excluding the above incomparable factor, the Group's net profit increased by 1.8%.

The Board of Directors has proposed to pay an interim dividend of HK36 cents (2014: HK45 cents) per share for 2015 to shareholders whose names appear on the register of members of the Company on Thursday, 17 September 2015. The above interim dividend will be paid to shareholders on or about Tuesday, 6 October 2015.

During the period, the Group's infrastructure facilities business recorded earnings of HK\$575 million, representing an increase of 2.6%. The toll roads segment maintained steady growth overall in terms of revenue and traffic flow through the enhancement of service quality and efficient toll collection; however, due to reductions in preferential taxes and traffic diversions at the Jing-Hu Expressway (Shanghai Section), the segment only recorded a moderate increase in overall net profit. For the water services business, SI Environment achieved a revenue and net profit of RMB791 million and RMB151 million during the period, representing increases of 0.4% and 16.9% year-on-year respectively. During the period, the acquisition of 92.15% equity interests in Fudan Water was completed, and this is expected to significantly increase SI Environment's profit after consolidation. During the same period, the revenue for General Water of China amounted to HK\$897 million, representing an increase of 12.2%; net profits were HK\$86.74 million, rising by 107.9% year-on-year.

CHAIRMAN'S STATEMENT

The real estate business realized earnings for the period of HK\$327 million, representing a decrease of 69.5%, which was mainly due to the completion of the disposal of equity interest in lot E of the Qingpu District in Shanghai, recording a significant profit for the corresponding period last year, while only the disposal of the Yanjiao project was accounted for during the period. For the first half of 2015, the total revenue for SI Development amounted to RMB771 million, representing an increase of 33.2% over the same period last year; profit attributable to shareholders amounted to RMB164 million, representing a decrease of 76.1%. The decrease was mainly due to the gains recorded from the disposal of a 51% interest in Lot E of the Qingpu District in Shanghai in the same period last year. SI Urban Development turned around from loss to profitability during the period with a profit attributable to shareholders of HK\$114 million.

The consumer products business grew steadily with net profits reaching HK\$514 million, making continued steady contributions to the Group's earnings and cash flow. Wing Fat Printing recorded a more notable increase in net profit in the first half of the year, which was mainly attributable to higher net entrustment income realized upon maturity during the period.

Capitalizing on market opportunities and optimizing capital structure

Capitalizing on market opportunities, the subsidiaries of the Company have taken advantage of the Group's cross-border financing platforms in Shanghai, Hong Kong and Singapore to carry out large financing and M&A activities in the local and overseas capital markets. Through such activities, the targets for expanding the Group's share capital and optimizing its capital structure were met, providing a solid foundation for the future business development of the Group.

SI Development announced in April 2015 the issue of approximately 512.82 million new shares at a price of RMB11.7 per share in the form of private placements to raise not more than RMB6,000 million, of which (i) approximately RMB3,433 million will be used to acquire a 100% equity interest in Shanghai Investment held by SIIC Shanghai; (ii) about RMB440 million will be used to acquire 61.48% equity interests in Longchuang Eco-energy and RMB200 million will be allocated for the capital increase of Longchuang Eco-Energy. Following the capital increase, SI Development will own 69.7849% of its equity interests; and (iii) approximately RMB1,961 million will be used for investments in the Phase II and Phase III projects of the International Beer City alteration project.

Such acquisitions will not only contribute to the profit of SI Development, but will also bring high quality land reserves to the Group with a total area of approximately 526,000 square meters. Upon completion of the transaction, the net assets per share of the Group will increase by approximately HK\$1.47. The transaction was approved by the independent shareholders of the Company and SI Development with high votes in June 2015 respectively and has been submitted to the regulatory bodies of the PRC for final approval.

In March 2015, SI Environment announced its acquisition of 92.15% equity interest of Fudan Water at a total consideration of RMB1,548 million in the form of cash and placements of 1.56 billion ordinary shares of SI Environment at SGD0.132 per share. The transaction was approved by the shareholders of SI Environment in May this year.

CHAIRMAN'S STATEMENT

Fudan Water is mainly engaged in water treatment and water ecological restoration research and development and technology transfer, with 10 projects spreading over in Shanghai, Jiangsu, Zhejiang and Guangdong in China. It has a planned daily sewage treatment capacity of 1 million tonnes.

Securing steady growth for toll roads business while expanding water service projects

In the first half of 2015, benefitting from the number of vehicle growth and the generally fine weather during the period, which gave rise to more holidays touring, the Group's three toll roads have recorded overall growth in traffic flow and revenue. During the period, absolute safety and unobstructed flow of traffic have been ensured and improvement in service quality and toll collection efficiency were enhanced. Despite this, the segment only recorded a moderate increase in net profit due to a reduction in preferential taxes. The Group will find opportunities to acquire suitable assets to further enhance the profitability of its toll roads business.

For water services, SI Environment, which is listed in Singapore, completed the acquisition of a 92.15% equity interest in Fudan Water during the period. Fudan Water is mainly engaged in water treatment and water ecological restoration research and development and technology transfer with a planned daily sewage treatment capacity of 1 million tonnes. SI Environment continued to expand its assets, improve its asset quality and overall profitability through mergers and acquisitions. The daily water treatment capacity of SI Environment was approximately 6,490,000 tonnes; together with General Water of China, the daily water treatment capacity of the Group's water services segment has exceeded 13,100,000 tonnes, further consolidating its position as the leading environment protection enterprise in China.

Apart from mergers and acquisition activities, SI Environment and General Water of China continued to expand their existing businesses; Nanfang Water won the bid for the water purification center Phase II project in Meihu, Huizhou; Huangpi Kaidi Water and SIE Weifang also won the bid for a water treatment BOT project in Wuhu, Huangpi and a BOT project in QuanShuiHe, Dalian respectively; for General Water of China, the city's third water purification plant in Suifenhe and the sewage treatment plant in the river east of Xiangtan have progressed on schedule.

Effectively revitalizing real estate assets and endeavouring to explore new business segment

In the first half of 2015, SI Development made several new directions for business developments apart from the acquisition of a 90% equity interest in Fengsheng Times Building in Changsha, Hunan Province and the further acquisition of equity interests in G05-6 lot of Shanghai Jiading New Town. New investments made during the year included Longchuang Eco-Energy which has enabled SI Development to achieve the integration of real estates and intelligent buildings, the construction of intelligent platforms and households and the improvement of energy utilization in buildings. In terms of emerging businesses pursued during the period, SI Development has made investments in several "internet plus" related businesses centering on "cloud computing, mobile internet, internet on products and big data" with the intention of generating multiple investments and expansions in related business sectors in order to upgrade its business and explore future profits growth for the company.

CHAIRMAN'S STATEMENT

SI Urban Development continued to optimize the regional layout of its real estate projects, focusing on the development of medium to high-end residential properties in developed cities along the Yangtze River Delta and the sea coast with Shanghai as its core, and supplemented by investment property portfolio. For the period under review, the company owned several large urban complex projects including Binjiang U Center, Xinzhuang metro superstructure project and U Center in Minhang, all of which are located in prime positions of business circles.

In the first half of the year, SI Urban Development continued to revitalize its assets and release the potential value of the projects. The equity interests in the project of Hebei Yanjiao Economic and Technology Development Zone were disposed of in February 2015, and investments in non-strategic development regions were further reduced. During the period, major projects completed and delivered by SI Urban Development included Urban Cradle in Shanghai, CBE International Peninsula in Xi'an and Top City in Chongqing with a total area of 131,000 square meters.

Optimizing on the market and product structure for consumer products business and improving strategic disposition to drive further growth momentum

In the first half of 2015, Nanyang Tobacco continued to move forward with its technical alteration projects and accelerated technical innovations in order to further build up its brands and to optimize market structure to ensure sustainable and steady development of its business.

During the period, Wing Fat Printing made considerable efforts to develop its existing businesses. New customer sources were successfully identified for its wine package business. The investment and deployment of resources in developing electronic consumer packaging products were also accelerated through engaging in the pulp mould business. Through technological innovation, commercial production of pulp mould products was achieved, the quality of which was highly recognized by internationally-renowned customers. This has contributed significantly to the opening up of new income sources and brought added momentum to the future earnings growth of the company.

PROSPECTS

In the second half of 2015, the global economy is expected to be still severe. Domestic and foreign capital markets including securities, interest rates and exchange rates are expected to remain volatile, with considerable uncertainties for the industry policies. The Group therefore is expected to face a great deal of challenges in the development of its business. Under the circumstances, the Group will focus on its strategic targets, continue the integration of financing activities and business operation, further enhance its risk management, optimize the enterprise's internal control system, and to better allocate its resources so as to improve the Group's operational efficiencies as a whole. Meanwhile, the Group will seize opportunities arising from the reform of State-owned enterprises to further improve its business and asset structure to create maximum values for shareholders.

CHAIRMAN'S STATEMENT

In terms of infrastructure facilities, the Group will continue to expand orderly its investments in water services and further improve the mode of its management of all the enterprises, optimize and integrate its management teams for rapid development of its businesses. On toll roads business, while maintaining operational efficiency, steady profit growth will continue to be pursued. Looking ahead, with investments into new business arena, including investments in the clean energy sector such as the new photovoltaic power generation business will become a new source of profit growth for the Group.

As for the real estate business, besides accelerating project development, the Group will seek opportunities to revitalize its interests in existing projects and release the real value of the projects. Leveraging on the advantages of its principal businesses, it will seek diversified developments in related business sectors and integrate real estate developments with intelligent service and smart cities.

Nanyang Tobacco will continue to optimize on the market structure, promote technological advancement, improve efficiency in the procurement and utilization of raw materials, expedite the development and cultivation of new products to enhance the profitability base and operational strength; Wing Fat Printing will actively carry out pulp mould business, ensure recognition on product quality gained from major customers through technological innovation to unfold more opportunities for its business development.

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.



Wang Wei
Chairman

Hong Kong, 31 August 2015

GROUP BUSINESS STRUCTURE

As at 31 August 2015

Infrastructure Facilities

Business	Interests held by the Group	Company name
Toll roads	100% 100% 100%	Shanghai Hu-Ning Expressway (Shanghai Section) Co., Ltd. Shanghai Luqiao Development Co., Ltd. Shanghai Shen-Yu Development Co., Ltd.
Water services	35.99% 45%	SIIC Environment Holdings Ltd. (5GB SGX) General Water of China Co., Ltd.

Real Estate

Business	Interests held by the Group	Company name
Real estate	63.65% 69.95%	Shanghai Industrial Development Co., Ltd. (600748 SSE) Shanghai Industrial Urban Development Group Limited (563 HKSE)

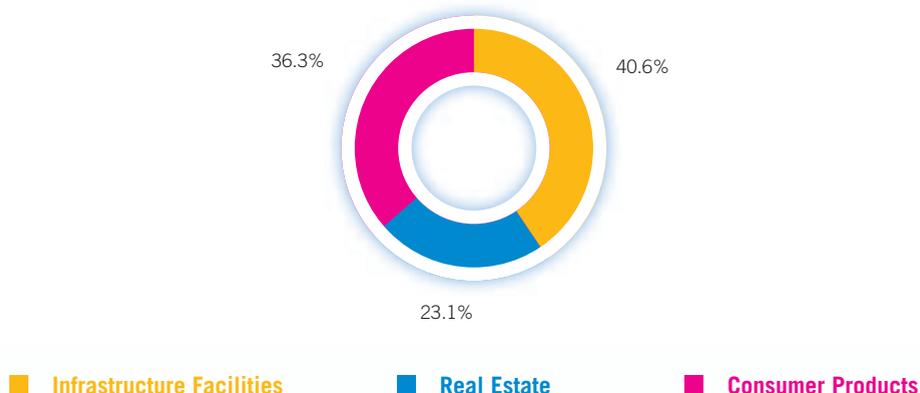
Consumer Products

Business	Interests held by the Group	Company name
Tobacco	100%	Nanyang Brothers Tobacco Company, Limited
Printing	93.74%	The Wing Fat Printing Company, Limited

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

For the six months ended 30 June 2015, the Group recorded an unaudited turnover of HK\$6,982 million, representing a 8.6% decrease over the same period last year. Profits attributable to shareholders were HK\$1,373 million, representing a year-on-year decline of 29.5% due to the non-recurring profit recorded from disposal of lot E of the Qingpu District in Shanghai in the same period last year, while only the disposal of the Yanjiao project was accounted for during the period. Excluding the above factor, profit increased by 1.82% compared with the same period last year. During the period, the Company has capitalized on opportunities in the capital market and carried out a number of major acquisitions and financing activities in accordance with its strategic plans formulated at the beginning of the year, while the development of the principal businesses of the Group remained sound and stable.

Profit contribution from the Group's principal businesses



INFRASTRUCTURE FACILITIES

During the period, the infrastructure facilities business recorded a profit of HK\$575 million, representing an increase of 2.6% over the same period last year and accounting for 40.6% of the Group's Net Business Profit. In the first half of 2015, the Group continued to increase its investments in water services and actively developed its business in water services, solid waste and sludge, etc. The development of our toll roads business was steady and continued to record stable profit and cash flow.

Toll roads

Benefitting from the growth of road vehicles in the city and continuous fine weather during peak holiday travel periods including new year, spring festival and dragon boat festival, the three toll roads of the Group maintained stable growth in overall toll revenue and traffic flow during the period while measures for smooth road operation were effectively implemented. The net profit of the three toll roads on the whole, however, only remained almost the same as the period last year due to the reduction of concessionary taxes since last year.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

The key operating figures of the three toll roads are as follows:

Toll roads	Net profit from project company	Changes	Toll revenue	Changes	Traffic flow (vehicle journeys)	Changes
Jing-Hu Expressway (Shanghai Section)	HK\$148 million	-9.8%	HK\$310 million	-0.2%	21.97 million	+8.2%
Hu-Kun Expressway (Shanghai Section)	HK\$217 million	+12.2%	HK\$491 million	+5.0%	24.55 million	+8.1%
Hu-Yu Expressway (Shanghai Section)	HK\$87.97 million	+0.5%	HK\$269 million	+5.5%	19.15 million	+5.9%
Total	HK\$453 million	+1.8%	HK\$1,070 million	+3.5%	65.67 million	+7.5%

The growth in toll revenue slowed down as the number of vehicles travelling for the entire journey on Jing-Hu Expressway has reduced due to traffic divergence of the Shanghai Jia-Min Elevated Highway after connecting to the Jing-Hu Expressway (Shanghai Section). The reduction was also caused by the growing impact of the traffic divergence caused by Hu-Chang Expressway and Hu-Xiang Expressway. During the period, the company continued to conduct vigorous analysis and thorough research on the operational efficiency of the toll stations and made respective manpower allocation adjustments. With the introduction of card machines, the operating cost for toll collection has been contained while the quality of services has improved and smooth road operation was ensured.

The benefits from the positive influence of the travel peak have resulted in steady growth in toll revenue of the Hu-Kun Expressway (Shanghai Section). This is also because smooth operation enhancement measures and emergency management which were previously adopted in peak periods were now applied to all sections at all times, maximizing the usage of the rapid transit function of electronic toll collection (ETC) lanes. During the period, the Dazheng port bridge jacking up project went through the second phase alteration for half of the bridge in the west. Construction was progressing on schedule with smooth traffic flow.

During the period, Hu-Yu Expressway (Shanghai Section) continued to organize toll collection competitions, focusing on reductions on road cost and increases in efficiency. With the improvement and application of two main information systems, namely road maintenance and equipment intelligence management, traffic capacity as well as the road management and maintenance level were further enhanced. In the second half of the year, the company will consider using automatic card machines at partial ramp toll collection stations to enable better job allocations for toll collectors. At the same time, the company will continue to monitor road safety and make better preparations for typhoons, heavy rains, fog, snow and other severe weather conditions.

Water services

During the period, the Group has made considerable efforts to develop its water business and continued to acquire potential water projects and maximize returns from its existing projects through better synergies. The Group has also entered into the new areas of sludge treatment and soil restoration, aiming to further expand its source of profit from water services.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

SI Environment

SI Environment recorded a revenue of RMB791 million for the first half of 2015, representing a year-on-year growth of 0.4%; profit after tax was RMB151 million, a 16.9% increase over last year. The growth was mainly due to profit contributions from newly acquired and existing projects.

In recent years, SI Environment has been actively acquiring water assets to optimize its business portfolio. In March 2015, SI Environment announced its acquisition of a 92.15% equity interest in Fudan Water at a total consideration (including repayment of debt) of approximately RMB1,548 million, approximately RMB152 million of which were paid in cash and the remaining by the issue and allotment of 1,560,000,000 ordinary shares at a price of SGD0.132 per share. The transaction has been approved by the shareholders of SI Environment and was completed in May this year. Fudan Water is mainly engaged in research and development and technology transfer in water treatment and water ecological restoration. Located in Shanghai, Jiangsu, Zhejiang and Guangdong provinces, the 10 projects of the company have a planned daily sewage treatment capacity of over 1,000,000 tonnes.

In April, SI Environment and International Finance Corporation, a member of the World Bank Group, entered into a share subscription agreement to participate in the first round of private placement of MTI in the capital market, each with an investment of US\$4 million. MTI is a leading enterprise in the domestic sludge treatment industry in China, and has a number of patented sludge treatment and deodorization technologies, the businesses of which have great growth potential. Recently the “Water Pollution Prevention Action Plan” was issued by the mainland government, and this is expected to bring more business opportunities for the sludge treatment industry.

Furthermore, in November last year, SI Environment entered into an asset transfer agreement and a transfer-operation-transfer (TOT) franchise agreement for the sewage treatment plant no. 5 project in Yinchuan with a planned daily processing capacity of 50,000 tonnes for a franchise period of thirty years, at an asset acquisition price of RMB180.30 million. The transaction was completed in February this year, and the project has commenced operation. In April last year, SI Environment further acquired 14.7849% equity interests in Nanfang Water with its shareholding increased to 91.203% from 76.419%.

In May this year, Nanfang Water won the bid of a water purification center phase II build-operate-transfer (BOT) project in Meihu, Huizhou for a franchise operation period of 27 years (including a two-year construction period), with a daily sewage treatment capacity of 100,000 tonnes, at a total investment of approximately RMB216 million. An additional investment of RMB150 million is required for constructing an ancillary sewage pipeline network. In July, Huangpi Kaidi Water won the bid of a water treatment BOT project in Huangpi, Wuhu with a total investment of RMB63,760,000. The project has a franchise period of 30 years and its planned daily treatment capacity has reached 25,000 tonnes with a first class grade A discharge standard. In the same month, SIE Weifang won the bid from the Dailian government of a water treatment BOT project situated at QuanShuiHe for a period of 22 years with a planned daily sewage treatment capacity of 105,000 tonnes.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

General Water of China

During the period, General Water of China strived to expand its market share as well as its scale of operation and to further improve the quality of its existing assets. Diversified business plans were also implemented to enhance profitability. It has accelerated its pace for access to capital financing, optimized enterprise capital structure and actively promoted the application of new technologies in order to build the company into a leading technology-based water group within the industry and enhanced its overall core competitiveness. In the first half of the year, revenue for General Water of China was HK\$897 million, representing an increase of 12.2% over the same period last year; net profit was HK\$86.74 million, representing a year-on-year increase of 107.9%.

During the period, the construction of a retaining wall and part of the road was carried out for the water purification plant no. 3 in Suifenhe City; building construction and equipment installation on the quality enhancement and transformation project of the sewage treatment plant in the river east of Xiangtan, progressed in an orderly way. For the sewage treatment plant level I part B alteration project in eastern Wenzhou, tender for the building construction and equipment procurement was completed. In March 2015, General Water of China was awarded the “Top Ten Most Influential Enterprises in China’s Water Industry” for the 12th year ranking 6th.

Details of the water development projects of the Group as at 30 June 2015 are as follows:

Province	Projects of SI Environment	Project type	Daily production capacity (tonnes)	Interests attributable to SI Environment	Project progress	
Sewage treatment/Reclaimed water treatment projects						
1	Fujian	Sewage treatment plant BOT project in Longmen Town, Anxi, Quanzhou	Sewage treatment	25,000	91.203%	<ul style="list-style-type: none"> 12,500 tonnes of the project are in operation. The remaining 12,500 tonnes are yet to commence construction.
2	Guangdong	Sewage treatment plant BOT project in Dalang, Donguan	Sewage treatment	100,000	75.5%	The project is in operation.
3	Guangdong	Phase I, phase II and phase III of water treatment project in Meihu, Huizhou	Sewage treatment	300,000	91.203%	<ul style="list-style-type: none"> 20,000 tonnes of the project are in operation. The remaining 100,000 tonnes are yet to commence construction.
4	Guangdong	Sewage treatment projects in Longgang District, Shenzhen	Sewage treatment	280,000	91.203%	The project is in operation.
5	Guangdong	Water recycling plant project in Henggang, Shenzhen	Reclaimed water treatment	50,000	91.203%	The project is in operation.
6	Guangdong	Sewage treatment plant project in Banxuegang, Shenzhen	Sewage treatment	40,000	91.203%	The project is in operation.
7	Guangdong	Sewage treatment plant project in Guanlan, Shenzhen	Sewage treatment	260,000	54.722%	The project is in operation.
8	Guangdong	Sewage treatment contingency works entrustment project in Guanlan River, Shenzhen	Sewage treatment	400,000	54.722%	The project is in operation.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

Province	Projects of SI Environment (continued)	Project type	Daily production capacity (tonnes)	Interests attributable to SI Environment	Project progress	
9	Guangdong	Sewage treatment plant TOT project in Wuchuan, Zhanjiang	Sewage treatment	40,000	91.203%	The project is in operation.
10	Guangdong	Sewage treatment plant BOT project in Shayao, Shijie	Sewage treatment	60,000	75.5%	The project is in operation.
11	Guangdong	Sewage treatment plant in Yantian, Fenggang, Dongguan	Sewage treatment	50,000	75.5%	The project is in operation.
12	Guangdong	Phase I and phase II of Sewage treatment BOT project in Sanzhou, Dongguan	Sewage treatment	150,000	35.478%	The project is in operation.
13	Guangdong	Sewage treatment BOT project in Xinmin, Dongguan	Sewage treatment	150,000	30.410%	The project is yet to commence construction.
14	Guangxi	City sewage treatment plant BOT project in Beiliu	Sewage treatment	40,000	75.5%	The project is in operation.
15	Henan	Sewage treatment plant BOT project in Dongcheng District, Luohe	Sewage treatment	20,000	75.5%	The project is in operation.
16	Hubei	Sewage treatment project in Cihu, Huangshi	Sewage treatment	125,000	100%	The project is in operation.
17	Hubei	Sewage treatment project in Hanxi, Wuhan	Sewage treatment	600,000	80%	<ul style="list-style-type: none"> 400,000 tonnes of the project are in operation. 400,000 tonnes of the project are upgrading. 200,000 tonnes of the project are under construction.
18	Hubei	Sewage treatment project in Qianchuan, Wuhan	Sewage treatment	30,000	100%	The project is in operation.
19	Hubei	Sewage treatment project in Panlong, Wuhan	Sewage treatment	45,000	100%	<ul style="list-style-type: none"> 22,500 tonnes of the project are in operation. The remaining 22,500 tonnes are under construction.
20	Hubei	Sewage treatment project in the Wuhan New Town	Sewage treatment	60,000	100%	The project is in operation.
21	Hunan	Sewage treatment BOT project in Linwu, Chenzhou	Sewage treatment	10,000	18.241%	The project is in operation.
22	Hunan	Sewage treatment project in Chenzhou	Sewage treatment	120,000	91.203%	The project is in operation.
23	Hunan	Sewage treatment plant BOT project in Taohuziang, Taojiang	Sewage treatment	20,000	75.5%	The project is in operation.
24	Hunan	Sewage treatment plant BOT project in the new zone of eastern Gaoxin District, Yiyang	Sewage treatment	30,000	75.5%	The project is in operation.
25	Hunan	Sewage treatment plant BOT project in northern Yiyang	Sewage treatment	40,000	75.5%	The project is in operation.
26	Jiangsu	Sewage treatment franchise and sewage treatment plant BOT project at Newport Park, Jingjiang	Sewage treatment	80,000	91.203%	<ul style="list-style-type: none"> 20,000 tonnes of the project are in operation. The remaining 60,000 tonnes are yet to commence construction.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

Province	Projects of SI Environment (continued)	Project type	Daily production capacity (tonnes)	Interests attributable to SI Environment	Project progress	
27	Jiangsu	Sewage treatment plant project in southern Shuyang	Sewage treatment	60,000	91.203%	<ul style="list-style-type: none"> 30,000 tonnes of the project are in operation. The remaining 30,000 tonnes are under construction.
28	Jiangsu	Sewage treatment plant franchise project in Huangqiao, Taixing	Sewage treatment	50,000	91.203%	<ul style="list-style-type: none"> 25,000 tonnes of the project are in operation. The remaining 25,000 tonnes are yet to commence construction.
29	Jiangsu	Sewage treatment plant no. 1 and no. 2 projects in Guanyinshan, Nantong	Sewage treatment	73,000	92.15%	The project is in operation.
30	Liaoning	Sewage treatment plant in Puwan New Area, Dalian	Sewage treatment	50,000	92.65%	<ul style="list-style-type: none"> 30,000 tonnes of the project are under construction. The remaining 20,000 tonnes are yet to commence construction.
31	Liaoning	Sewage treatment plant BOT project in Dalian Bay	Sewage treatment	40,000	75.5%	The project is under construction.
32	Ningxia Hui Autonomous Region	Sewage treatment plant no. 5 project in Yinchuan	Sewage treatment	100,000	100%	<ul style="list-style-type: none"> 50,000 tonnes of the project are in operation. The remaining 50,000 tonnes are yet to commence construction.
33	Ningxia Hui Autonomous Region	Sewage treatment plant BOT project in Binhe New Zone, Yinchuan	Sewage treatment	50,000	100%	The project is under construction.
34	Ningxia Hui Autonomous Region	Sewage treatment plant with reclaimed water treatment support facilities project in Binhe, Yinchuan	Reclaimed water treatment	50,000	100%	The project is yet to commence construction.
35	Shandong	Sewage treatment plant TOT project in Dezhou	Sewage treatment	100,000	75.5%	The project is in operation.
36	Shandong	Sewage treatment plant BOT project in western Weifang	Sewage treatment	40,000	75.5%	The project is in operation.
37	Shandong	Sewage treatment plant BOT project in Weifang City High Technology Industrial Development Zone	Sewage treatment	50,000	75.5%	The project is in operation.
38	Shandong	Sewage treatment plant reclaimed water treatment project in Weifang	Reclaimed water treatment	38,500	75.5%	The project is in operation.
39	Shandong	Sewage treatment plant project in Weifang	Sewage treatment	300,000	75.5%	<ul style="list-style-type: none"> The existing plant of 100,000 tonnes is in operation. Upon commencement of operation of the new plant, the existing plant will cease to operate. The new plant of 200,000 tonnes is under construction.

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	Province	Projects of SI Environment (continued)	Project type	Daily production capacity (tonnes)	Interests attributable to SI Environment	Project progress
40	Shandong	Sewage treatment plant franchise project in Shantung District, Zaozhuang	Sewage treatment	20,000	75.5%	The project is in operation.
41	Shandong	Sewage treatment plant TOT + BOT project in Yicheng District, Zaozhuang	Sewage treatment	40,000	75.5%	The project is in operation.
42	Shanghai	Sewage treatment plant no. 2 project in Qingpu	Sewage treatment	120,000	100%	The project is in operation.
43	Shanghai	Phase I and Phase II of sewage treatment BOT project in western Fengxian	Sewage treatment	150,000	73.72%	The project is in operation.
44	Zhejiang	Sewage treatment project in Tazhou	Sewage treatment	12,500	100%	The project is in operation.
45	Zhejiang	Sewage treatment plant BOT project in Xiaocao, Yuyao	Sewage treatment	150,000	69.113%	The project is in operation.
46	Zhejiang	Sewage pretreatment plant BOT project in Zhacai Yuyao	Sewage treatment	3,000	69.113%	The project is in operation.
47	Zhejiang	Sewage treatment plant BOT project in Binhai, Huangjiabu, Ningbo	Sewage treatment	30,000	64.505%	The project is in operation.
48	Zhejiang	Water treatment plant project in New Zone, Hangzhou Bay, Cixi	Sewage treatment	60,000	64.505%	The project is in operation.
49	Zhejiang	Sewage treatment plant project in northern Cixi	Sewage treatment	100,000	59.898%	The project is in operation.
	Total			4,812,000		
	Water supply projects					
1	Hubei	Water supply project in Tianmen	Water supply	150,000	100%	The project is in operation.
2	Hubei	Water supply project in Xinnong, Tianmen	Water supply	Not applicable	70%	The project is in operation.
3	Hubei	Water supply project in Huangpi, Wuhan	Water supply	260,000	100%	The project is in operation.
4	Shandong	Water supply project in Hanting District, Weifang	Water supply	60,000	26.183%	The project is in operation.
5	Shandong	Water supply project in Weifang	Water supply	320,000	51.34%	The project is in operation.
6	Shanxi	Water supply project in Lvliang	Water supply	55,000	100%	The project is in operation.
	Total			845,000		
		Longjiang Environmental projects (daily capacity was accounted for under equity accounting) (note)		832,700	25.3125%	Total planned daily capacity for the projects is about 3,290,000 tonnes.
	Total for water projects			6,489,700		

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

Province	Projects of SI Environment (continued)	Project type	Daily production capacity (tonnes)	Interests attributable to SI Environment	Project progress	
Waste incineration projects						
1	Shanghai	Waste incinerations thermal power generation project in Pucheng	Waste incineration	1,050	50%	The project is in operation.
2	Siuchuen	Waste incineration thermal power generation project in Dazhou	Waste incineration	1,050	100%	<ul style="list-style-type: none"> 700 tonnes of the project are in operation. The remaining 350 tonnes are yet to commence construction.
3	Zhejiang	Waste incineration thermal power generation project in Wenling	Waste incineration	1,100	50%	The project is in operation.
Total			3,200			

Note: Taking into account the 16.7969% interest in Longjiang Environmental already held by the Group and the 25.3125% interest in the company held by SI Environment, the Group controls a total of 42.1094% interests in Longjiang Environmental. Given the Longjiang Environmental's projects have an existing daily capacity of about 3,290,000 tonnes, a daily capacity of a total of approximately 1,390,000 tonnes was accounted for as owned by the Group under equity accounting.

Province	Projects of General Water of China	Project type	Daily production capacity (tonnes)	Interests attributable to General Water of China	Project progress	
Sewage treatment projects						
1	Anhui	Sewage treatment plant project nos. 2, 3 and 4 in Bengbu	Sewage treatment	350,000	100%	The project is in operation.
2	Fujian	Sewage treatment project in Xiamen	Sewage treatment	1,054,000	55%	The project is in operation.
3	Guangdong	Sewage treatment plant project in Longhua, Shenzhen	Sewage treatment	150,000	90%	The project is in operation.
4	Heilongjiang	City sewage treatment project in Suifenhe	Sewage treatment	20,000	100%	The project is in operation.
5	Hunan	Sewage treatment project in river east of Xiangtan	Sewage treatment	150,000	100%	<ul style="list-style-type: none"> The project is in operation. The upgrading and expansion project commenced in July 2014, and is expected to complete in the second half of 2015.
6	Zhejiang	Sewage treatment project in the new district of eastern Huzhou	Sewage treatment	50,000	100%	The project is in operation.
7	Zhejiang	Sewage treatment project in eastern Wenzhou	Sewage treatment	150,000	100%	<ul style="list-style-type: none"> The project is in operation. The upgrading and expansion project commenced in November 2013, and is expected to complete at the end of 2015.
8	Zhejiang	Sewage treatment project in central Wenzhou	Sewage treatment	200,000	70%	The project is in operation.
Total			2,124,000			

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

Province	Projects of General Water of China (continued)	Project type	Daily production capacity (tonnes)	Interests attributable to General Water of China	Project progress
Water supply projects/Water generating projects					
1	Auhui Water supply project in Bengbu	Water supply	430,000	60%	The project is in operation.
2	Auhui Water supply project in Guzhen	Water supply	130,000	60%	The project is in operation.
3	Fujian Water generation project in Xiamen	Water generation	1,305,000	45%	The project is in operation.
4	Heilongjiang Wuhua mountain reservoir project and water supply project in Suifenhe	Water supply	195,000	100%	The project is in operation.
5	Hubei Water supply project in Xiangyang	Water supply	960,000	50%	The project is in operation.
6	Hunan Water supply project in Xiangtan	Water supply	425,000	70%	The project is in operation.
7	Shaanxi Water generation project in Xi'an	Water generation	300,000	100%	The project is yet to commence operation.
8	Zhejiang Project on reservoir and water induction works in Tiger Lake, Huzhou	Water supply	200,000	100%	The project is in operation.
Total			3,935,000		

New Business Arena

The photovoltaic industry has gradually showed recovery since the beginning of the year with continued national support. The Group will continue to explore into the environmental clean energy sector and invest in photovoltaic power stations in China. At present, through Galaxy Energy, a 85% subsidiary of our affiliate, Shanghai Galaxy, the Group owned six photovoltaic power station projects, including a 50MW photovoltaic power station project in Gaotai, Gansu Province, a 100MW project in Jiayuguan, a 20MW photovoltaic project in Gangcha County, Qinghai Province and a 30MW photovoltaic project in Zhongwei City of Ningxia Hui Autonomous Region, a 100MW project in Ningdong, Ningxia Autonomous Region and a 20MW project in Yiwu, Xinjiang. All photovoltaic power station projects have been connected to the grid and commenced power generation and are running smoothly. The Group will continue to follow the market trend, look for high quality projects and expand its investments in the solar photovoltaic industry in the future.

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REAL ESTATE

As at the end of June 2015, the real estate business made a profit contribution of HK\$327 million to the Group, representing a year-on-year decrease of 69.5% and accounting for 23.1% of the Group's Net Business Profit. The decline in profit was mainly due to gains of HK\$1,191 million recorded by the Group from the disposal of the interests in lot E of the Qingpu District in Shanghai during the same period last year. For the first half of the year, the Group capitalized on market opportunities to strengthen its equity capital base through various financing channels so as to optimize its capital structure and speed up the development of its real estate business. The subsidiaries of the Company also exited from non-core projects at appropriate times to revitalize existing assets and gradually release the real value of the projects. During the period, the Group has also acquired a number of assets and explored opportunities for diversification of its businesses with an aim to developing new sources of revenue and adding momentum for future business growth.

SI Development

In the first half of 2015, SI Development recorded a revenue of RMB771 million, representing a substantial increase of 33.2% over the same period last year; net profit for the period dropped 76.1% to RMB164 million, due to gains recorded from the disposal of its 51% interest in lot E of the Qingpu District, Shanghai in the same period last year. Contract sales for the real estate developments during the period amounted to RMB899 million, arising from such projects as Rhine Town, Tianjin, International Beer City, Qingdao, Flos Granati, Shanghai, Hi-Shanghai, Chengdu, Shanghai Bay, Huzhou and Shanghai Bay in Shanghai, and accounting for a total gross floor area of 68,600 square meters. The rental income for the first half of the year was HK\$125 million.

In April 2015, SI Development announced the private placement of not exceeding 512,820,512 new ordinary shares of SI Development at a price of RMB11.70 per share to raise not more than RMB6 billion. The placees included Shanghai Asset, an indirect wholly-owned subsidiary of SIIC Shanghai, Mr. Cao Wenlong, founder of Longchuang Eco-Energy and seven other institutional investors.

Of the proceeds raised through the private placement, (i) approximately RMB3,433 million of which will be used for the acquisition of 100% equity interests in Shanghai Investment, an indirect wholly-owned subsidiary of SIIC Shanghai; (ii) approximately RMB440 million will be used for the acquisition of 61.48% interests in Longchuang Eco-Energy (among which, RMB300 million will be used to acquire 42.3549% interests in Longchuang Eco-Energy, and 20,000,000 SI Development new shares will be issued to exchange for 9,181,978 shares of Longchuang Eco-Energy (representing 19.13% interests in Longchuang Eco-Energy) and cash consideration of RMB94,740,000 payable by Mr. Cao Wenlong); and a RMB200 million will be injected into Longchuang Eco-Energy following the acquisition of the share interests. After the capital injection, SI Development will own 69.7849% in Longchuang Eco-Energy and (iii) approximately RMB1,961 million will be invested in Phase II and Phase III of the International Beer City project in Qingdao.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

Shanghai Investment owns six real estate companies in Shanghai, Suzhou, Tianjin and other places respectively engaged in real estate development business. The company also owns a property management company, which manages more than 60 property projects including the Shanghai Party Institute of CCP, Shanghai High People's Court, Shanghai No. 1 Intermediate People's Court and Shanghai Maritime Court, etc. Longchuang Eco-Energy is engaged in the consultation, design and application of construction energy saving facilities and the provision of comprehensive energy saving application solutions.

The acquisition of 100% equity interests in Shanghai Investment will strengthen SI Development's resources in premium real estates, replenish its overall asset base which will speed up further expansion and enhancement of the company's real estate business and increase its overall competitiveness. Through business cooperation in construction intelligent energy saving business and sharing of market resources with Longchuang Eco-Energy, synergies are expected to be seen with added value to SI Development's real estate business, further enhancing the company's profitability. The completion of the above two acquisitions is expected to bring about immediate and sustained profitability for SI Development with positive financial impacts on the company. The Phase II and Phase III of International Beer City in Qingdao alternation project is also expected to accelerate the development and sales of the company's core projects, increase its capital inflow and improve its financial structure. The entire placing will have far-reaching effects on the overall scale, financing capability, profit contribution as well as future business growth for SI Development. This also reflects the Group's strategic move to further integrate its real estate business. Upon completion of the entire transaction, the net assets and net asset per share of the company will be increased by 4.5% and HK\$1.47 respectively and future profitability is expected to be greatly enhanced.

In order to further increase its revenue, SI Development also acquired a number of high-quality assets during the period. In April, the company acquired a 90% equity of Fengsheng Times Building located in Changsha, Hunan Province at a consideration of RMB18.58 million. Expected to be completed by the end of 2015, the property is a high-end exquisite commercial and residential complex with parking facilities, covering a total of 31 floors and a total height of 99.90 meters. In June, SI Development acquired through bidding the State-owned construction land use right of a plot in Beibei District of Chongqing, at a consideration of RMB87.11 million. The land is located in the east side of Qingfeng Road on the main road of Beibei District of Chongqing, to the north of the beltway, covering 30,844 square meters with a plot ratio of 1.82 and a total floor area of 56,199 square metres built for residential purpose.

In May and July respectively, SI Development further increased its interest in Lot G05-6 located at Shanghai Jiading New Town by acquiring 62.5% equity in total from other shareholders. The total consideration for the two transactions amounted to RMB56.25 million and, after the completion of the acquisition, SI Development will own 100% interest in the land. In June, SI Development announced its acquisition of a further 34% equity interest of the Yuzhengchuchu No. 18 plot project in Hangzhou from another shareholder of the project company at a consideration of RMB53.35 million. After completion of the acquisition, SI Development will increase its equity interest in the plot to 85%. The above project is expected to bring greater economic benefits for the company. In the same month, SI Development transferred all of its 10% equity rights in the plot B-2, B-7-1, B-7-2 project in the eastern sea area of Quanzhou in Fujian Province by open bidding at a transfer price of RMB53 million. The above projects are expected to bring good investment income to the company and optimize its cash flow.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

Leveraging on the advantage of its principal businesses and surrounding the emerging industries layout of its business chain, SI Development through its own strategic investment platform, diversified its investment and expanded to related businesses such as high-technology, internet, energy saving and environmental protection and new sources of materials, etc. during the period to achieve upgrading of its existing businesses and open up new channels for profit growth. In March, SI Development successfully issued a RMB1 billion first phase corporate bond (3 years + 2 years) with an interest rate at 4.92%, and in June, the company further issued its 2015 first medium-term notes, with a principal amount of RMB1 billion for a period of 3 years at an interest rate of 4.95%. The funds raised have been received in full and will be used to support the company's subsequent developments.

SI Urban Development

SI Urban Development recorded a revenue of HK\$2,173 million for the period, representing a decline of 31.4% over the same period last year. Profit attributable to shareholders for the period were HK\$114 million, representing a turnaround from loss to profitability. The gross floor area of properties delivered during the period was approximately 131,000 square meters, and major projects included Urban Cradle in Shanghai, CBE International Peninsula in X'ian and Top City in Chongqing. For the first half of 2015, the rental income was approximately HK\$319 million. The amount of contracted sales reached RMB2,068 million with a total floor area of 110,000 square meters, arising mainly from CBE International Peninsula in X'ian, Shanghai Jing City and Urban Cradle in Shanghai.

During the period, SI Urban Development continued to optimize the regional portfolio of its real estate projects, focusing on the development of medium to high-end residential properties in developed cities along the Yangtze River Delta and the sea coast with Shanghai as its core, supplemented by its investment property portfolio which has helped strengthen recurring income and cash flow. Currently, the company owns several large urban complex projects including Binjiang U Center, Xinzhuang metro superstructure project, U Center in Minhang and others, all of which are in the core of the business circles with superior locations.

The Binjiang U Center project, which was acquired through land exchange by SI Urban Development in 2013, is located in the core business area of Binjiang, Xuhui, on the southern extension of the west bank of the Huangpu river and opposite to the world expo park. The project which covers an area of about 77,000 square meters and a site area of about 285,000 square meters, will be developed into a large urban complex comprising office, commercial, cultural and leisure facilities.

In July 2015, SI Urban Development reached a strategic cooperation framework agreement with the Minhang District government in Shanghai for a joint co-operation on the municipal infrastructure and public facilities construction, including the building of foundation facilities and development of real estate related business in order to promote project development in the Minhang District. SI Urban Development has now developed and completed a number of high-quality commercial office properties, which are expected to attract high-quality enterprises and merchants, while the Minhang District government has agreed to give tax and other policy concessions to the company in order to attract investments and to encourage active participation in the district.

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ShanghaiMart, which was acquired jointly by SI Urban Development and Nan Fung Group last year, has a total gross floor area of about 280,000 square meters and is comprised of three major buildings, namely the Mart, Expo and Tower. At present, over 1,200 merchants are running their business in the shopping area and the office occupancy rate is over 90%. Renovations of the properties are being planned to further enhance management and operation of the project and increase rental income in future. In February 2015, SI Urban Development disposed of its entire equity interests in a development project in the Yanjiao Economic and Technological Development Zone in Hebei Province for an aggregate consideration of RMB940 million. The disposal demonstrated further divestment of SI Urban Development from non-strategic development areas, which is in line with the company's development strategy.

Set out below is a summary of the main property developments of the Group as at 30 June 2015:

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 during the period (square meters)	Total GFA sold (square meters)	Date of completion
1	Xiqing District, Tianjin Rhine Town (萊茵小鎮)	Residential and commercial	100%	375,961	529,971	4,652	438,420	Completed
2	Shilaoren National Tourist Resort, Qingdao International Beer City (國際啤酒城)	Complex	100%	227,675	783,500	7,891	151,563	2014 to 2018, in phases
3	Qingpu District, Shanghai Belle Rive (海源別墅)	Villa	51%	315,073	51,911	-	11,963	2014 to 2016, in phases
4	Qingpu District, Shanghai Shanghai Bay (上海上實•海上灣)	Residential	51%	808,572	454,880	6,203	79,182	2011 to 2017, in phases
5	Qingpu District, Shanghai Zhujiacao Lot D1 (朱家角D1地塊)	Residential	51%	162,708	63,859	-	-	2017
6	Jinshan District, Shanghai Flos Granati (海上納堤)	Residential	100%	135,144	214,143	14,066	69,958	Completed
7	Wuxing District, Huzhou Shanghai Bay (海上灣)	Residential	100%	85,555	96,085	11,113	3,348	Completed
8	Wuxing District, Huzhou SIIC Garden Hotel (上實花園酒店)	Hotel and commercial	100%	116,458	47,177	-	-	2015
9	Wuxing District, Huzhou Hunun Commercial Plaza (湖潤商務廣場)	Commercial	100%	13,661	27,322	-	-	In phases
10	Xiaguan Town, Dali Sea Melody (洱海莊園)	Residential and commercial	75%	292,123	348,870	6,940	306,070	Completed
11	Chenghua District, Chengdu Hi-Shanghai (上實•海上上海)	Commercial and residential	100%	61,506	254,885	19,941	64,425	Completed
12	Fengze District, Quanzhou Sea Palace (上實•海上上海)	Residential and commercial	49%	381,795	1,615,395	-	-	2017 to 2021, in phases
13	Jiading District, Shanghai Lot G05-6 of Jiading New Town (嘉定新城G05-6地塊)	Residential and commercial	62.5%	32,991	75,559	-	-	2016
14	Kaifu District, Changsha Fengsheng Times Building (豐盛時代大廈)	Residential and commercial	90%	5,468	70,566	-	-	2015
Sub-total				3,014,690	4,634,123			

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	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 during the period (square meters)	Total GFA sold (square meters)	Date of completion
1	Minhang District, Shanghai	Urban Cradle (萬源城)	Residential and commercial	53.1%	908,950	1,136,468	21,122	681,621	2007 to 2015, in phases
2	Songjiang District, Shanghai	Shanghai Youth City (上海青年城)	Commercial and office	100%	57,944	212,130	51	137,529	Completed
3	Minhang District, Shanghai	Shanghai Jing City (上海晶城)	Residential and commercial	59%	301,908	772,885	31,135	453,333	2012 to 2017, in phases
4	Minhang District, Shanghai	Jingjie Yuan (晶杰苑)	Residential and commercial	59%	49,764	125,143	-	95,594	Completed
5	Minhang District, Shanghai	U Centre (城開中心)	Office, commercial and hotel	59%	65,727	388,125	-	18,239	2014 to 2016, in phases
6	Chaoyang District, Beijing	American Rock (後現代城)	Residential and commercial	100%	121,499	523,833	217	450,287	Completed
7	Chaoyang District, Beijing	Youngman Point (青年匯)	Residential and commercial	100%	112,700	348,664	212	247,205	2007 to 2016, in phases
8	Haidian District, Beijing	West Dayutai (西釣魚台嘉園)	Residential	90%	42,541	250,930	564	171,733	2007 to 2017, in phases
9	Nankai District, Tianjin	Laochengxiang (老城廂)	Residential, commercial and office	100%	244,252	752,883	109	546,585	2006 to 2017, in phases
10	Huajiao Town, Kunshan	Yooou.net (游站)	Commercial and office	30.7%	34,223	129,498	-	55,344	Completed
11	Zhoushi Town, Kunshan	Royal Villa (琨城帝景園)	Residential	53.1%	205,017	267,701	7,430	144,096	2007 to 2017, in phases
12	Binghu District, Wuxi	Urban Development International Center (上海中心城開國際)	Commercial, hotel, office, and serviced apartment	59%	24,041	193,368	702	11,232	Completed
13	Xian Chanta Ecotope	CBE International Peninsula (滄海半島)	Residential, commercial and hotel	71.5%	2,101,967	3,899,867	40,900	1,804,591	2008 to 2017, in phases
14	Heping District, Shenyang	Shenyang U Centre (瀋陽城開中心)	Commercial, office, and serviced apartment	80%	22,651	228,768	-	-	2015 to 2017, in phases
15	Jiulongpo District, Chongqing	Top City (城上城)	Residential, commercial and office	100%	120,014	786,233	5,284	353,068	2008 to 2016, in phases
16	Wangcheng District, Changsha	Forest Sea (森林海)	Residential and commercial	67%	679,620	907,194	1,835	238,133	2007 to 2017, in phases
17	Futian District, Shenzhen	China Phoenix Tower (中國鳳凰大廈)	Residential, commercial and office	91%	11,038	106,190	-	78,343	Completed
Sub-total					5,103,856	11,029,880			

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

	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 during the period (square meters)	Total GFA sold (square meters)	Date of completion
1	Qingpu District, Shanghai	Belle Rive (海源別墅)	Villa	49%	315,073	51,911	-	11,963	2014 to 2016, in phases
2	Qingpu District, Shanghai	Shanghai Bay (上海上實•海上灣)	Residential	49%	808,572	454,880	6,203	79,182	2011 to 2017, in phases
3	Qingpu District, Shanghai	Zhujiajiao Lot D1 (朱家角D1地塊)	Residential	49%	162,708	63,859	-	-	2017
	Sub-total				1,286,353¹	570,650¹			
	Total				9,404,899¹	16,234,653¹			

Major Future 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)	Date of completion
1	Jiading District, Shanghai	Lot F04-2 of Jiading New Town (嘉定新城F04-2地塊)	Residential and commercial	40%	58,949	163,351	2018
2	Yuhang District, Hangzhou	Lot 18, Cudun Road project (古墩路項目18號地塊)	Residential and commercial	51%	74,864	226,539	2019
3	Qingpu District, Shanghai	Zhujiajiao Lot D2 (朱家角D2地塊)	Residential and commercial	51%	349,168	207,612	2017
4	Yuhang District, Hangzhou	Lot 46, Cudun Road project (古墩路項目46號地塊)	Residential and commercial	46%	59,640	137,172	2019
5	Beibei District, Chongqing	Lot A72-4/03 (A72-4/03地塊)	Residential and commercial	100%	30,845	56,199	2017
	Sub-total				573,466	790,873	

	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)	Date of completion
1	Xuhui Binjiang District, Shanghai	Binjiang U Center (濱江城開中心)	Office and commercial	35.4%	77,371	404,600	Under planning
2	Minhang District, Shanghai	Xinzhuan metro superstructure (莘莊地鐵上蓋)	Residential, commercial, hotel, office and apartment office	20.7%	117,825	605,000	2018 to 2022, in phases
3	Tangjia High-tech Zone, Zhuhai	Qi'ao Island (淇澳島)	Residential, commercial and hotel	100%	2,215,516	1,090,000	Under planning
	Sub-total				2,410,712	2,099,600	

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

	City	Projects of the Company	Type of property	Interest attributable to the Company	Approximate site area (square meters)	Planned total GFA (square meters)	Date of completion
1	Qingpu District, Shanghai	Zhujiacao Lot D2 (朱家角D2地塊)	Residential and commercial	49%	349,168	207,612	2017
2	Qingpu District, Shanghai	Shanghai Lot F (上海F地塊)	Villa	10%	350,533	175,267	Under planning
3	Qingpu District, Shanghai	Shanghai Lot G (上海G地塊)	Villa	10%	401,274	200,637	Under planning
Sub-total					1,100,975	583,516	
Total					4,085,153	3,473,989	

Major Investment Properties

	City	Projects of SI Development	Type of property	Interest attributable to SI Development	Total GFA for investment properties (square meters)
1	Xuhui District, Shanghai	Shanghai Industrial Investment Building (上海實業大廈)	Commercial and office	100% 74%	10,089 23,035 (carpark included)
2	Huangpu District, Shanghai	Golden Bell Plaza (金鐘廣場)	Commercial and office	100% 90%	12,270 49,006 (carpark included)
3	Yangpu District, Shanghai	Hi-Shanghai Commercial and Cultural Complex (海上海商業用房及文化設施)	Complex	100%	44,027 (carpark included)
4	Pudong New District, Shanghai	No. 1111, Shangchuan Road (上川路1111號)	Industrial Building	100%	40,208
5	Hongkou District, Shanghai	Gaoyang Commercial Centre (高陽商務中心)	Commercial and office	100%	26,668
6	Hongkou District, Shanghai	Gaoyang Hotel (高陽賓館)	Hotel	100%	3,847
7	Huangpu District, Shanghai	Commercial Units of Huangpu Estate 黃浦新苑商舖	Commercial	100%	20,918 (carpark included)
8	Changning District, Shanghai	Super Ocean Finance Centre (仲盛金融中心)	Commercial and office	100%	2,321
9	Qingdao Economic Development Zone	Dali Plaza (達利廣場)	Commercial	76%	21,495

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

	City	Projects of SI Development (continued)	Type of property	Interest attributable to SI Development	Total GFA for investment properties (square meters)
10	Wenjiang District, Chengdu	Orchard Forest Commercial Building (錦繡森鄰商業用房)	Commercial	100%	1,396
11	Tianjin	Rhine Town Phase II Commercial Building (萊茵小鎮二期商業用房)	Commercial	15.2%	5,961
Sub-total					261,241

	City	Projects of SI Urban Development	Type of property	Interest attributable to SI Urban Development	Total GFA for investment properties (square meters)
1	Nankai District, Tianjin	Laochengxiang (老城廂)	Residential, commercial and office	100%	2,433 ²
2	Songjiang District, Shanghai	Shanghai Youth City (上海青年城)	Commercial	100%	16,349 ²
3	Jiulongpo District, Chongqing	Top City (城上城)	Commercial and car park	100%	251,847 ²
4	Futian District, Shenzhen	China Phoenix Tower (中國鳳凰大廈)	Office	91%	1,048 ²
5	Chaoyang District, Beijing	Youngman Point (青年匯)	Commercial	100%	19,768 ²
6	Shanghai Hongqiao Economic & Technological Development Zone	ShanghaiMart (上海世貿商城)	Exhibition, commercial and office	51%	284,651
7	Xuhui District, Shanghai	Urban Development International Tower (城開國際大廈)	Office	59%	45,239
8	Xuhui District, Shanghai	Huimin Commercial Tower (匯民商廈)	Commercial	59%	13,839
9	Shanghai	Others	Commercial and office	59%	9,249
Sub-total					644,423
Total					905,664

Notes:

1. There are duplicate figures in the GPA of Belle Rive, Shanghai Bay in Shanghai, Zhujiajiao Lot D1 and Zhujiajiao Lot 2.
2. Such total GFAs are duplicate figures, which have been included in the Major Investments Properties table.

BUSINESS REVIEW, DISCUSSION AND ANALYSIS

CONSUMER PRODUCTS

The consumer products business contributed a profit of HK\$514 million to the Group during the period, representing an increase of 6.4% over the same period last year and accounting for 36.3% of the Group's Net Business Profit.

Tobacco

Based on its development needs, Nanyang Tobacco has pursued the following strategies during the period – “to optimize market structure, promote technological progress, enhance team quality, and achieve sustainable and stable development”. In addition, full support was given to brand building, raw material procurement, technological innovation as well as marketing and corporate management in order to enhance sustainable growth of the company. During the period, Nanyang Tobacco realized a revenue of HK\$1,521 million, representing a decrease of 2.1% over the same period last year; profit after tax was HK\$454 million, representing a year-on-year increase of 1.2%. The technological alteration projects of The Twelfth Five-Year Plans are in steady progress. Testing of technical renovation works has been completed, among which tobacco production, packaging and storage capacity were remarkably enhanced.

Due to the slowdown of the overall economy and the government's continued strong control policy on tobacco, the company actively modified its marketing strategies to cope with the market downturn, and achieved satisfactory results on market expansion and new product development. Meanwhile, the company also made considerable efforts in brand building besides maintaining the continued development of its “Double Happiness” brand. The promotion and display of new products such as “Classic Infinity”, “Fair Ladies”, “Peony Deluxe” were also strengthened. The company was in strict compliance with specifications of the international markets in leaf tobacco purchasing, controlled strictly the acceptance standard, organized quality inspections and monitored the operation all the way to ensure that solid results were achieved.

Printing

Wing Fat Printing recorded a revenue of HK\$549 million for the period, representing an increase of 7.5% over the same period last year, which was mainly attributable to the expansion of new customers from wine packaging and rising income from the pulp mould packaging export business; net profit for the period was HK\$66.48 million, representing a significant year-on-year increase of 76.5%, which was mainly due to higher net income from entrustment funds received by the company upon maturity during the period. As a result of business growth and a more optimized business structure, gross profit increased by 5.8%. The tobacco and wine package business of the company were relatively stable during the period. Through the establishment of the pulp mould packaging business this year, the company strategically transformed its business by opening up new sources of income and adding momentum for its future development. In the first half of the year, pulp molded products from its Jiangyan factory commenced mass production and achieved bulk supply to clients.



BUSINESS REVIEW, DISCUSSION AND ANALYSIS

In August, Wing Fat Printing reached an agreement with the shareholders of Qingdao Huiyu, pursuant to which the shareholders will set up a new company and inject the pulp mould business and assets of Qingdao Huiyu therein, while Wing Fat Printing will acquire 70% equity interests of the new company at a consideration of RMB56 million. Qingdao Huiyu is mainly engaged in quality exquisite yellow pulp mould packaging. Through this acquisition, Wing Fat Printing is able to rapidly enter the business for manufacture of yellow pulp mould packaging boxes, and is able to build up a comprehensive packaging business chain with its existing production facilities, enabling the company to have better investment returns than by purely relying on its traditional packaging business.

FINANCIAL REVIEW

KEY FIGURES

	2015	2014	Change
	Unaudited		
	Six months ended 30 June		%
Results			
Revenue (HK\$'000)	6,982,031	7,635,461	-8.6
Profit attributable to owners of the Company (HK\$'000)	1,373,497	1,948,516	-29.5
Earnings per share – basic (HK\$)	1.267	1.800	-29.6
Dividend per share – interim (HK cents)	36	45	-20.0
Dividend payout ratio	28.4%	25.0%	
Interest cover (note(a))	4.6 times	7.6 times	
	Unaudited	Audited	
	30 June	31 December	%
Financial Position			
Total assets (HK\$'000)	133,616,755	127,270,558	5.0
Equity attributable to owners of the Company (HK\$'000)	36,883,131	35,518,016	3.8
Net assets per share (HK\$)	33.95	32.80	3.5
Net debt ratio (note(b))	61.33%	51.40%	
Gearing ratio (note(c))	45.80%	45.50%	
Number of shares in issue (shares)	1,086,347,600	1,082,761,600	

Note (a): (profit before taxation, interest expenses, depreciation and amortization)/interest expenses

Note (b): (interest-bearing loans – cash)/equity attributable to owners of the Company

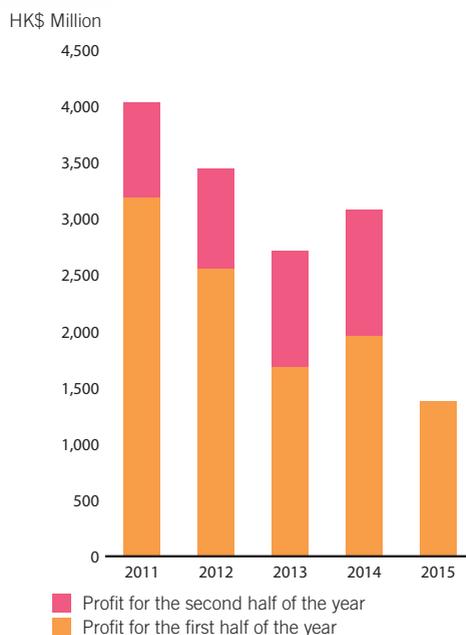
Note (c): interest-bearing loans/(equity attributable to owners of the Company + non-controlling interests + interest-bearing loans)

FINANCIAL REVIEW

I ANALYSIS OF FINANCIAL RESULTS

1 Profit attributable to owners of the Company

For the six months ended 30 June 2015, the Group recorded a profit attributable to owners of the Company of HK\$1,373.50 million, an decrease of HK\$575.02 million or approximately 29.5%, which is mainly due to a gain of HK\$1,190.98 million from the disposal of Lot E of Qingpu District, Shanghai during the same period of last year.

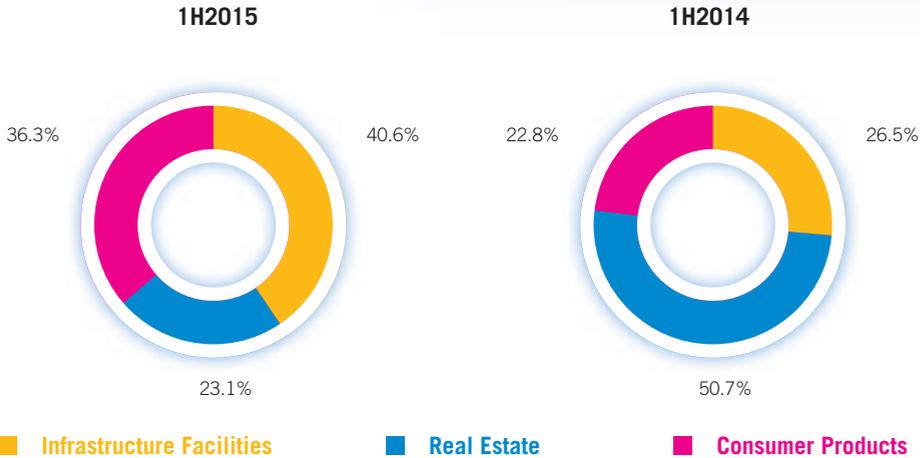


2 Profit Contribution from Each Business

The profit contributed by each business in the Group during the first half of 2015 and the comparative figures of the corresponding period last year was summarized as follows:

	2015 Unaudited Six months ended 30 June HK\$'000	2014 Unaudited Six months ended 30 June HK\$'000	Change %
Infrastructure Facilities	575,158	560,404	2.6
Real Estate	327,096	1,073,205	-69.5
Consumer Products	513,833	482,713	6.4
	1,416,087	2,116,322	-33.1

FINANCIAL REVIEW



Net profit from the infrastructure facilities business for the period was approximately HK\$575.16 million, accounting for 40.6% of Net Business Profit, representing a year-on-year increase of 2.6%. Although the traffic flow of the three expressways recorded natural growth ranging from 5.9% to 8.2%, Jing-Hu Expressway (Shanghai Section) was influenced by the distribution of Shanghai Jia-Min Elevated Highway, resulting in a drop in average toll revenue per vehicle. For such reason, the result of toll road only achieved a year-on-year increase of 1.8%. As for water services business, the increase in profit of SI Environment for the period was mainly due to the contribution of newly acquired projects; while the growth in profit was offset by the dilution of equity interests which made the year-on-year profit growth rate remained the same. The result of General Water of China benefited from the capitalization of debt by two shareholders, which in turn reduced the interest expenses and achieved a growth in operation profit, driving the growth in profit of water services business.

Real estate business recorded a profit of approximately HK\$327.10 million, accounting for 23.1% of Net Business Profit, representing a decrease of approximately HK\$746.11 million as compared to the same period of 2014. The decrease was mainly due to the net gain from the disposal of projects and the related costs in real estate business recorded a decrease of approximately HK\$591.67 million as compared to the same period last year. The disposal of Lot E of Qingpu District, Shanghai was completed in the same period last year; while the disposal of 100% interests in Yanjiao Project was completed during the period. Decrease in revenue of real estate business resulting in the turnaround from profit to loss also partly accounted for the decrease in profit.

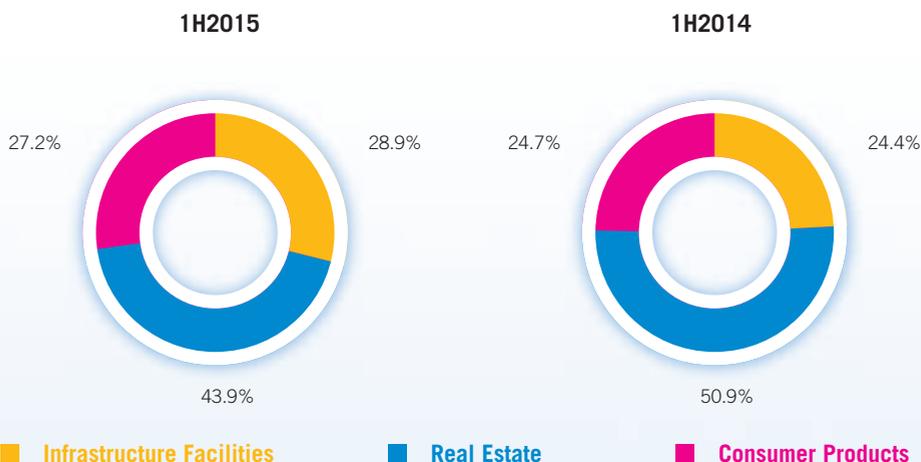
FINANCIAL REVIEW

The consumer products business recorded a net profit of HK\$513.83 million, accounting for 36.3% of Net Business Profit, representing a year-on-year increase of 6.4%. The business of Nanyang Tobacco remained stable. Although the total sales volume of cigarettes decreased year-on-year by 1.4%, the average selling price per case remained the same, which limited the year-on-year decrease in sales to only 2.1%. During the period, Wing Fat Printing recorded investment income from trust fund and the foreign exchange loss due to depreciation of Renminbi in the same period last year was absent. The profit contribution of Wing Fat Printing significant increased 76.1% as compared to the same period last year.

3 Revenue

The Group's revenue by principal activities for the first half of 2015 and the comparatives of the same period last year was summarized as follows:

	2015 Unaudited Six months ended 30 June HK\$'000	2014 HK\$'000	Change %
Infrastructure Facilities	2,017,302	1,867,292	8.0
Real Estate	3,066,961	3,884,176	-21.0
Consumer Products	1,897,768	1,883,993	0.7
	6,982,031	7,635,461	-8.6



In the first half of 2015, the revenue amounted to approximately HK\$6,982.03 million, representing a year-on-year decrease of 8.6%, mainly due to a decrease of HK\$1,232.27 million property sales booked by SI Urban Development as compared to the same period last year. However, the decrease was partially offset by the increase in the rental income resulted from the acquisition of ShanghaiMart last year.

FINANCIAL REVIEW

The year-on-year increase in revenue of infrastructure facilities business was mainly attributable to the natural growth in the toll income from three expressways, and also SI Environment started consolidating the sales of Fudan Water upon completion of the acquisition.

The real estate business recorded a decrease of revenue, mainly due to a decrease of HK\$1,232.27 million property sales booked by SI Urban Development as compared to the same period last year. However, the decrease was partially offset by the increase in the rental income resulted from the acquisition of ShanghaiMart last year and the increase in property sales booked by SI Development as compared to the same period last year.

As for the revenue from consumer products business, Nanyang Tobacco remained stable. During the period, Wing Fat Printing successfully expanded customer base of wine packaging and increase the export income of pulp mold packaging.

4 Profit before Taxation

(1) Gross profit margin

Compared to the first half of 2014, the gross profit margin increased 2.1 percentage points, mainly due to the decrease in proportion of construction income from SI Environment during the period. The profit margin of such business is relatively low, which increased the overall profit margin of infrastructure facilities business. Meanwhile, a higher proportion of property sales booked in respect of the real estate business with lower profit margin. However, the increase in rental income from the acquisition of ShanghaiMart last year partly offset the decrease in profit margin of real estate business. The gross profit margin for consumer products business remained stable.

(2) Other income, gains and losses

During the period, other income, gains and losses increased as compared to the same period last year, mainly due to a foreign exchange loss from the depreciation of Renminbi was booked in the same period last year.

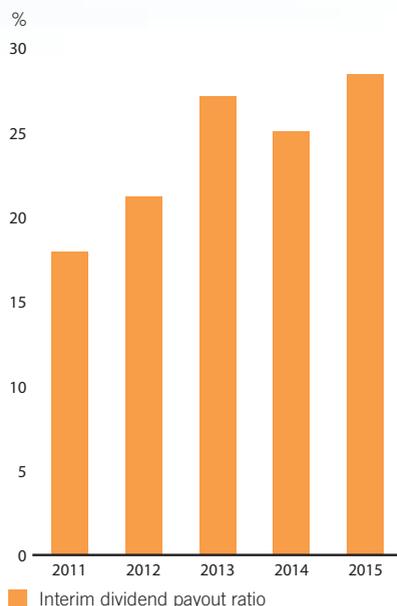
(3) Net gain on disposal of interests in other subsidiaries/deemed partial disposal of interest in a joint venture

The net gain for the period was mainly attributable to the profit before tax of HK\$452.37 million from disposal of 100% equity interests in Yanjiao. While the net gain for the same period last year was mainly attributable to the dilution of equity interests in General Water of China from 47.5% to 45%, which generated a profit of HK\$15.76 million.

FINANCIAL REVIEW

5 Dividend

The Board of Directors of the Group has resolved to declare an interim dividend of HK36 cents, a decrease of 20.0% as compared with 2014 interim of HK45 cents per share, and interim dividend payout ratio is 28.4% (2014 interim: 25.0%).

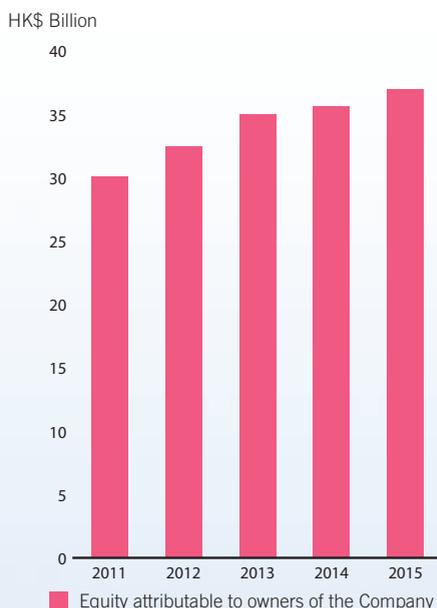


II FINANCIAL POSITION OF THE GROUP

1 Capital and Equity attributable to owners of the Company

The Group had a total of 1,086,347,600 shares in issue as at 30 June 2015, which was increased by 3,586,000 shares as compared with 1,082,761,600 shares in issue as at the end of 2014. The increase is mainly attributable to the exercise of share options by employees during the period.

The equity attributable to owners of the Company reached HK\$36,883.13 million as at 30 June 2015, which was attributable to the net profit after deducting the dividend actually paid during the period.



2 Indebtedness

(1) Borrowings

In July 2015, the Company, through a wholly-owned subsidiary, SIHL Finance Limited signed a HK\$3 billion or US dollar equivalent dual-currency club loan for a 5 years term. Such facility will be used for the repayment of a syndicated loan of HK\$2.6 billion due in November 2015 and for general working capital purpose. Besides, the Company signed a RMB1 billion loan in April 2015, which was used for the repayment of a RMB loan due in May 2015.

As at 30 June 2015, the total borrowings of the Group including bank borrowings, other borrowings and convertible bonds amounted to approximately HK\$47,727.81 million (31 December 2014: HK\$44,589.13 million), of which 63.2% (31 December 2014: 60.4%) was unsecured credit facilities.

(2) Pledge of assets

As at 30 June 2015, the following assets were pledged by the Group to banks to secure general banking facilities granted by these banks to the Group:

- (a) investment properties with an aggregate carrying value of HK\$11,416,224,000 (31 December 2014: HK\$12,456,886,000);
- (b) leasehold land and buildings with an aggregate carrying value of HK\$1,476,791,000 (31 December 2014: HK\$1,664,858,000);
- (c) plant and machineries with an aggregate carrying value of HK\$28,762,000 (31 December 2014: HK\$30,956,000);
- (d) one (31 December 2014: one) toll road operating right of HK\$3,005,417,000 (31 December 2014: HK\$3,095,721,000);
- (e) receivables under service concession arrangements with an aggregate carrying value of HK\$2,508,269,000 (31 December 2014: HK\$2,553,891,000);
- (f) properties under development held for sale with an aggregate carrying value of HK\$15,698,969,000 (31 December 2014: HK\$8,443,487,000);

FINANCIAL REVIEW

- (g) properties held for sale with an aggregate carrying value of HK\$32,665,000 (31 December 2014: HK\$129,768,000);
- (h) trade receivables with an aggregate carrying value of HK\$176,757,000 (31 December 2014: HK\$192,098,000); and
- (i) bank deposits with an aggregate carrying value of HK\$562,385,000 (31 December 2014: HK\$742,973,000).

(3) Contingent liabilities

As at 30 June 2015, the guarantees given to banks by the Group in respect of banking facilities utilised by an entity controlled by Xuhui District State Owned Asset Administrative Committee, property buyers and a joint venture amounted to approximately HK\$144.96 million, HK\$3,044.67 million and HK\$945.31 million (31 December 2014: HK\$269.93 million, HK\$1,669.79 million and HK\$837.17 million) respectively.

3 Capital Commitments

As at 30 June 2015, the Group had capital commitments mainly contracted for business development and investments in fixed assets of HK\$6,680.49 million (31 December 2014: HK\$7,373.54 million). The Group had sufficient internal resources and/or through loan market channel to finance its capital expenditures.

4 Bank Deposits and Short-term Investments

As at 30 June 2015, bank balances and short-term investments held by the Group amounted to HK\$25,105.55 million (31 December 2014: HK\$26,332.41 million) and HK\$630.23 million (31 December 2014: HK\$490.20 million) respectively. The proportions of US dollars and other currencies, Renminbi and HK dollars of bank balances were 7%, 87% and 6% (31 December 2014: 8%, 81% and 11%) 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 cover, the Group is monitoring the market situation and the funding requirements for business development, will seek opportunities to optimize capital structure should the need arise.

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 arises from fluctuations in the US dollar, Singapore dollar, HK dollar and Renminbi exchange rates. The management monitors foreign currency exposure, and especially facing the current depreciation risk of RMB, the management will consider hedging significant foreign currency exposure and adopting suitable measures should the need arise in order to mitigate the impact of depreciation of RMB on the Group's financial position.

2 Interest Rate Risk

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

3 Credit Risk

The Group's principal financial assets are bank balances and cash, equity and debt investments, trade and other receivables. The Group's trade and other receivables presented in the condensed consolidated statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is 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, the Group's bank balances and cash, equity and debt investments must be placed and entered into with financial institutions of good reputation. There are strict requirements and restrictions as to the outstanding amount and credit ratings on equity and debt investments to be held, so as to minimize the Group's credit risk exposure.

4 Equity Price Risk

The Group and the Company is exposed to equity price risk through its investment in equity securities classified as either available-for-sale investments or financial assets at fair value through profit or loss. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group and the Company's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange and the Shanghai Stock Exchange. In addition, management has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

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 39 to 68, which comprise the condensed consolidated statement of financial position as of 30 June 2015, and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed 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.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONCLUSION

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



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue	3	6,982,031	7,635,461
Cost of sales		(4,155,994)	(4,699,994)
Gross profit		2,826,037	2,935,467
Net investment income		603,561	317,506
Other income, gains and losses		301,574	254,480
Selling and distribution costs		(378,928)	(362,142)
Administrative and other expenses		(789,259)	(872,675)
Finance costs		(806,267)	(614,068)
Share of results of joint ventures		105,292	92,803
Share of results of associates		1,180	2,506
Gain on disposal of the Feng Qi Group	4a	–	1,716,165
Net gain on disposal of interests in other subsidiaries/deemed partial disposal of interest in a joint venture	4b	452,367	13,542
Profit before taxation		2,315,557	3,483,584
Income tax expense	5	(619,597)	(936,788)
Profit for the period	6	1,695,960	2,546,796
Profit for the period attributable to			
– Owners of the Company		1,373,497	1,948,516
– Non-controlling interests		322,463	598,280
		1,695,960	2,546,796
Earnings per share	8	HK\$	HK\$
– Basic		1.267	1.800
– Diluted		1.181	1.664

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Profit for the period	1,695,960	2,546,796
Other comprehensive income (expense) Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
– subsidiaries	(38,746)	(1,025,616)
– joint ventures	(4,966)	(25,553)
– associates	(4,912)	(49,619)
Fair value adjustments on available-for-sale investments held by		
– subsidiaries	126,920	(46,084)
– a joint venture	–	(5,607)
Reclassification on disposal of available-for-sale investments	(7,843)	–
Reclassification of translation reserve upon disposal/deemed partial disposal of		
– the Feng Qi Group	–	(1,256)
– interests in other subsidiaries	–	(967)
– interest in a joint venture	–	(10,308)
Other comprehensive income (expense) for the period	70,453	(1,165,010)
Total comprehensive income for the period	1,766,413	1,381,786
Total comprehensive income for the period attributable to		
– Owners of the Company	1,400,296	1,130,295
– Non-controlling interests	366,117	251,491
	1,766,413	1,381,786

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	NOTES	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-Current Assets			
Investment properties	9	15,959,817	15,979,200
Property, plant and equipment	9	4,517,672	4,657,924
Prepaid lease payments – non-current portion		279,293	283,248
Toll road operating rights		12,258,465	12,633,146
Other intangible assets	9	3,778,817	1,963,325
Interests in joint ventures		3,444,131	3,351,253
Interests in associates		2,723,106	2,636,196
Investments		1,126,325	1,005,180
Receivables under service concession arrangements – non-current portion	9	5,694,268	4,379,747
Deposits paid on acquisition of property, plant and equipment		74,589	171,727
Other non-current receivable	10	156,444	–
Deferred tax assets		343,572	315,418
		50,356,499	47,376,364
Current Assets			
Inventories	11	50,847,553	47,007,200
Trade and other receivables	12	6,122,234	4,940,367
Prepaid lease payments – current portion		6,143	6,143
Investments		630,227	490,200
Receivables under service concession arrangements – current portion	9	181,942	137,176
Amounts due from customers for contract work		78,405	87,499
Prepaid taxation		288,201	201,470
Pledged bank deposits		562,385	742,973
Short-term bank deposits		2,020,073	469,736
Bank balances and cash		22,523,093	25,119,702
		83,260,256	79,202,466
Assets classified as held for sale	13	–	691,728
		83,260,256	79,894,194

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	NOTES	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Current Liabilities			
Trade and other payables	14	15,468,201	16,168,861
Customer deposits from sales of properties	15	4,304,433	3,088,017
Amounts due to customers for contract work		24,856	30,681
Taxation payable		3,013,939	3,411,953
Bank and other borrowings	16	12,960,091	18,431,868
Convertible bonds	17	3,868,987	–
		39,640,507	41,131,380
Liabilities associated with assets classified as held for sale	13	–	28
		39,640,507	41,131,408
Net Current Assets		43,619,749	38,762,786
Total Assets less Current Liabilities		93,976,248	86,139,150
Capital and Reserves			
Share capital		13,615,889	13,527,827
Reserves		23,267,242	21,990,189
Equity attributable to owners of the Company		36,883,131	35,518,016
Non-controlling interests		19,607,170	17,884,803
Total Equity		56,490,301	53,402,819
Non-Current Liabilities			
Provision for major overhauls		77,383	78,934
Bank and other borrowings	16	30,862,507	22,283,617
Convertible bonds	17	–	3,826,613
Deferred tax liabilities		6,546,057	6,547,167
		37,485,947	32,736,331
Total Equity and Non-Current Liabilities		93,976,248	86,139,150

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company											Attributable to non-controlling interests						
	Share capital	Share premium	Share options reserve	Convertible bonds equity reserve	Capital redemption reserve	Other revaluation reserve	Other reserve	Merger reserve	Investment revaluation reserve	Translation reserve	PRC statutory reserves	Retained profits	Sub-total	Deferred consideration of a listed subsidiary	Share options of listed subsidiaries	Share of net assets of subsidiaries	Sub-total	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (note i)	HK\$'000 (note ii)	HK\$'000 (note iii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (audited)	108,275	13,418,247	163,633	114,442	1,071	54,855	1,378,676	(5,871,685)	93,085	3,917,251	991,663	20,636,511	34,946,024	30,382	66,842	17,336,366	17,433,790	52,379,614
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,948,516	1,948,516	-	-	598,280	598,280	2,546,796	
Exchange differences arising on translation of foreign operations																		
- subsidiaries	-	-	-	-	-	-	-	-	(678,827)	-	-	(678,827)	-	-	(346,789)	(346,789)	(1,025,616)	
- joint ventures	-	-	-	-	-	-	-	-	(25,553)	-	-	(25,553)	-	-	-	-	(25,553)	
- associates	-	-	-	-	-	-	-	-	(49,619)	-	-	(49,619)	-	-	-	-	(49,619)	
Fair value adjustments on available-for-sale investments held by																		
- subsidiaries	-	-	-	-	-	-	-	-	(46,084)	-	-	(46,084)	-	-	-	-	(46,084)	
- a joint venture	-	-	-	-	-	-	-	-	(5,607)	-	-	(5,607)	-	-	-	-	(5,607)	
Reclassified on disposal/deemed partial disposal of																		
- the Feng Qi Group	-	-	-	-	-	-	-	-	-	(1,256)	-	(1,256)	-	-	-	-	(1,256)	
- interests in other subsidiaries	-	-	-	-	-	-	-	-	-	(967)	-	(967)	-	-	-	-	(967)	
- interest in a joint venture	-	-	-	-	-	-	-	-	-	(10,308)	-	(10,308)	-	-	-	-	(10,308)	
Total comprehensive (expense) income for the period	-	-	-	-	-	-	-	-	(51,691)	(766,530)	-	1,948,516	1,130,295	-	-	251,491	251,491	1,381,786
Issue of shares upon exercise of share options	114	120	(19)	-	-	-	-	-	-	-	-	-	215	-	-	-	-	215
Recognition of equity-settled share-based payments	-	-	164	-	-	-	-	-	-	-	-	-	164	-	-	-	-	164
Transfers	-	-	-	-	-	-	-	-	-	50,904	(50,904)	-	-	-	-	-	-	-
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance	13,419,438	(13,418,367)	-	-	(1,071)	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,721	15,721	15,721
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(68,000)	(68,000)	(68,000)
Acquisition of a subsidiary from SIC (note 22(ii))	-	-	-	-	-	-	-	(18)	-	(668)	903	(26,579)	(26,262)	-	-	(5,212)	(5,212)	(31,474)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(6,156)	-	-	-	-	-	(6,156)	-	-	(3,755)	(3,755)	(9,911)	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,946)	(37,946)	(37,946)	
Disposal of a disposal group classified as held for sale	-	-	-	-	-	(21,181)	153,328	-	-	(5,358)	(126,789)	-	-	-	(81,400)	(81,400)	(81,400)	
Dividends paid (note 7)	-	-	-	-	-	-	-	-	-	-	(487,243)	(487,243)	-	-	-	-	(487,243)	
At 30 June 2014 (unaudited)	13,527,827	-	163,778	114,442	-	54,855	1,351,339	(5,718,375)	41,394	3,150,153	978,112	21,893,512	35,557,037	30,382	66,842	17,407,265	17,504,689	53,061,726

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company										Attributable to non-controlling interests						
	Share capital HK\$'000	Convertible			Other 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	Deferred consideration	Share options	Share of net assets of subsidiaries	Sub-total HK\$'000	Total HK\$'000
		Share options reserve HK\$'000	bonds equity HK\$'000	Other revaluation reserve HK\$'000									shares of a listed subsidiary	reserve of listed subsidiaries	Sub-total		
		HK\$'000	HK\$'000	HK\$'000									HK\$'000	HK\$'000	HK\$'000		
At 1 January 2015 (audited)	13,527,827	163,778	114,442	54,835	478,225	(5,718,375)	297,023	3,095,373	1,136,075	22,388,793	35,518,016	30,582	66,842	17,787,379	17,894,803	53,402,819	
Profit for the period	-	-	-	-	-	-	-	-	-	1,373,497	1,373,497	-	-	322,463	322,463	1,695,960	
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(7,028)	-	-	(7,028)	-	-	(31,718)	(31,718)	(38,746)	
- subsidiaries	-	-	-	-	-	-	-	(7,028)	-	-	(7,028)	-	-	(31,718)	(31,718)	(38,746)	
- joint ventures	-	-	-	-	-	-	-	(4,966)	-	-	(4,966)	-	-	-	-	(4,966)	
- associates	-	-	-	-	-	-	-	(4,912)	-	-	(4,912)	-	-	-	-	(4,912)	
Fair value adjustments on available-for-sale investments held by subsidiaries	-	-	-	-	-	-	51,548	-	-	-	51,548	-	-	75,372	75,372	128,920	
Reclassified on disposal of available-for-sale investments held by subsidiaries	-	-	-	-	-	-	(7,843)	-	-	-	(7,843)	-	-	-	-	(7,843)	
Total comprehensive income (expense) for the period	-	-	-	-	-	-	43,705	(16,906)	-	1,373,497	1,400,296	-	-	366,117	366,117	1,768,413	
Issue of shares upon exercise of share options	88,062	(6,637)	-	-	-	-	-	-	-	-	81,425	-	-	-	-	81,425	
Transfers	-	-	-	-	-	-	-	-	52,520	(52,520)	-	-	-	-	-	-	
Capital contribution by non-controlling interests upon establishment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	50,600	50,600	50,600	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(216,032)	(216,032)	(216,032)	
Acquisition of subsidiaries (note 18)	-	-	-	-	-	-	-	-	-	-	-	-	-	187,976	187,976	187,976	
Acquisition of additional interests in subsidiaries	-	-	-	-	(9,439)	-	-	-	-	-	(9,439)	-	-	(147,218)	(147,218)	(156,657)	
Deregistration of a subsidiary	-	-	-	-	-	-	66,448	-	(3,560)	(62,888)	-	-	-	-	-	-	
Deemed disposal of interest in a listed subsidiary upon issuance of consideration shares (note 18)	-	-	-	-	381,667	-	-	-	-	-	381,667	-	-	1,480,924	1,480,924	1,862,591	
Dividends paid (note 7)	-	-	-	-	-	-	-	-	-	(488,834)	(488,834)	-	-	-	-	(488,834)	
At 30 June 2015 (unaudited)	13,615,889	157,141	114,442	54,835	850,453	(5,651,927)	340,728	3,078,467	1,185,035	23,138,048	35,883,131	30,582	66,842	19,509,746	19,607,170	56,490,301	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

notes:

- (i) Other revaluation reserve comprises of 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 and fair value adjustments arising upon the transfer of property, plant and equipment to investment properties in prior years.
- (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 received is recorded in other reserve.
- (iii) Merger reserve represents the difference in 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 2015

	NOTES	Six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Net cash used in operating activities		(2,859,211)	(2,990,027)
Net cash (used in) from investing activities:			
Increase in short-term bank deposits		(1,323,465)	(185,212)
Acquisition of subsidiaries	18	(805,606)	(166,799)
Advance to an independent third party	10	(156,444)	–
Purchase of property, plant and equipment		(45,087)	(73,565)
Purchase of available-for-sale investments		(25,209)	(41,504)
Disposal of assets classified as held for sale (net of cash and cash equivalents disposed of)	13(l)	824,690	1,959,846
Interest received		290,719	296,533
Dividend income received from available- for-sale investments		217,886	1,761
Decrease (increase) in deposits paid on acquisition of property, plant and equipment		97,139	(49,801)
Acquisition of a joint venture		–	(666,068)
Entrusted fund placed with a joint venture		–	(503,081)
Withdrawal of entrusted fund placed with a joint venture		–	503,081
Proceeds from disposal of investment properties		–	41,793
Disposal of subsidiaries (net of cash and cash equivalents disposed of)		–	33,933
Other investing cash flows		(85,874)	(201,486)
		(1,011,251)	949,431

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash from financing activities:		
Bank and other borrowings raised	9,038,176	9,079,671
Issuance of listed bonds	2,499,375	–
Proceeds from issue of shares upon exercise of share options	81,425	215
Capital contributions by non-controlling interests	50,600	15,721
Repayment of bank and other borrowings	(8,741,168)	(7,850,365)
Interest paid	(763,893)	(572,437)
Dividends paid	(488,834)	(487,243)
Dividends paid to non-controlling interests	(216,032)	(68,000)
Acquisition of additional interests in subsidiaries	(156,657)	(6,374)
Other financing cash flows	(1,761)	(1,864)
	1,301,231	109,324
Net decrease in cash and cash equivalents	(2,569,231)	(1,931,272)
Cash and cash equivalents at 1 January	25,119,808	26,159,050
Effect of foreign exchange rate changes	(27,484)	(368,674)
Cash and cash equivalents at 30 June	22,523,093	23,859,104
Represented by:		
Bank balances and cash	22,523,093	23,852,004
Bank balances and cash classified as assets held for sale	–	7,100
	22,523,093	23,859,104

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 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 Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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.

The accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014, except for the amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) newly adopted by the Group in the current interim period which are disclosed below.

Amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. 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 facilities – investment in toll road projects and water-related business
- Real estate – property development and investment and hotel operation
- Consumer products – manufacture and sale of cigarettes, packaging materials and printed products

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

Segment revenue and results

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

Six months ended 30 June 2015

	Infrastructure facilities HK\$'000	Real estate HK\$'000	Consumer products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
REVENUE					
Segment revenue – external sales	2,017,302	3,066,961	1,897,768	–	6,982,031
Segment operating profit	937,609	1,017,754	607,618	4	2,562,985
Finance costs	(118,166)	(672,091)	(1,923)	(14,087)	(806,267)
Share of results of joint ventures	105,292	–	–	–	105,292
Share of results of associates	9,370	(15,501)	7,311	–	1,180
Gain on disposal of interests in other subsidiaries	–	452,367	–	–	452,367
Segment profit (loss) before taxation	934,105	782,529	613,006	(14,083)	2,315,557
Income tax expense	(203,308)	(295,158)	(92,624)	(28,507)	(619,597)
Segment profit (loss) after taxation	730,797	487,371	520,382	(42,590)	1,695,960
Less: profit attributable to non-controlling interests	(155,639)	(160,275)	(6,549)	–	(322,463)
Segment profit (loss) after taxation attributable to owners of the Company	575,158	327,096	513,833	(42,590)	1,373,497

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Six months ended 30 June 2014

	Infrastructure facilities HK\$'000	Real estate HK\$'000	Consumer products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
REVENUE					
Segment revenue – external sales	1,867,292	3,884,176	1,883,993	–	7,635,461
Segment operating profit (loss)	863,318	949,320	578,144	(118,146)	2,272,636
Finance costs	(101,031)	(486,119)	(2,327)	(24,591)	(614,068)
Share of results of joint ventures	92,803	–	–	–	92,803
Share of results of associates	5	(6,198)	8,699	–	2,506
Gain on disposal of the Feng Qi Group	–	1,716,165	–	–	1,716,165
Net gain on disposal of interests in other subsidiaries/deemed partial disposal of interest in a joint venture	10,949	2,593	–	–	13,542
Segment profit (loss) before taxation	866,044	2,175,761	584,516	(142,737)	3,483,584
Income tax expense	(176,047)	(638,087)	(97,585)	(25,069)	(936,788)
Segment profit (loss) after taxation	689,997	1,537,674	486,931	(167,806)	2,546,796
Less: profit attributable to non-controlling interests	(129,593)	(464,469)	(4,218)	–	(598,280)
Segment profit (loss) after taxation attributable to owners of the Company	560,404	1,073,205	482,713	(167,806)	1,948,516

Segment assets and liabilities

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

At 30 June 2015

	Infrastructure facilities HK\$'000	Real estate HK\$'000	Consumer products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Segment assets	31,162,660	87,239,308	6,473,851	8,740,936	133,616,755
Segment liabilities	6,483,470	54,940,055	922,430	14,780,499	77,126,454

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

At 31 December 2014

	Infrastructure facilities HK\$'000	Real estate HK\$'000	Consumer products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Segment assets	27,781,199	83,243,780	6,682,930	9,562,649	127,270,558
Segment liabilities	6,988,154	51,338,928	840,348	14,700,309	73,867,739

4a. GAIN ON DISPOSAL OF THE FENG QI GROUP

During the six months ended 30 June 2014, the Group completed the disposal of its 100% interest in Shanghai Feng Qi Properties Co., Ltd., which is owned by the Company, through two wholly owned investment holding subsidiaries, and Shanghai Industrial Development Co., Ltd. ("SI Development"), a 63.65% owned subsidiary of the Company, as to 49% and 51%, respectively. These disposed subsidiaries are collectively referred to as the "Feng Qi Group". A gain on disposal of the Feng Qi Group amounting to approximately HK\$1,716 million was recognised in the profit or loss.

4b. NET GAIN ON DISPOSAL OF INTERESTS IN OTHER SUBSIDIARIES/DEEMED PARTIAL DISPOSAL OF INTEREST IN A JOINT VENTURE

The amount for the six months ended 30 June 2015 represents gain on disposal of interests in other subsidiaries of approximately HK\$452 million (see note 13(I)).

The amount for the six months ended 30 June 2014 comprises (i) net loss on disposal of interests in other subsidiaries of approximately HK\$2 million; and (ii) gain on deemed partial disposal of interest in a joint venture of approximately HK\$16 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Current tax		
– Hong Kong	87,229	94,514
– PRC Land Appreciation Tax (“LAT”)	280,683	343,999
– PRC Enterprise income tax (“EIT”) (including PRC withholding tax of HK\$48,454,000 (six months ended 30 June 2014: HK\$46,320,000))	337,942	652,707
	705,854	1,091,220
Overprovision in prior periods		
– Hong Kong	(2,275)	–
– PRC LAT (Note)	–	(83,213)
– PRC EIT	(4,416)	(5)
	(6,691)	(83,218)
Deferred taxation for the current period	(79,566)	(71,214)
	619,597	936,788

Note: The Group recognised an overprovision of PRC LAT during the last interim period upon completion of tax clearance procedures by a PRC subsidiary with the tax authority.

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

The Group’s subsidiaries in the PRC are subject to PRC EIT at a rate of 25% for both periods, except for a PRC subsidiary which is qualified as a High New Technology Enterprise and enjoys a preferential tax rate of 15%. The preferential tax rate is applicable for three years until 2016 and subject to approval for renewal.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Profit for the period has been arrived at after charging (crediting) the following items:		
Amortisation of toll road operating rights (included in cost of sales)	374,681	371,596
Amortisation of other intangible assets (included in cost of sales)	46,351	36,130
Depreciation of property, plant and equipment	164,206	141,648
Release of prepaid lease payments	3,955	2,294
Decrease in fair value of investment properties (included in administrative and other expenses)	27,344	56,040
Dividend income from investments (included in net investment income)	(219,456)	(1,761)
Gain on disposal of property, plant and equipment	(4,838)	(386)
Interest income (included in net investment income)	(290,719)	(296,533)
Change in fair value of financial assets at fair value through profit or loss (included in net investment income)	(29,236)	8,091
Net foreign exchange loss	8,946	130,555
Compensation from a contractor in respect of late completion of properties	–	(134,574)
Share of PRC EIT of joint ventures (included in share of results of joint ventures)	32,284	26,905
Share of PRC EIT of associates (included in share of results of associates)	11,504	940

7. DIVIDENDS

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
2014 final dividend paid of HK45 cents (six months ended 30 June 2014: 2013 final dividend paid of HK45 cents) per share	488,834	487,243

Subsequent to the end of the reporting period, the directors of the Company have determined that an interim dividend of HK36 cents (six months ended 30 June 2014: HK45 cents) per share will be paid to the shareholders of the Company whose names appear on the Company's register of members on 17 September 2015.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	1,373,497	1,948,516
Effect of dilutive potential ordinary shares – interest on convertible bonds, net of tax	35,382	34,763
Earnings for the purpose of diluted earnings per share	1,408,879	1,983,279
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,084,216,653	1,082,759,777
Effect of dilutive potential ordinary shares – convertible bonds	107,319,758	107,319,758
– share options of the Company	1,834,143	1,883,256
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,193,370,554	1,191,962,791

The computation of diluted earnings per share does not assume (i) the exercise of the Company's outstanding options if the exercise price of those options was higher than the average market price for the corresponding period; and (ii) the exercise of options issued by Shanghai Industrial Urban Development Group Limited ("SI Urban Development"), a listed subsidiary of the Group, because the exercise price of those options was higher than the average market price for the corresponding period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

9. MOVEMENTS IN INVESTMENT PROPERTIES/PROPERTY, PLANT AND EQUIPMENT/OTHER INTANGIBLE ASSETS AND RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group's investment properties at the end of the reporting period were fair valued by DTZ Debenham Tie Leung Limited ("DTZ"), an independent firm of qualified professional valuers not connected with the Group. DTZ is a member of Institute of Valuers. 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 income approach or investment approach, where appropriate. During the current interim period, the Group recognised a decrease in fair value of investment properties of approximately HK\$27 million in profit or loss (six months ended 30 June 2014: HK\$56 million). During the six months ended 30 June 2014, the Group disposed of certain investment properties for the proceeds of HK\$41,793,000 (six months ended 30 June 2015: Nil).

During the current interim period, the Group incurred costs for construction in progress of approximately HK\$10 million (six months ended 30 June 2014: HK\$12 million) and acquired other property, plant and equipment at an aggregate cost of approximately HK\$35 million (six months ended 30 June 2014: HK\$62 million) for the purpose of expanding the Group's operations and businesses.

In addition, the Group acquired other intangible assets and receivables under service concession arrangements, both of which were related to the operating rights of service concession arrangements for sewage and water treatment, amounting to approximately HK\$1,827 million (six months ended 30 June 2014: HK\$260 million) and HK\$983 million (six months ended 30 June 2014: HK\$614 million), respectively, through acquisition of subsidiaries as set out in note 18 during the current interim period.

10. OTHER NON-CURRENT RECEIVABLE

The amount represents a loan receivable of RMB125,186,000 (equivalent to HK\$156,444,000) advanced to the parent company of a tenant of one of the Group's investment properties (the "Borrower") through an entrusted loan agreement administrated by a trust company, which carries fixed interest rate at 10% per annum and is repayable in 2020. The loan will be utilised by the Borrower for the renovation and improvement works on the property leased by the subsidiary of Borrower from SI Urban Development. The loan receivable is secured by unlisted ordinary shares of the subsidiaries of the Borrower and these subsidiaries are principally engaged in commercial properties management.

11. INVENTORIES

Inventories mainly represent properties under development held for sale. Included in the amount is HK\$30,970,051,000 (31 December 2014: HK\$28,637,258,000) which is not expected to be realised within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

12. TRADE AND OTHER RECEIVABLES

The Group generally allows credit periods ranging from 30 days to 180 days to its trade customers, other than property buyers. For property sales, due to the nature of business, the Group generally grants no credit period to property buyers.

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date.

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Within 30 days	361,644	294,684
Within 31-60 days	195,978	260,654
Within 61-90 days	165,753	110,967
Within 91-180 days	280,399	96,075
Within 181-365 days	190,081	100,989
Over 365 days	68,387	71,205
	1,262,242	934,574

Included in other receivables as at 30 June 2015 were (a) consideration receivable of HK\$249,938,000 (31 December 2014: Nil) (see note 13(I)), (b) amounts of HK\$2,176,282,000 (31 December 2014: HK\$2,089,524,000) due from certain associates of which an amount of HK\$1,938,842,000 (31 December 2014: HK\$1,851,917,000) carried fixed interest at prevailing market interest rate, and (c) a deposit paid on acquisition of a piece of land for property development for sale of HK\$64,705,000 (31 December 2014: Nil).

13. DISPOSAL GROUP HELD FOR SALE/ASSETS CLASSIFIED AS HELD FOR SALE

(I) A disposal group held for sale as at 31 December 2014

In August 2014, the Group resolved to dispose of its entire 100% equity interest in Bold Eagle Investment Limited, a wholly owned subsidiary of SI Urban Development, and its wholly owned subsidiaries including All Win Investment Limited and 中歐城開有限公司 (collectively referred to as the "Bold Eagle Group"). Subsequently on 10 February 2015, the Group entered into a share transfer agreement with an independent third party, pursuant to which the Group agreed to dispose of its entire 100% equity interest in the Bold Eagle Group at a consideration of RMB940,000,000 (equivalent to HK\$1,174,706,000). Bold Eagle Group is principally engaged in the business of property development in the PRC. A deposit of RMB80,000,000 (equivalent to HK\$99,975,000) was received by the Group and had been included in other payables as at 31 December 2014 as set out in note 14.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

13. DISPOSAL GROUP HELD FOR SALE/ASSETS CLASSIFIED AS HELD FOR SALE (continued)

(I) A disposal group held for sale as at 31 December 2014 (continued)

The major classes of assets and liabilities of the Bold Eagle Group, which were presented separately in the consolidated statement of financial position as at 31 December 2014 as held for sale, are as follows:

	HK\$'000
Property, plant and equipment	131
Properties under development held for sale	638,957
Bank balances and cash	106
Total assets classified as held for sale	639,194
Other payables representing total liabilities associated with assets classified as held for sale	(28)

The above disposal was completed in June 2015 and further details of the disposal are set out below:

	HK\$'000
Consideration	
Cash received	824,793
Deposit received as at 31 December 2014 (note 14)	99,975
Consideration receivable (note 12)	249,938
Total consideration	1,174,706
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	131
Properties under development held for sale	722,133
Bank balances and cash	103
Other payables	(28)
Net assets disposed of	722,339
Gain on disposal	
Consideration	1,174,706
Net assets disposed of	(722,339)
	452,367

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

13. DISPOSAL GROUP HELD FOR SALE/ASSETS CLASSIFIED AS HELD FOR SALE (continued)

(I) A disposal group held for sale as at 31 December 2014 (continued)

HK\$'000

<i>Net cash inflows arising on the disposal</i>	
Cash consideration received	824,793
Less: bank balances and cash disposed of	(103)
	824,690

The consideration receivable would be settled in cash on or before 10 October 2015.

These subsidiaries disposed of during the six months ended 30 June 2015 did not have any significant contribution to the results and cash flows of the Group during the period prior to the disposal.

(II) Interest in an associate classified as held for sale as at 31 December 2014

In December 2014, the Group resolved to dispose of its entire 25% equity interest in an associate, namely 許昌永昌印務有限公司 (Xuchang Yongchang Printing Co., Ltd.) ("Xuchang Yongchang"). The interest in an associate, amounted to HK\$52,534,000, had been classified as held for sale and presented separately in the consolidated statement of financial position of as at 31 December 2014.

During the current interim period, the Group ceased to classify the associate as held for sale as the disposal plan is no longer considered as highly probable.

14. TRADE AND OTHER PAYABLES

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

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Within 30 days	487,613	484,307
Within 31-60 days	88,412	234,290
Within 61-90 days	187,478	175,272
Within 91-180 days	532,680	117,992
Within 181-365 days	280,156	840,200
Over 365 days	1,561,692	1,736,557
	3,138,031	3,588,618

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

14. TRADE AND OTHER PAYABLES (continued)

Included in other payables as at 30 June 2015 were (a) amounts of HK\$770,059,000 (31 December 2014: HK\$386,268,000) due to State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District (“Xuhui SASAC”) and its controlled entities, which are unsecured, non-interest bearing and repayable on demand, except for HK\$82,479,000 (31 December 2014: HK\$82,479,000) carrying interest at a fixed rate of 12.5% (31 December 2014: 12.5%) per annum and repayable within one year, (b) amounts of HK\$33,840,000 (31 December 2014: HK\$125,606,000) due to certain fellow subsidiaries, which are unsecured and have no fixed terms of repayment, and except for HK\$29,993,000 as at 31 December 2014 (30 June 2015: Nil) carrying interest at a fixed rate of 4%, the remaining balance is non-interest bearing, (c) an amount of HK\$1,325,401,000 (31 December 2014: HK\$1,183,988,000) due to a non-controlling shareholder, which is unsecured, interest-free and repayable on demand and (d) accrued expenditure on properties under development of HK\$3,402,161,000 (31 December 2014: HK\$3,731,441,000).

Included in other payables as at 31 December 2014 was also a consideration received in advance for the disposal of disposal group classified as held for sale (see note 13(l)) of HK\$99,975,000 (30 June 2015: Nil).

15. CUSTOMER DEPOSITS FROM SALES OF PROPERTIES

These represent proceeds received on property sales that have not been recognised as revenue in accordance with the Group’s revenue recognition policy. An amount of approximately HK\$187 million (31 December 2014: HK\$57 million) is expected to be recognised as revenue after more than one year.

16. BANK AND OTHER BORROWINGS

During the current interim period, the Group (i) obtained new borrowings in the amount of approximately HK\$11,538 million (six months ended 30 June 2014: HK\$9,080 million) and (ii) repaid borrowings of approximately HK\$8,741 million (six months ended 30 June 2014: HK\$7,850 million).

In March and June 2015, SI Development issued two bonds with an aggregate principal amount of RMB2,000 million (equivalent to approximately HK\$2,500 million) (“Bond A” and “Bond B”), which are listed on the Shanghai Stock Exchange.

Bond A is issued with a principal amount of RMB1,000 million (equivalent to approximately HK\$1,250 million), which is unsecured and has a maturity of five years falling due on 23 March 2020. It carries interest at a fixed rate of 4.92% per annum. At the end of the third year from issuance date, SI Development will have the right to increase the coupon rate and the bondholders will have the right to request SI Development to redeem the bonds at par together with the accrued interest. Effective interest rate applied to Bond A was 5.11% per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

16. BANK AND OTHER BORROWINGS (continued)

Bond B is issued with a principal amount of RMB1,000 million (equivalent to approximately HK\$1,250 million), which is unsecured and has a maturity of three years falling due on 16 June 2018. It carries interest at a variable rate of Shanghai Interbank Offered Rate plus 1.55% per annum. Effective interest rate applied to Bond B was 5.12% per annum.

Included in the other borrowings are also loans of approximately HK\$500 million (31 December 2014: HK\$1,418 million) from a fellow subsidiary.

The borrowings carry interest at market rates and are repayable within one to eleven years.

17. CONVERTIBLE BONDS

On 18 February 2013 (the "Issue Date"), a wholly owned subsidiary of the Company, Tong Jie Limited (the "Issuer"), issued zero coupon convertible bonds with a principal amount of HK\$3,900,000,000 ("CB 2018"). Unless early redeemed, CB 2018 will be redeemed at 105.11% of the principal amount on 18 February 2018 (the "Maturity Date"). CB 2018 are guaranteed by the Company and listed on the Stock Exchange.

The principal terms of CB 2018 are as follows:

The holders of CB 2018 have the right to convert all or any portion of CB 2018 into shares of the Company at the conversion price of HK\$36.34 per share (subject to anti-dilutive adjustments). The conversion right can be exercised any time on or after 40 days from the Issue Date up to, and including, the close of business on the business day seven days prior to the Maturity Date.

The holders of CB 2018 have the option to require the Issuer to redeem all or some only of CB 2018 on 18 February 2016 at a pre-determined redemption amount ("Holders' Redemption Option"). As a result, CB 2018 was classified under current liabilities as at 30 June 2015.

At any time after 18 February 2016 to the day prior to the Maturity Date, the Issuer may redeem CB 2018 in whole but not in part at a pre-determined redemption amount if the closing price of the shares of the Company for any 20 trading days out of the 30 consecutive trading days prior to the date upon which notice of such redemption is given is at least 130 per cent of the applicable early redemption amount divided by the conversion ratio ("Issuer's Redemption Option").

CB 2018 contain a liability component, an equity component, Holders' Redemption Option and Issuer's Redemption Option. The equity component is presented in the equity under the heading "Convertible bonds equity reserve". The effective interest rate applied to the liability component on initial recognition was 2% per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

17. CONVERTIBLE BONDS (continued)

The movements of the liability component of CB 2018 during the current interim period are set out below:

	HK\$'000
At 1 January 2015	3,826,613
Interest charged	42,374
At 30 June 2015	3,868,987

18. ACQUISITION OF SUBSIDIARIES

The following acquisitions took place during the current interim period:

- (I) In May 2015, SIIC Environment Holding Ltd. (“SI Environment”) completed its acquisition of an indirect 92.15% equity interest in 上海復旦水務工程技術有限公司 (Fudan Water Engineering and Technology Co., Ltd.) (“Fudan Water”) through acquisition of entire interest of immediate holding company of Fudan Water, from certain independent third parties. Fudan Water is principally engaged in the business of waste water treatment in the PRC. Fudan Water was acquired so as to continue the expansion of the Group’s infrastructure facilities portfolio.

The consideration for the acquisition is RMB2,116,507,000 (equivalent to HK\$2,644,973,000), which includes (i) the novation of shareholders’ loan of RMB479,180,000 (equivalent to HK\$598,825,000); (ii) cash consideration of RMB146,882,000 (equivalent to HK\$183,557,000) and (iii) the allotment and issue of an aggregate of 1,560,000,000 ordinary shares of SI Environment. The fair value of consideration shares at the date of acquisition amounted to HK\$1,862,591,000 based on the closing market price in the relevant stock exchange at the date of acquisition.

Upon the issuance of consideration shares by SI Environment, the Group’s shareholding in SI Environment was diluted from 41.85% to 35.98%. The Group accounted for such dilution as an equity transaction and the difference between the consideration transferred and the change of the Group’s interest in SI Environment’s net assets amounting to approximately HK\$382 million is credited to other reserve.

- (II) In April 2015, SI Development acquired 90% equity interest of 湖南豐盛房地產開發有限公司 (“Hunan Feng Sheng”) from certain independent third parties at an aggregate cash consideration of RMB18,584,000 (equivalent to HK\$23,224,000). Hunan Feng Sheng is principally engaged in the business of property development and sales in the PRC. Hunan Feng Sheng was acquired for the expansion of the Group’s real estate portfolio.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. ACQUISITION OF SUBSIDIARIES (continued)

	Fudan Water HK\$'000 (note (i))	Hunan Feng Sheng HK\$'000	Total HK\$'000
Consideration transferred			
Cash	782,382	23,224	805,606
Consideration shares	1,862,591	–	1,862,591
	2,644,973	23,224	2,668,197
Assets acquired and liabilities recognised at the date of acquisition are as follows:			
Property, plant and equipment	3,917	114	4,031
Other intangible assets	1,826,610	–	1,826,610
Receivables under service concession arrangements	983,260	–	983,260
Interests in associates	46,627	–	46,627
Investments	625	–	625
Inventories	14	375,603	375,617
Trade and other receivables	250,708	251,954	502,662
Prepaid taxation	–	247	247
Pledged bank deposits	4,999	–	4,999
Bank balances and cash	34,391	6,895	41,286
Trade and other payables	(180,374)	(394,658)	(575,032)
Taxation payable	(2,678)	–	(2,678)
Bank and other borrowings	(83,729)	(216,196)	(299,925)
Amount due to intermediate holding companies	(598,825)	–	(598,825)
Deferred tax liabilities	(52,156)	–	(52,156)
	2,233,389	23,959	2,257,348
Goodwill or discount arising on acquisition			
Consideration transferred	2,644,973	23,224	2,668,197
Add: non-controlling interests (note (ii))	187,241	735	187,976
Less: net assets acquired	(2,233,389)	(23,959)	(2,257,348)
Less: shareholders' loan novated	(598,825)	–	(598,825)
	–	–	–
Net cash outflow arising on acquisition			
Cash consideration paid	782,382	23,224	805,606
Less: bank balances and cash acquired	(34,391)	(6,895)	(41,286)
	747,991	16,329	764,320

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. ACQUISITION OF SUBSIDIARIES (continued)

notes:

- (i) The initial accounting of this acquisition is not yet completed at the end of the current interim period. The assets acquired and liabilities recognised and the amounts recognised in these condensed consolidated financial statements for this acquisition have been determined provisionally. The professional valuation conducted by an independent valuer has not yet been finalised on the date when these condensed consolidated financial statements are authorised for issue.
- (ii) The non-controlling interests of 7.85% in Fudan Water recognised at the acquisition date was measured with reference to the non-controlling interests' proportionate share of the fair value of the net assets of Fudan Water at that date.

Included in the profit for the period ended 30 June 2015 were revenue of HK\$24,427,000 and profit of HK\$9,977,000 attributable to the additional business generated by Fudan Water.

Had the acquisition been completed on 1 January 2015, total group revenue for the current interim period would have been HK\$7,128,591,000, and profit for the period would have been HK\$1,755,823,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

The directors of the Company are of the opinion that the acquisition of Hunan Feng Sheng had no significant contribution to the Group's revenue or results for the six months ended 30 June 2015.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

19. CAPITAL COMMITMENTS

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Capital expenditure contracted for but not provided in these condensed consolidated financial statements in respect of		
– acquisition of property, plant and equipment	135,429	27,329
– additions in construction in progress	449,700	152,413
– additions in properties under development held for sale	6,035,371	6,758,911
– investment in an associate	59,985	59,985
– investment in a joint venture	–	374,906
	6,680,485	7,373,544
Capital expenditure authorised but not contracted for in respect of		
– acquisition of plant, property and equipment	98,381	101,768
– additions in properties under development held for sale	108,860	–
	207,241	101,768

In addition to the above, the Group's share of capital commitments of a joint venture is as follows:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Capital expenditure contracted for but not provided in these condensed consolidated financial statements in respect of		
– acquisition of property, plant and equipment	14,059	–
– investment in a joint venture	–	73,107
	14,059	73,107

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

20. CONTINGENT LIABILITIES

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Guarantees given to banks in respect of banking facilities utilised by		
– property buyers	3,044,666	1,669,786
– an entity controlled by Xuhui SASAC	144,964	269,933
– joint ventures	945,306	837,169
	4,134,936	2,776,888

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Other than the financial assets carried at fair value as detailed in the following table and the available-for-sale investments carried at cost less impairment, the directors of the Company consider that the carrying amounts of other financial instruments that are recorded at amortised cost in these condensed consolidated financial statements approximate their fair values.

Financial assets	Fair value as at 30 June 2015 HK\$'000	Fair value as at 31 December 2014 HK\$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Available-for-sale investments					
Listed equity securities	343,869	235,516	Level 1	N/A	N/A
Investments held for trading					
Listed equity securities	193,947	159,858	Level 1	N/A	N/A
Financial assets designated as at fair value through profit or loss					
Structured deposits					
– Exchange rate linked notes	228,388	267,858	Level 2	Quoted prices in the over-the-counter markets	N/A
– Equity linked notes	112,916	–	Level 2	Quoted prices in the over-the-counter markets	N/A

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

22. RELATED PARTY TRANSACTIONS

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

Related party	Nature of transactions	Six months ended 30 June	
		2015 HK\$'000	2014 HK\$'000
Ultimate holding company	Rentals and management fee paid by the Group on land and buildings	625	1,207
Fellow subsidiaries	Interest paid by the Group	14,934	88,593
	Rentals and management fee paid by the Group on land and buildings	33,129	27,163
Joint ventures	Investment income from entrusted fund received by the Group	–	20,123
	Interest income received by the Group	–	11,354
Associates	Interest income received by the Group	32,967	52,613
	Rentals received by the Group on land and buildings	361	718
	Property agency fee paid by the Group	14,870	7,363
Non-controlling shareholders of subsidiaries	Interest paid by the Group	591	56
Entity controlled by an independent non-executive director of the Company	Rentals and management fee paid by the Group on land and buildings	3,151	3,024

In addition, a fellow subsidiary pledged a bank deposit amounting to RMB495 million (31 December 2014: RMB500 million) (equivalent to approximately HK\$619 million (31 December 2014: HK\$625 million)) to secure a bank loan granted to SI Development.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

22. RELATED PARTY TRANSACTIONS (continued)

(ii) Compensation of key management personnel

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

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Directors' fee and committee remuneration	864	890
Basic salaries and allowance	9,152	9,671
Bonuses	5,048	5,203
Equity-settled share-based payment expense	–	86
Retirement benefits scheme contributions	247	259
	15,311	16,109

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.

(iv) The Group has entered into several banking facility agreements amounted to HK\$9,950 million (31 December 2014: HK\$11,199 million) and 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. The relevant facility agreements will mature in various dates up to 3 April 2019. As at 30 June 2015, the extent of utilisation of such bank facilities amounted to approximately HK\$9,946 million (31 December 2014: HK\$11,195 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

22. RELATED PARTY TRANSACTIONS (continued)

- (v) In April 2015, SI Development entered into a series of transactions which include (a) placing of new ordinary shares in SI Development to SIIC and certain independent third parties; (b) acquisition of 100% equity interest in Shanghai Investment Co., Ltd. from SIIC; and (c) acquisition of 61.48% equity interest in Shanghai Longchuang Eco-system Systems Co., Ltd. from certain independent third parties.

The aggregate consideration of these acquisitions is approximately RMB3,975 million (equivalent to approximately HK\$4,968 million), to be satisfied by cash of approximately RMB308 million (equivalent to approximately HK\$385 million) and the remaining balance by the allotment and issue of new ordinary share of SI Development.

The above transactions are yet to complete up to the date of approval for issuance of these condensed consolidated financial statements. Further details of the above transactions are set out in the announcement of the Company dated 28 April 2015 and in the Circular of the Company dated 28 May 2015.

- (vi) In June 2014, the Group acquired 75% and 25% interests in 上海勝利醫療器械有限公司 (“Shengli Medical”) from a fellow subsidiary and an independent third party for considerations of RMB8,506,000 (equivalent to HK\$10,609,000) and RMB2,835,000 (equivalent to HK\$3,536,000), respectively. Shengli Medical is principally engaged in the business of production of medical equipment and paper-packaging products. As Shengli Medical is an entity under common control by SIIC, the Group accounted for this transaction using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA. Further details of these transactions are set out in the Company’s announcement dated 4 June 2014.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(I) Interests in shares and underlying shares of the Company

Name of Director	Capacity	Nature of interests	Number of issued ordinary shares held	Number of outstanding shares options (Note 2)	Total	Approximate percentage of the issued shares
Zhou Jie	Beneficial owner	Personal	333,000	1,530,000	1,863,000	0.17%
Lu Shen	Beneficial owner	Personal	–	1,350,000	1,350,000	0.12%
Zhou Jun	Beneficial owner	Personal	195,000	1,350,000	1,545,000	0.14%
Xu Bo	Beneficial owner	Personal	–	600,000	600,000	0.06%
Lo Ka Shui	Beneficial owner	Personal	766,560	216,000	982,560	0.09%
Woo Chia-Wei	Beneficial owner	Personal	–	216,000	216,000	0.02%
Leung Pak To	Beneficial owner	Personal	–	216,000	216,000	0.02%

Notes:

- All interests stated above represent long positions.
- Such long position represents underlying shares derived from unlisted and physically-settled derivatives.

(II) Interests in shares and underlying shares of association corporations

SI Urban Development

Name of Director	Capacity	Nature of Interests	Number of outstanding shares options (Note 2)	Approximate percentage of the issued shares
Zhou Jun	Beneficial owner	Personal	7,000,000	0.15%

Notes:

- All interests stated above represent long positions.
- Such long position represents underlying shares derived from unlisted and physically-settled derivatives.

Shanghai Pharmaceuticals

Name of Director	Class of shares	Capacity	Nature of interests	Number of issued shares held	Approximate percentage of the issued shares
Lu Shen	A share	Beneficial owner	Personal	6,440	0.0003%
Lo Ka Shui	H share	Founder of a discretionary trust	Other	4,000,000	0.52%

Note: All interests stated above represented long positions.

Save as disclosed above, none of the Directors, chief executives nor their associates of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2015.

OTHER INFORMATION

SHARE OPTIONS

(I) SIHL Scheme

The SIHL Scheme was valid and effective for a period of 10 years commencing the date of its adoption and was terminated on 25 May 2012 as approved by the shareholders of the Company. During the period, the movements in the share options to subscribe for the Company's shares under the SIHL Scheme were as follows:

		Number of shares issuable under the share options					
Date of grant	Exercise price per share HK\$	Outstanding at 1.1.2015	Exercised during the period	Reclassified during the period	Cancelled during the period	Outstanding at 30.6.2015	
Category 1: Director							
Zhou Jie	2.11.2010	36.60	850,000	-	-	-	850,000
	20.9.2011	22.71	680,000	-	-	-	680,000
Lu Shen	2.11.2010	36.60	750,000	-	-	-	750,000
	20.9.2011	22.71	600,000	-	-	-	600,000
Zhou Jun	2.11.2010	36.60	750,000	-	-	-	750,000
	20.9.2011	22.71	600,000	-	-	-	600,000
Xu Bo	16.5.2012	23.69	600,000	-	-	-	600,000
Lo Ka Shui	2.11.2010	36.60	120,000	-	-	-	120,000
	20.9.2011	22.71	96,000	-	-	-	96,000
Woo Chia Wei	2.11.2010	36.60	120,000	-	-	-	120,000
	20.9.2011	22.71	96,000	-	-	-	96,000
Leung Pak To, Francis	2.11.2010	36.60	120,000	-	-	-	120,000
	20.9.2011	22.71	96,000	-	-	-	96,000
Total			5,478,000	-	-	-	5,478,000
Category 2: Employees							
	2.11.2010	36.60	9,920,000	-	(240,000)	(60,000)	9,620,000
	20.9.2011	22.71	9,220,000	(1,454,000)	(120,000)	-	7,646,000
	16.5.2012	23.69	544,000	(4,000)	-	-	540,000
Total			19,684,000	(1,458,000)	(360,000)	-	17,806,000
Category 3: Others							
	2.11.2010	36.60	11,320,000	-	240,000	-	11,560,000
	20.9.2011	22.71	5,845,000	(2,128,000)	120,000	-	3,837,000
Total			17,165,000	(2,128,000)	360,000	-	15,397,000
Total for all categories			42,327,000	(3,586,000)	-	(60,000)	38,681,000

OTHER INFORMATION

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

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

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

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

Share options granted in May 2012 are exercisable during the period from 17 May 2012 to 16 May 2017 in three batches, being:

- 17 May 2012 to 16 May 2013 (up to 40% of the share options granted are exercisable)
- 17 May 2013 to 16 May 2014 (up to 70% of the share options granted are exercisable)
- 17 May 2014 to 16 May 2017 (all share options granted are exercisable)

During the period, the weighted average closing price of the Company's shares immediately before the respective dates on which the share options were exercised is HK\$29.43.

(II) SIHL New Scheme

The SIHL New Scheme shall be valid and effective for a period of 10 years commencing the date of adoption of the scheme. During the period, no options were granted under the SIHL New Scheme.

OTHER INFORMATION

(III) SI Urban Development Scheme

The SI Urban Development Scheme was valid and effective for a period of 10 years commencing the date of its adoption and was expired on 11 December 2012. During the period, the movements in the share options to subscribe for the SI Urban Development's shares under the SI Urban Development Scheme were as follows:

			Number of shares issuable under the share options granted
	Date of grant	Exercise price per share HK\$	Outstanding at 1.1.2015 and 30.6.2015
<i>Category 1: Director of SI Urban Development, who is also Director of the Company</i>			
Zhou Jun	24.9.2010	2.98	7,000,000
Ni Jian Da ^(Note)	24.9.2010	2.98	8,000,000
			15,000,000
<i>Category 2: Other directors of SI Urban Development</i>			
	24.9.2010	2.98	23,000,000
<i>Category 3: Employees</i>			
	24.9.2010	2.98	12,750,000
<i>Category 4: Others</i>			
	24.9.2010	2.98	7,000,000
Total for all categories			57,750,000

Note: Mr. Ni Jian Da resigned as a director of the Company and SI Urban Development on 2 February 2015.

Share options granted in September 2010 are exercisable during the period from 24 September 2010 to 23 September 2020 in three batches, being:

- 24 September 2010 to 23 September 2011 (up to 40% of the share options granted are exercisable)
- 24 September 2011 to 23 September 2012 (up to 70% of the share options granted are exercisable)
- 24 September 2012 to 23 September 2020 (all share options granted are exercisable)

(IV) SI Urban Development New Scheme

The SI Urban Development New Scheme shall be valid and effective for a period of 10 years commencing the date of adoption of the scheme. During the period, no options were granted under the SI Urban Development New Scheme.

OTHER INFORMATION

(V) SI Environment Scheme

The SI Environment Scheme shall be valid and effective for a period of 10 years commencing the date of adoption of the scheme. During the period, no options were granted under the SI Environment Scheme.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES OF THE COMPANY

Save as disclosed under the section of Share Options above, at no time during the period was 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.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, the interests and short positions of the substantial shareholders of the Company and other persons, in the shares and underlying shares of the Company 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 ordinary shares beneficially held	Approximate percentage of the issued shares
SIIC	Interests held by controlled corporations	Corporate	626,621,748 (Note 1)	57.68%

Notes:

1. SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, Shanghai Industrial Financial (Holdings) Company, Limited, SIIC Trading Company Limited, The Tien Chu Ve Tsin (Hong Kong) Company Limited, South Pacific International Trading Limited, Billion More Investments Limited, SIIC Treasury (B.V.I.) Limited, SIIC CM Development Funds Limited, South Pacific Hotel (Hong Kong) Limited and SIIC CM Development Limited held 519,409,748 shares, 80,000,000 shares, 13,685,000 shares, 6,506,000 shares, 2,430,000 shares, 1,479,000 shares, 1,219,000 shares, 729,000 shares, 698,000 shares, 456,000 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 of the Company as recorded in the register required to be kept under section 336 of the SFO as at 30 June 2015.

CONVERTIBLE BONDS

Tong Jie Limited, a wholly-owned subsidiary of the Company, issued zero coupon convertible bonds with a principal amount of HK\$3,900,000,000 (the “**Convertible Bonds**”) to public investors in February 2013. Unless early redeemed, the Convertible Bonds will be redeemed at 105.11% of the principal amount on 18 February 2018. The bonds are guaranteed by the Company and listed on the Stock Exchange. The proceeds from the Convertible Bonds are currently used to fund investments in infrastructure facilities business, fixed assets investment in consumer products business and for general working capital purpose of the Group, which included the use on the subscription by the Company of 1,250,000,000 placement shares of SI Environment (a Singapore listed subsidiary of the Company) in 2014.

OTHER INFORMATION

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

Change in Directors' information since the date of the annual report 2014 up to the date of this report is set out below:

Mr. Leung Pak To, Francis

- appointed as the chairman of The Chamber of Hong Kong Listed Companies on 29 June 2015.
- resigned as a non-executive director of Sung Hung Kai & Co. Limited on 30 June 2015.

Mr. Cheng Hoi Chuen, Vincent

- appointed as an independent non-executive director of CK Hutchison Holdings Limited on 3 June 2015.
- previously acted as an independent non-executive director of Hutchison Whampoa Limited ("**Hutchison**"). On 3 June 2015, listing of the shares of Hutchison on the main board of the Stock Exchange has been withdrawn.

EMPLOYEES AND REMUNERATION POLICIES

During the six months ended 30 June 2015, there was an increase in the number of employees at the end of 2014 from 12,031 to 12,240. The Group appraises staff remuneration with reference to the operating results of the Company, 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 2015.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, except for the deviation from E.1.2 of the Corporate Governance Code as described below. An independent non-executive director, also being the chairman of the Nomination Committee and the Remuneration Committee, was unable to attend the extraordinary general meeting of the Company held on 15 June 2015 due to a business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' and relevant employees' securities transactions of listed companies on terms no less exacting than the required standard set out in the Model Code, and all Directors have confirmed that they have complied with the Model Code and the Company's own code during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

GLOSSARY OF TERMS

Term used	Brief description
Company	Shanghai Industrial Holdings Limited
Director(s)	director(s) of the Company
Fudan Water	Shanghai Fudan Water Engineering and Technology Co., Ltd.
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
Huangpi Kaidi Water	Wuhan Huangpi Kaidi Water Services Co., Ltd.
Hu-Ning Expressway	Shanghai Hu-Ning Expressway (Shanghai Section) Co., Ltd.
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Longchuang Eco-Energy	Shanghai Longchuang Eco-Energy Systems Co., Ltd.
Longjiang Environmental	Longjiang Environmental Protection Group Co., Ltd.
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules
MTI	MTI Environment Group Co., Ltd.
Nanfang Water	Nanfang Water Co., Ltd.
Nanyang Tobacco	Nanyang Brothers Tobacco Company, Limited
Net Business Profit	Net profit excluding net corporate expenses
PRC	The People's Republic of China
Qingdao Huiyu	Qingdao Huiyu Pulp Mould Packaging Co., Ltd.
SFO	Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
SGX	Singapore Stock Exchange
Shanghai Asset	SIIC Shanghai Asset Operation Co., Ltd.

GLOSSARY OF TERMS

Term used	Brief description
Shanghai Galaxy	Shanghai Galaxy Investment Co., Ltd.
Shanghai Investment	Shanghai Investment Co., Ltd.
Shanghai Pharmaceuticals	Shanghai Pharmaceuticals Holding Co., Ltd. (SSE stock code: 601607; HKSE stock code: 2607)
SI Development	Shanghai Industrial Development Co., Ltd. (SSE stock code: 600748)
SI Environment	SIIC Environment Holdings Ltd. (SGX stock code: 5GB)
SI Environment Scheme	A share option scheme adopted by SI Environment at the extraordinary general meeting held on 27 April 2012
SI Urban Development	Shanghai Industrial Urban Development Group Limited (HKSE stock code: 563)
SI Urban Development Scheme	A share option scheme adopted by SI Urban Development at the extraordinary general meeting held on 12 December 2002. Such scheme was expired on 11 December 2012
SI Urban Development New Scheme	A new share option scheme adopted by SI Urban Development at the annual general meeting held on 16 May 2013
SIE Weifang	SI Environment Holdings (Weifang) Co., Ltd.
SIHL Scheme	A share option scheme adopted by the Company at the extraordinary general meeting held on 31 May 2002. Such scheme was terminated at the extraordinary general meeting of the Company held on 25 May 2012
SIHL New Scheme	A new share option scheme adopted by the Company at the extraordinary general meeting held on 25 May 2012
SIIC	Shanghai Industrial Investment (Holdings) Company Limited
SIIC Shanghai	SIIC Shanghai Holdings Co., Ltd.
SSE	Shanghai Stock Exchange
Stock Exchange or HKSE	The Stock Exchange of Hong Kong Limited
Wing Fat Printing	The Wing Fat Printing Company, Limited