上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED
(Stock Code : 363)

INTERIM REPORT 2022

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CONTENTS

Corporate Information

DIRECTORS

Executive Directors

Mr. Shen Xiao Chu *(Chairman)*
Mr. Zhou Jun
(Vice Chairman & Chief Executive Officer)
Mr. Xu Bo *(Deputy CEO)*
Mr. Xu Zhan

Independent Non-Executive Directors

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

BOARD COMMITTEES

Executive Committee

Mr. Shen Xiao Chu *(Committee Chairman)*
Mr. Zhou Jun
Mr. Xu Bo

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPANY SECRETARY

Mr. Yee Foo Hei

QUALIFIED ACCOUNTANT

Mr. Lee Kim Fung, Edward

AUTHORISED REPRESENTATIVES

Mr. Zhou Jun
Mr. Yee Foo Hei

REGISTERED OFFICE

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COMPANY STOCK CODE

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

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www.sihl.com.hk

AUDITOR

Deloitte Touche Tohmatsu
Republic Public Interest Entity Auditors

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Information for Shareholders

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Our Website

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

DIVIDEND

The Board of Directors has resolved to pay an interim dividend of HK42 cents per Share (2021: HK48 cents per Share) for 2022, to Shareholders whose names appear on the register of members of the Company on Friday, 23 September 2022. The interim dividend will be paid to Shareholders on or about Tuesday, 11 October 2022.

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 Friday, 23 September 2022, and no transfer of Shares will be effected on that day. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Thursday, 22 September 2022.

FINANCIAL CALENDAR

2022 interim results announced	30 August 2022
Despatch of 2022 interim report	on or about 16 September 2022
Ex-dividend date for 2022 interim dividend	21 September 2022
Record date for 2022 interim dividend	23 September 2022
Despatch of notice of 2022 interim dividend	on or about 11 October 2022

Chairman's Statement

I would like to report to our Shareholders the Group's interim results for the period ended 30 June 2022.

In view of the severe impact of the COVID-19 pandemic around the world during the first half of the year, major cities in Mainland China, including Shanghai, implemented more stringent epidemic prevention and control measures to combat the virus. Compounded by the complex international geopolitical situation, the supply chain of goods has been seriously disrupted on a global scale, resulting in a rapid increase in the prices of commodities such as energy and food. Growth in consumer prices in some western countries reached record highs in decades. Under such circumstances, central banks in these countries began to raise interest rates rapidly and sharply, leading to high volatility in the capital markets, including security prices, exchange rates and interest rates. Responding to the difficult operating environment, the Group's Board of Directors and management introduced different measures to overcome such challenges while firmly supporting respective governments' control measures, especially during the lockdown period in Shanghai, to contribute to the fight against the epidemic and safeguard the health and safety of its employees. At the same time, the Group also effectively coordinated its resources and insisted on reforms and innovations to ensure the steady operation of its core businesses while minimizing the impact and losses arising from the outbreak of the virus and other unfavourable external factors. The solid asset base and business structure of the Group's member companies, coupled with quality management and risk-control systems, have effectively contained adversities brought about by various challenges. Despite the significant decline in operating results for the period, the Group has been able to maintain overall profitability, which has been regarded as satisfactory in light of the difficult external environment.

For the six months ended 30 June 2022, the Group's total revenue amounted to HK$15,220 million, representing a year-on-year decrease of 6.7%. Net profit decreased year-on-year by 48.2% to HK$1,104 million, which was mainly due to the significant decline in total revenue and traffic flow of the Group's toll roads business, which has been seriously hit by the epidemic during the period. In addition, the overall property market in China also faced severe challenges in the first half of the year. Factors such as rising financing costs, overall increased difficulties in obtaining financing for the industry, a significant drop in the scale of commodity housing sales, and the epidemic in Shanghai have caused a greater impact on the Group's real estate business.

The Board of Directors has resolved to pay an interim dividend of HK42 cents per Share for 2022 (2021: HK48 cents per Share) to Shareholders whose names appear on the register of members of the Company on Friday, 23 September 2022. The above interim dividend will be paid to Shareholders on or around Tuesday, 11 October 2022.

The Group's infrastructure facilities business recorded a profit of HK$984 million for the first half of the year, representing a year-on-year decrease of 19.0%. For the water services business, the revenue and profit attributable to shareholders of SIIC Environment for the first half of 2022 amounted to RMB3,687 million and RMB366 million, representing year-on-year increases of 11.7% and 10.0%, respectively. For the period under review, General Water of China recorded revenue of HK$1,144 million, representing an increase of 14.6% over the corresponding period last year, and a net profit of HK$182 million, representing a year-on-year increase of 14.3%. The Group's toll roads business was affected by the epidemic, and the traffic flow dropped significantly, especially from 28 March, as there was almost no traffic on the expressways when lockdown was implemented in the whole district of Pudong and Puxi. While work and production gradually resumed after the lifting of lockdown in June, the overall traffic flow has not fully recovered. In the area of solid waste, the Group continued to keep an eye on market opportunities to steadily expand its business, laying a solid foundation for future profit growth.

Under the shadow of the pandemic and factors such as increased financing pressure on the market as a whole and the decline in the scale of sales, the overall property market of China encountered severe challenges in the first half of the year, such as an increase in the capital cost of enterprises, a drop in contract sales and collection of receivables, delays in construction progress and in launching property projects, resulting in a decline in operating results and an increase in gearing ratios. The real estate business of the Group recorded a profit of HK$39.72 million, representing a year-on-year decrease of 94.8%.

SI Urban Development recorded revenue of HK$6,809 million for the first half of 2022, representing an increase of 48.7% over the same period last year. Profit attributable to shareholders amounted to HK$126 million, representing a year-on-year increase of 134.0%. SI Development recorded revenue of RMB1,382 million for the period, representing a year-on-year decrease of 64.0%. Loss attributable to shareholders amounted to RMB92.46 million, turning profit to loss when compared with the same period last year.

Net profit of the consumer products business amounted to HK$236 million, representing a year-on-year decrease of 19.4%. Nanyang Tobacco was under continuous pressure and impact in the consumption, logistics and production aspects in the wake of the epidemic, resulting in a decline in sales and turnover. Nevertheless, through cost control and adjustment of product sales structure, profit maintained at a similar level to that of the same period last year. During the period, Wing Fat Printing promoted its core business under its "1+1+1" strategy, and its moulded-fibre business as well as printing and package business grew steadily.

Infrastructure and expressways segment implementing anti-pandemic measures to secure supplies while the scale of water services and solid waste businesses expanding in an orderly manner

As affected by the COVID-19 epidemic, the Group's three toll roads and the Hangzhou Bay Bridge recorded a significant year-on-year decrease in overall traffic flow and toll revenue during the period, especially from 28 March, as there was almost no traffic on the expressways when lockdown was implemented in Pudong and Puxi, respectively. Although work and production were gradually resumed after the lifting of lockdown in June, the overall traffic flow has not fully recovered. The Group's project companies continued to undertake various epidemic prevention and control work in a strict and practical manner and contributed to securing the supply of anti-epidemic materials in Shanghai and at the same time, continued to improve the overall quality of road service and traffic environment.

In the first half of 2022, despite the recurrent COVID-19 outbreaks in China, SIIC Environment was able to maintain resilience and effective execution ability, achieving stable development and ensuring progress of its projects in various regions. As China's emphasis of environmental protection reached a new level, favorable policies have been frequently introduced, expanding the room for further development of the industry. The 14th Five-Year Plan also forged a major initiative for "promoting comprehensive green transformation of economic and social development". SIIC Environment has firmly adhered to national policies, and strives to transform the Shanghai Baoshan and Xicen projects into its iconic "one mountain and one river" projects. While strengthening its regional layout and consolidating its leading position, it will enhance its ability of exploring new projects and fully capitalize on opportunities to raise standards and implement smart upgrades for its existing projects, in an effort to take on the important task of achieving the "dual carbon" goals.

SUS Environment, currently held 28.34% by a 50% joint venture of the Company, is a comprehensive urban solid waste disposal service provider with a full industry chain which consists of investment, construction and operation. The company's projects are mainly located in different provinces throughout the country, including over 60 waste-to-energy public-private-partnership (PPP) projects with a daily capacity of over 100,000 tonnes, of which a total of 40 power generation projects have been connected to the grid with a market share for core equipment sales of 40% in China. SUS Environment has been one of the Top 10 Most Influential Enterprises in China's solid waste industry for five consecutive years. In the first half of 2022, SUS Environment recorded revenue of RMB3,761 million and a net profit of RMB841 million, representing a year-on-year decrease of 25.1% and 1.8% respectively.

Through Shanghai Galaxy and Galaxy Energy under it, the two companies have photovoltaic power-generation projects nationwide, either fully-owned or through controlling shareholdings, with a total asset scale of 740 MW. Approximately 591 million kWh of on-grid electricity was sold in the first half of the year, representing an increase of 3.61% over last year. With the support of the state, the photovoltaic energy business will continue to develop healthily and grow in an orderly manner.

Actively increasing sales and revitalizing inventory to overcome severe challenges in the real estate market

Although the resurgence of the epidemic in Shanghai had a particularly huge impact on the core real estate business of SI Development, the company made efforts during the period to combat the challenge and took multiple measures to maintain the stability of its core business. As the operation of the sales offices in Shanghai was in a stagnant condition for a prolonged period, the company actively explored sales plans in various business categories and revitalized the inventory of different regions. Meanwhile, the company strived to fight against the epidemic in properties managed by it at the critical stage of epidemic prevention in Shanghai, and worked hard to protect the lives and wellbeing of the owners and residents against the epidemic. The management personnel and employee volunteers of the company helped build the makeshift hospital in Lingang of Shanghai, contributing their effort to the prevention of the epidemic in Shanghai.

Despite being affected by the pandemic in the first half of the year, SI Urban Development strengthened its position on policy and situation analysis for each project to continuously adjust the sales strategy and optimize the sales plans. During the period, projects were successfully sold, product quality was improved and proposed project prices were successfully reported to the authorities. During the lockdown, SI Urban Development responded to the government's call to help accomplish the task of construction and operation of the Lingang makeshift hospital and were completed on time and with high quality, thereby assisting the medical teams from other provinces and cities and contributing to the battle against the epidemic in Shanghai.

Consumer products business overcoming the impact of the epidemic with active innovation and improved operational efficiency

In the first half of 2022, facing the significant impact of the pandemic, Nanyang Tobacco was under continuous pressure and disruptions in the consumption, logistics and production aspects. The company led its employees to work on strengthening the enterprise foundation management, ensuring safe production and resuming market sales, and achieved encouraging results, on the basis of securing epidemic prevention and production.

Driven by its "1+1+1" strategy, Wing Fat Printing successfully overcame the severe epidemic in Hong Kong, Shanghai and other major operation locations with the unremitting efforts of all employees, maintaining overall operational stability.

PROSPECTS

In the latter half of 2022, uncertainties surrounding the global epidemic, geopolitical situation, trade disputes and economic conditions still pose great challenges to the business development of the Group. Against this backdrop, the Group will strive to improve management efficiency and precision and continue to promote cost reduction and efficiency enhancement. The Group will also make considerable efforts to speed up the upgrading of its core businesses and to integrate its resources for better synergy. It will also strengthen risk controls and improve profitability, and continue to look for opportunities to acquire quality projects in order to optimize our asset portfolio. In addition, we will closely monitor the impacts of COVID-19 and deploy effective prevention measures in an on-going basis to contain the spread of the virus.

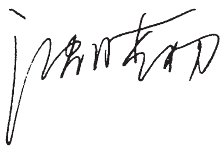
For the infrastructure and environmental protection segments, following the establishment of China's "carbon peaking and carbon neutrality" targets, the emphasis on environmental protection has reached a new level, and favorable policies have been frequently introduced, expanding the room for further development of the industry. SIIC Environment will continue to capitalize on opportunities brought by national policies on promoting environmentally-friendly and clean energy, as well as to explore new funding sources and accelerate the deployment of our resources in the area of environmental protection technologies. Additional efforts will be made to facilitate the integration of our business and financing and to promote the sustainable and quality development of the company. For our toll roads, we will continue to focus on epidemic prevention and enhance operational efficiency to maintain stable business development. Through investments in new business arenas, the Group's investments in the environmental protection and green energy segment are expected to generate new contributions to the Group.

The real estate business of the Company will continue to face increasing financing costs and difficulties as well as complex domestic and international epidemic situations in the second half of the year. For this reason, the Company will keep a close eye on national policies and market trends, optimizing its strategic plans and innovating financing methods and channels. The Group will also continuously streamline and optimize its asset allocation, integrate resources, revitalizing existing assets and strengthening sales and operations. The collection of receivables will be accelerated so as to improve operating efficiency and to promote healthy, stable and quality developments while exploring ways for transformation and upgrades.

In view of the repeated resurgence of the pandemic, Nanyang Tobacco will implement epidemic prevention and control measures on a regular basis to protect production and operation. In the second half of the year, it will closely monitor changes in the market, strengthen promotional and marketing activities and focus on developing new products to create business growth with new perspectives. For the Mainland markets, the company will mainly promote and launch new products and high-end products, reduce inventory for retail end customers, laying a foundation for achieving its planned sales volume. The company also plans to launch innovative tobacco products in overseas markets to enhance its overall competitiveness by broadening its market coverage and global presence.

In the face of the unfavorable impacts of global inflation, sluggish consumer markets, tightened supply chains and high manufacturing costs caused by the ongoing epidemic and frequent geopolitical conflicts, Wing Fat Printing will continue to maintain its consistent strategic positioning and the resilience of its century-old legacy, actively reinforcing the structural direction of its business development. The company will also accelerate the implementation of its business layout, enhance customer service and development capabilities, and make efforts to tap its potential to strive for the consolidation of a sound development foundation in terms of scale, efficiency and assets.

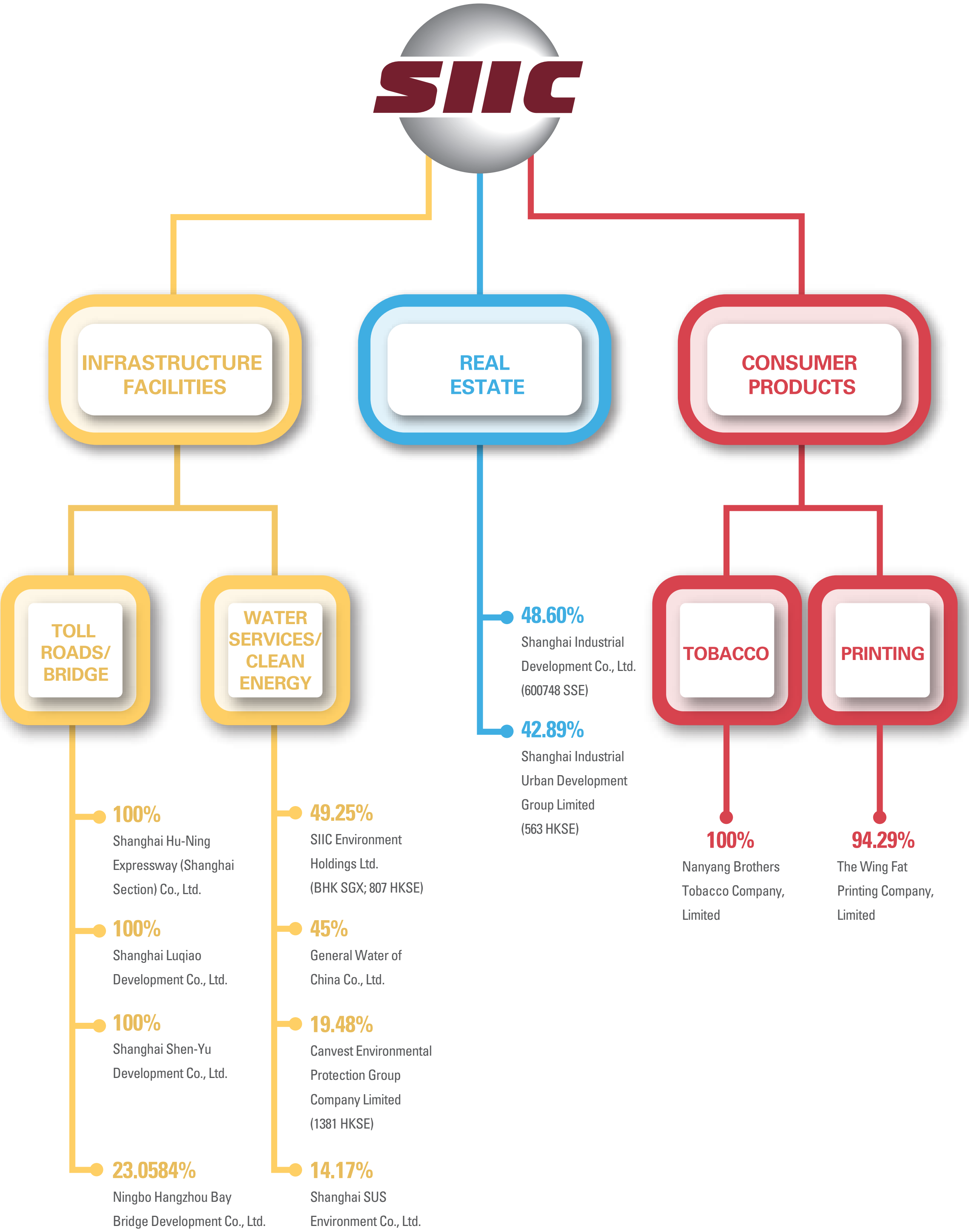
Finally, on behalf of the Board of Directors, I wish to thank our Shareholders and business partners for their continued patronage and support to the Group and extend my sincere gratitude to our management team and staff members for their dedication and contributions.



Shen Xiao Chu
Chairman
Hong Kong, 30 August 2022

Group Business Structure

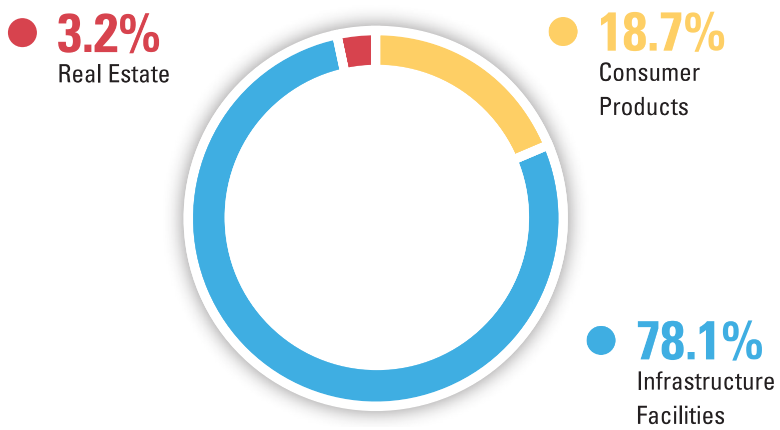
As at 30 August 2022



Business Review, Discussion and Analysis

For the six months ended 30 June 2022, the Group's unaudited revenue amounted to HK$15,220 million, representing a decrease of 6.7% over the same period last year. Profit attributable to shareholders was HK$1,104 million, a decline of 48.2% over the same period last year. The drop-in profit was mainly due to significant reductions in overall revenue and traffic flow of the Group's toll road business arising from the COVID-19 epidemic. During the period, the Group's core businesses faced various challenges due to the repeated resurgence of the pandemic around the world, including individual cities in the Mainland, compounded by the uncertainties of the global economic environment. During the period, the Group continued to pursue reforms and innovations and maintain stable operations, striving to catch up with its annual business targets by reducing costs, increasing the pace of growth and efficiency, optimizing asset structure and controlling market risks. With the introduction of a series of measures by the PRC government to stabilize the economy and promote development, the Company will carefully study these government policies and monitor the market trend. The Group will also continue to promote the healthy development of its core businesses and speed up the progress of its key strategic projects to capitalize on the favourable situation and development opportunities which are expected to be brought about by such policies.

Profit contribution from the Group's core business



INFRASTRUCTURE FACILITIES

During the period, the infrastructure facilities business recorded a profit of HK$984 million, representing a decrease of 19.0% over the corresponding period last year and accounting for approximately 78.1% of the Group's Net Business Profit. The reduction in profit was mainly due to the impact of the pandemic on our toll road business during the first half of the year, as revenue and traffic flow dropped significantly compared with the same period last year due to the lockdown, quarantine and traffic control in respective areas, which significantly affected earnings. During the period, the Group continued to further develop its environmental-protection sector and expand the scale of its investments in an orderly manner. It also accelerated the deployment of its resources in the area of environmental protection technologies and enhanced its service quality and competitiveness through scientific research and innovation.

Toll Roads/Bridge

Affected by the COVID-19 epidemic, the Group's three toll roads and the Hangzhou Bay Bridge recorded a significant decline in overall traffic flow and toll revenue during the period. The decrease was mainly attributable to: (1) the western extension of the Songze elevated main line and certain ramps were opened to traffic on 7 February, affecting the traffic flow of the Hu-Yu Expressway (Shanghai Section); (2) the Jing-Hu Expressway (Shanghai Section) was affected by the COVID-19 epidemic in the Suzhou area during which many entrances of the expressways in such area were closed from 13 February while some entrance toll stations were only opened to trucks; and (3) as Shanghai was affected by the outbreak of the COVID-19 epidemic since early March, the traffic flow on the roads dropped significantly, especially from 28 March onwards, when there was virtually no traffic on the expressways as lockdowns were implemented in Pudong and Puxi respectively. While work and production gradually resumed following the lifting of the lockdown in June, the overall traffic flow has not fully recovered.

The Group's project companies continued to undertake various epidemic prevention-and-control measures in a strict and practical manner, fully cooperating with the traffic and police authorities to implement traffic controls along highways during the period of epidemic closure and control. They also diligently carried out on-site inspection and passage assurance for vehicles transporting emergency and epidemic-prevention materials and medical personnel to fully secure smooth road passage of the "green channel". During the epidemic outbreak in Shanghai, the service areas of the southern coast of the bridge, which serves as a dedicated parking base for trucks to support Shanghai's supply assurance, also contributed to securing the supply of anti-epidemic materials in Shanghai. The Hangzhou Bay Bridge and the "two districts and one island" were generally operated in a safe and orderly manner. In the first half of the year, the project companies successfully completed their missions related to the Spring Festival travel rush, Spring Festival and Winter Olympics and the two National Congresses, ensuring safe, steady and orderly operation of the roads during such periods. The Group continued to use competitions as a means of incentive and assessment to enhance road services.

In the second half of the year, the Group will continue to carry out epidemic prevention and control as well as operations safety management. It will also continue to increase revenue and efficiency while reducing expenditure and costs in order to stabilize its revenue. It will also implement efficiency enhancement projects in respect of transport-safety facilities, complete special maintenance projects for the year, further improve emergency plans for severe weather, promote smart application management, and endeavor to complete such tasks as road-operation assurance for the 5th China International Import Expo and the 20th Party Congress and preparation for the assessment of the maintenance and operating performance of the expressways nationwide (being interim assessment). The Hu-Yu Expressway (Shanghai Section) continued preparation work to facilitate the widening and alteration project.

The key operating figures of the respective toll roads/bridge under the Group as at 30 June 2022 are as follows:

Toll roads/bridge	Interest attributable to the Group	Net profit attributable to the Group	Change	Toll revenue	Change	Traffic flow (vehicle journey)	Change
Jing-Hu Expressway (Shanghai Section)	100%	HK$93 million	-55.1%	HK$151 million	-49.8%	8.96 million	-54.0%
Hu-Kun Expressway (Shanghai Section)	100%	HK$147 million	-47.5%	HK$249 million	-44.0%	19.10 million	-45.0%
Hu-Yu Expressway (Shanghai Section)	100%	HK$48 million	-53.3%	HK$157 million	-47.1%	11.22 million	-44.7%
Hangzhou Bay Bridge	23.0584%	HK$74 million	-30.3%	HK$910 million	-23.0%	5.84 million	-32.7%
Total		**HK$362 million**	**-48.0%**	**HK$1,467 million**	**-34.0%**	**45.12 million**	**-45.7%**

In June, the Company acquired, through a wholly-owned subsidiary, a further 40% equity interest in SI Clean Energy for RMB224,557,800. Upon completion of the acquisition, the Group will own a total of 80% of the equity interest in the company. SI Clean Energy has been participating in a professional investment platform for offshore wind-power projects and invested in a number of clean-energy projects, including wind power and photovoltaic power. In view of the Group's overall clean-energy business development and layout, managing the company under a unified platform will enhance management efficiency and facilitate the integration and growth of its business. For this reason, the transaction is in line with the Company's strategy to continue to nurture and develop its new energy business. The acquisition will provide strategic and commercial investment value, and effectively use the idle capital of its subsidiary to generate more profits, thus increasing its profit contribution to the Company.

Water Services/Clean Energy

During the period, the Group further strengthened its water services and solid waste business and expanded its market share. The scale and efficiency of the operation have also been increased. Focusing on both scale and quality, SIIC Environment continued to strengthen its core business by actively increasing the scale of its development projects and accelerating the pace of acquisitions as well as striving to upgrade and expand existing projects.

SIIC Environment

In the first half of 2022, SIIC Environment's total revenue rose 11.7% to RMB3,687 million. Construction revenue increased by 18.0% over the same period last year. The increase was mainly attributable to the accelerated construction progress of the renewable energy development center project in Baoshan, Shanghai, which is scheduled to commence operation within this year. The increase was partially offset by delays in other construction projects. Operating and maintenance income and financial income from service concession arrangements recorded a year-on-year increase of 7.7%. The increase was mainly attributable to a rise in sewage-treatment volume and water-supply volume and a rise in average sewage-treatment tariffs. Net profit for the period was RMB366 million, representing a year-on-year increase of 10.0%. Gross profit for the period increased by 7.5% over the same period last year.

In terms of new projects, SIIC Environment secured three new sewage-treatment projects (including one forward project) in the first half of the 2022, with a total planned daily capacity of 80,000 tonnes. One sewage-treatment project with a planned daily capacity of 10,000 tonnes was awarded upgrading, and a tariff-increase agreement was signed for one sludge project with a planned daily capacity of 200 tonnes. In addition, eight projects commenced commercial operation, among which, one was a reclaimed-water project with a planned daily capacity of 40,000 tonnes, and seven were sewage-treatment upgrading and expansion projects with a planned daily capacity of 950,000 tonnes. During the first half of the year, the volume of sewage water treated by SIIC Environment grew 1.6% year-on-year to over 1,200,000,000 tonnes, while the volume of water supply rose 3.9% to over 150,000,000 tonnes. In terms of treatment tariffs, the average sewage-treatment tariff increased by 1.8% year-on-year from RMB1.69 per tonne to RMB1.72 per tonne and the average water-supply tariff was RMB2.47 per tonne, representing a slight decrease of 2.4% over the same period last year.

In the first half of 2022, despite the recurrent COVID-19 outbreaks in China, SIIC Environment was able to maintain resilience and effective execution ability, achieving stable development and ensuring project progress in various regions. Guided by the strategic goals of "carbon peaking and carbon neutrality", China's emphasis on environmental protection has reached a new level. Favorable policies have been frequently introduced, expanding room for further development of the industry. The 14th Five-Year Plan also forged a major initiative for "promoting comprehensive green transformation of economic and social development". SIIC Environment has been firmly adhering to national policies, and strives to transform the Baoshan and Xicen projects into its iconic "one mountain and one river" projects. In an effort to take on the important task of achieving the "dual carbon" goals, the company will strengthen its regional layout, consolidate its leading position, further enhance its ability to secure new projects and fully capitalize on opportunities to raise standards and implement smart upgrades for its existing projects.

General Water of China

During the period, General Water of China recorded revenue of HK$1,144 million, representing a year-on-year increase of 14.6%. Net profit amounted to HK$182 million, representing an increase of 14.3% over the same period last year. As at the end of June 2022, General Water of China secured four new projects, three of which are expected to reach a total investment of RMB420 million, and the other one is an entrusted project for a contract sum of approximately RMB2.20 million, with a combined total daily capacity of 325,000 tonnes and a pipe network of 51 kilometers. The new projects include: (1) Phase II of the sewage-treatment plant project in Aotou, Xiamen with a planned total investment of approximately RMB318 million and a daily capacity of 160,000 tonnes (expansion of 60,000 tonnes and upgrading of 100,000 tonnes); (2) the Chengxi water-supply booster pumping station project in Bengbu City with a planned total investment of approximately RMB13.00 million and a daily capacity of 15,000 tonnes; (3) the main water-supply network of Xiangyang with a new construction of 51 kilometers and a total investment of approximately RMB89.00 million; and (4) the sewage-treatment plant upgrading entrusted project in eastern Wenzhou City with a daily capacity of 150,000 tonnes and a contract sum of approximately RMB2.20 million.

During the period, General Water of China has been named one of the Top 10 Most Influential Enterprises in China's Water Industry for the 19th consecutive year, and has been ranked among the top three for the fourth consecutive year. During the period, General Water of China took on its commitment to achieving "dual carbon" targets, and accelerated digital transformation, steadily promoted the resource utilization of sewage water, proactively served the "Yangtze River Protection" project, actively explored the experience of rural town sewage water treatment in the Yangtze River Economic Belt, and strived to create an operable and replicable model of rural sewage treatment. In the future, General Water of China will continue to actively and steadily pursue high-quality development and provide superior water services for building a beautiful China.

Canvest Environmental

Canvest Environmental is a leading integrated urban environmental protection and sanitation solution provider, focusing on waste-to-energy and the provision of intelligent urban environmental hygiene and related services, and is currently held by the Group as to 19.48% equity interests. During the period, Canvest Environmental's revenue increased by 52.5% year-on-year to HK$4,112 million, and the profit attributable to shareholders increased by 25.6% year-on-year to HK$774 million. The increase in total revenue was mainly contributed by the increase in revenue from power sales and waste treatment fees from newly operating plants and revenue from project construction from the additional projects.

During the period under review, Canvest Environmental had secured 37 waste-to-energy projects with a total daily municipal solid waste processing capacity of 55,540 tonnes, of which phase 1 of Linfen waste-to-energy project was put into operation during the period. A total of 28 projects of the company have been in operation with a daily municipal solid waste processing capacity of 36,040 tonnes, ensuring a stable operating cash inflow. In the first half of 2022, Canvest Environmental also secured concession rights pertaining to Huidong waste-to-energy project and Quyang waste-to-energy project thereby consolidating its regional advantages in Guangdong Province and Hebei Province, while further expanding its business deployment across the PRC market. During the period, the company won the bids for waste collection and transportation contracts in Laishui County and Quyang County in Hebei Province, successfully expanding its business to the environmental sanitation and related services.

SUS Environment

Established in December 2008, SUS Environment is 28.34% held by a 50% joint venture of the Company. It is a comprehensive urban solid waste disposal service provider with a full industry chain which consists of investment, construction and operation. The company's projects are located mainly in cities and provinces of mainland China, including Ningbo, Zhuhai, Qingdao and Lhasa. In the first half of 2022, SUS Environment recorded revenue of RMB3,761 million and a net profit of RMB841 million, representing a year-on-year decrease of 25.1% and 1.8% respectively.

During the period, SUS Environment was awarded seven equipment-supply projects, two equipment-general-contracting projects and two EPC general-contracting projects with a total daily capacity of 9,950 tonnes. As at the end of June 2022, 70 projects were under preparation and operation, with a total daily capacity of 101,225 tonnes. The company will adhere to its "one axis and two wings" strategy. On the basis of consolidating and expanding its existing core businesses, it will actively cultivate and expand new businesses such as integrated sanitation, construction waste and international business.

Overview of the geographic distribution of the water development projects under the Group as at 30 June 2022 are as follows:

Note: Please refer to the 2022 Interim Report of SIIC Environment for an overview of SIIC Environment's water development projects as at 30 June 2022.

Anhui

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
2	60,000	3	500,000
		3	1,035,000
		1	160,000

Fujian

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
3	50,000	1	2,696,500

Guangdong

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
14	1,180,000	1	150,000
1	50,000		

Guangxi

Total no. of projects	Daily capacity (tonnes)
4	300,000

Heilongjiang

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
63	3,928,450	1	20,000
5	615,000	1	305,000
4	125,000		
6	1,330		

Henan

Total no. of projects	Daily capacity (tonnes)
7	240,000
2	40,000
6	1,500

Hubei

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
11	1,050,000	1	950,000
5	430,000		
1	325		

Hunan

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
8	290,000	1	200,000
4	520,000	1	495,000

Inner Mongolia

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

Jiangsu

Total no. of projects	Daily capacity (tonnes)
12	383,000
2	6,000

Jiangxi

Total no. of projects	Daily capacity (tonnes)
15	231,500

Jilin

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

Liaoning

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

Ningxia Hui Autonomous Region

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

Shandong

Total no. of projects	Daily capacity (tonnes)
11	610,000
4	420,000
1	38,500
3	1,800

Shanxi

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

Shanghai

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

Sichuan

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

Zhejiang

Total no. of projects	Daily capacity (tonnes)	Total no. of projects	Daily capacity (tonnes)
18	783,000	4	475,000
2	40,000	2	219,500
1	1,100		

NEW BUSINESS ARENA

As at the end of June 2022, the photovoltaic asset capacity of Shanghai Galaxy and Galaxy Energy, its subsidiary, reached 740 MW. The photovoltaic team continued to strengthen its work related to macro policies, industry dynamics, capital market research and project acquisition. The total amount of on-grid electricity sold during the first half of the year from its 15 photovoltaic power stations was approximately 591 million kWh, representing an increase of 3.61% over the same period last year.

In May this year, relevant national departments jointly announced the 14th Five-Year Plan for Renewable Energy Development in view of the "carbon peaking", "carbon neutrality" and 2035 visionary goals for the country. The Plan is intended to actively promote the development and utilization of renewable energy for power generation, expanding the scale of non-electricity utilization of renewable energy. Such policies are expected to accelerate the development of the industry.

REAL ESTATE

In the first half of 2022, the Group's real estate business recorded a profit of HK$39.72 million, representing a year-on-year decrease of 94.8% and accounting for approximately 3.2% of the Group's Net Business Profit. The decline was mainly attributable to an increase in the capital cost of real estate enterprises, a drop-in contract sales and collection of receivables, in addition to delays in projects under construction and in launching property projects due to the pandemic, resulting in a decrease in operating results and an increase in the company's gearing ratio.

SI Development

In the first half of the year, the nationwide real estate market faced severe challenges and the scale of commercial property sales fell significantly. The resurgence of the COVID-19 in Shanghai had a particularly large impact on the core real estate business of SI Development. During the period, the company recorded revenue of RMB1,382 million, representing a year-on-year decrease of 64.0%. The revenue was mainly derived from sales booked from properties delivered during the period, including SIIC Yungjing Bay in Huzhou and Sea Palace in Quanzhou, comprising a booked sales area of approximately 62,228 square meters. Net loss recorded during the period was RMB92.46 million, turning from profit to loss when compared to the same period last year. To overcome the challenging situation, the company implemented multiple measures to maintain the stability of its core business. As the operation of the sales offices in Shanghai remained stagnant for a prolonged period, the company has made considerable efforts to explore respective sales plans in a variety of business categories, and to revive the inventory of the company's property portfolio in different regions. Contract sales of real estate projects for the period amounted to RMB2,712 million, including such projects as International Beer City in Qingdao, Sea Palace in Quanzhou and Shanghai Bay (Phase 4) in Qingpu, Shanghai, covering a pre-sold area of 81,400 square meters. Eight projects were under construction, consisting of an area of 122,000 square meters. Rental income for the period was approximately RMB147 million.

As a local state-owned enterprise of Shanghai, SI Development fulfilled its social responsibility in accordance with the requirements of respective government departments. During the period. rent-relief plans were proposed, and were implemented after studying the extent of the impact of the relief targets. The plan covered approximately 193 small and micro enterprises and individual enterprises, involving a proposed rent reduction for an area of about 89,000 square meters. The company has also made great efforts to combat the impact of the pandemic in the properties it manages in Shanghai to protect the lives and wellbeing of the owners and residents. During the first half of the year, the property management business won the bids for 17 projects with an additional area under management of approximately 1,120,000 square meters, in addition to 10 management-renewal contracts. During the period, "SI Services" was awarded Shanghai brand certification. A total of about 70 management personnel and employee volunteers of the company helped build a makeshift hospital in Lingang of Shanghai during the epidemic outbreaks, contributing their efforts to the prevention of the epidemic in the city.

During the period, SI Development conducted an investigation into the outstanding accounts receivable of its subsidiary, SIIC Longchuang, which may not be recoverable. The company has also made respective provisions based on the principle of prudence and has made certain restatement adjustments to its historical financial positions. In June, the former chairman of the board of directors of SIIC Longchuang was arrested and detained by the Shanghai municipal public security authorities. It is believed that the arrest and detention was in connection with certain criminal offences relating to the outstanding accounts receivables and previous business operations of SIIC Longchuang. The other major areas of business of SI Development are operating normally and there is no risk associated with the payment of current accounts.

As the impact of the pandemic gradually subsided and the positive effects of the government policies began to emerge, property sales in major cities improved month-on-month from May as the market rebounded from its trough. In the second half of the year, in view of the lingering impacts of the domestic and international epidemic situation, the company will make plans to work out and optimize asset allocation, integrate resources, strengthen the linkage between sales and operations and services, and pursue better business performance to ensure stable full-year operation.

SI Urban Development

SI Urban Development recorded revenue of HK$6,809 million for the first half of 2022, representing a rise of 48.7% over the same period last year. Profit attributable to shareholders for the period amounted to HK$126 million, representing a year-on-year increase of 134.0%, mainly attributable to higher booked revenue generated from its projects during the period. Contract sales amounted to RMB4,568 million, representing a decrease of 6.1% over the same period last year and a gross floor area of approximately 330,500 square meters. Contract sales mainly included Originally in Xi'an and Contemporary Art Villa, Urban Cradle and Chenghang project in Shanghai. Property sales booked during the period amounted to HK$6,465 million, with a gross floor area of approximately 270,100 square meters, mainly comprised West Diaoyutai•Emperor Sea in Beijing and Shangtou Xinhong, Shangtou Baoxu and Urban Cradle in Shanghai. Rental income for the first half of the year was approximately HK$260 million. A total of 12 projects were under construction during the period, covering an area of 2,430,000 square meters.

Despite being affected by the pandemic in the first half of the year, SI Urban Development strengthened its position on policy and situation analysis for each project and continued to modify its sales strategy and optimize sales plans. During the period, the Originally•河山項目 in Xi'an was completely sold out. Additional units of higher quality but without price increases were launched for Hedong Polytechnic University Project•仰山華庭 in Tianjin and the proposed prices of the Qiyuan Road Project in Xi'an were duly reported to the authorities. SI Urban Development also focused on newly acquired projects in Qingpu and Lingang, and made a good start in speeding up development of the projects with the aim of achieving profits and maintaining a positive cash flow. Meanwhile, the company promoted the upgrade of the leasing system to enhance the capability and efficiency of commercial and office assets management with dynamic data. During the lockdown, SI Urban Development responded to government's calls to help accomplish the task of construction and operation of the Lingang makeshift hospital, and the task was completed on time and with high quality, thereby assisting the medical teams from other provinces and cities and contributing to the battle against the epidemic in Shanghai.

In June this year, SI Urban Development announced the successful bidding of the land use rights for six parcels of land in Shanghai, PRC in conjunction with a joint bidder (being an independent third party). The land parcels are located in Lingang New Area, the China (Shanghai) Pilot Free Trade Zone, and is expected to be developed into approximately 271,081 square meters of residential development and 9,892 square meters of commercial development. The successful bidding of the land parcels will significantly bolster the land bank of the company, providing it with a further source of revenue in future.

Set out below is a summary of the major property development projects of the Group as at 30 June 2022:

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)	Expected date of completion
1	Kaifu District, Changsha	Fengsheng Building	Residential and commercial	90%	5,468	70,566	–	22,673	Completed
2	Chenghua District, Chengdu	Hi-Shanghai	Residential and commercial	100%	61,506	254,885	341	196,132	Completed
3	Beibei District, Chongqing	Hi-Shanghai	Residential and commercial	100%	30,845	74,935	213	60,221	Completed
4	Yuhang District, Hangzhou	Hi-Shanghai (Phase I)	Residential and commercial	85%	74,864	230,484	25	176,175	Completed
5	Yuhang District, Hangzhou	Hi-Shanghai (Phase II)	Residential and commercial	85%	59,640	198,203	700	139,552	Completed
6	Wuxing District, Huzhou	Hurun Commercial Plaza	Commercial	100%	13,661	27,322	–	–	Under Planning
7	Wuxing District, Huzhou	SIIC Tianlan Bay	Residential and commercial	100%	115,647	193,292	317	128,757	Completed
8	Wuxing District, Huzhou	SIIC Yungjing Bay	Residential	100%	68,471	207,906	1,708	148,892	Completed
9	Shilaoren National Tourist Resort, Qingdao	International Beer City	Composite	100%	227,675	806,339	81,363	286,521	2014 to 2022, in phases
10	Fengze District, Quanzhou	Sea Palace	Residential and commercial	100%	170,133	1,064,099	5,456	445,955	2017 to 2025, in phases
11	Baoshan District, Shanghai	Era of Elites (Phase I)	Residential	100%	26,600	73,798	265	40,844	2022
12	Baoshan District, Shanghai	Era of Elites (Phase II)	Residential	100%	32,130	86,692	–	48,182	2022
13	Hongkou District, Shanghai	North Bund Lot No. 89 Project	Commercial and office	90%	23,037	230,568	–	–	2022
14	Jiading District, Shanghai	Sea Garden	Residential and commercial	100%	58,949	163,351	2,011	87,053	Completed
15	Jiading District, Shanghai	Essence of Shanghai	Residential and commercial	100%	32,991	75,559	75	38,690	Completed
16	Jingan District, Shanghai	Territory Shanghai	Residential	100%	32,512	114,737	–	15,924	Completed
17	Qingpu District, Shanghai	Belle Rive	Villa	51%	315,073	59,577	–	25,985	Phase II of north land lot commenced construction in the latter half of 2021, and is expected to be completed in 2024
18	Qingpu District, Shanghai	Shanghai Bay	Residential	51%	808,572	631,199	3,411	335,205	2011 to 2023, in phases
19	Qingpu District, Shanghai	He Villa/Sea County	Residential	51%	162,708	121,683	26	85,537	Completed
20	Wuzhong District, Suzhou	Lot 2017-WG-10	Residential	100%	40,817	126,881	–	–	2022
Sub-total					**2,361,299**	**4,812,076**			

	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)	Expected date of completion
1	Chaoyang District, Beijing	Youngman Point	Residential and commercial	100%	112,700	348,664	–	258,814	Completed
2	Haidian District, Beijing	West Diaoyutai • Emperor Seal	Residential	97.5%	42,541	250,930	–	212,640	Completed
3	Jiulongpo District, Chongqing	Top City	Residential, commercial and office	100%	120,014	786,233	–	376,424	Completed
4	Huaqiao Town, Kunshan	Yoooou.net	Commercial and office	30.7%	34,223	129,498	–	63,021	Completed
5	Baoshan District, Shanghai	Shangtou Baoxu	Residential	71.3%	118,880	306,167	86,621	202,068	Completed
6	Minhang District, Shanghai	Urban Cradle	Residential and commercial	53.1%	943,000	1,226,298	4,314	807,004	Completed
7	Minhang District, Shanghai	Shanghai Jing City (including "晶秀坊")	Residential and commercial	59%	301,908	772,885	983	595,984	Completed
8	Minhang District, Shanghai	TODTOWN	Residential, commercial, hotel, office and apartment office	20.7%	117,825	605,000	2,410	76,963	2020 to 2024, in phases
9	Minhang District, Shanghai	Contemporary Art Villa • Jade Villa	Residential	100%	116,308	80,777	2,989	79,828	2018 to 2022, in phases
10	Minhang District, Shanghai	Contemporary Splendour Villa • Courtyard Villa	Residential	100%	120,512	191,636	421	67,005	Completed
11	Minhang District, Shanghai	Shangtou Xinhong	Residential and commercial	90%	89,432	289,271	150,294	150,294	2021 to 2023, in phases
12	Minhang District, Shanghai	Chenghang Project	Commercial and office	80%	20,572	60,195	3,941	3,941	Completed
13	Minhang District, Shanghai	Shenzhicheng Project	Rental housing	29.5%	47,435	128,075	–	–	2022 to 2023, in phases
14	Minhang District, Shanghai	Chenglong Project	Rental housing	59%	47,383	118,458	–	–	2023
15	Songjiang District, Shanghai	Shanghai Youth City	Commercial and office	100%	57,944	212,130	–	139,840	Completed
16	Xuhui District, Shanghai	Jingxiang Project	Rental housing	59%	17,161	48,050	–	–	2022
17	Xuhui District, Shanghai	Guilin Road Aerospace Project	Scientific research and design and residential leasing	21.2%	91,160	590,165	–	–	2025 to 2026, in phases
18	Heping District, Shenyang	Shenyang U Centre	Commercial, office and serviced apartment	100%	22,651	228,768	–	71,660	Completed
19	Futian District, Shenzhen	China Phoenix Tower	Residential, commercial and office	91%	11,038	106,190	–	78,343	Completed
20	Hedong District, Tianjian	Hedong Polytechnic University Project • 仰山華庭	Residential and commercial	100%	42,146	122,200	1,665	1,665	2024
21	Nankai District, Tianjian	Laochengxiang	Residential, commercial and office	100%	244,252	752,883	–	582,737	Completed
22	Yangtze New District, Wuhan	Yangluo Project • 香開長龍	Residential and commercial	28.9%	257,600	452,000	1,877	10,494	2024 to 2027, in phases

	City	Projects of SI Urban Development (continued)	Type of property	Interest attributable to SI Urban Development	Approximate site area (square meters)	Planned total GFA (square meters)	Pre-sold during the period (square meters)	Total GFA sold (square meters)	Expected date of completion
23	Binghu District, Wuxi	Urban Development International Center	Commercial, hotel, office and serviced apartment	59%	24,041	193,368	–	41,900	Completed
24	Chanba Ecotope, Xi'an	Originally	Residential, commercial and hotel	71.5%	2,101,967	3,899,867	32,018	2,662,143	2008 to 2025, in phases
25	Chanba Ecotope, Xi'an	Qiyuan Road Project	Residential	100%	51,208	102,418	–	–	2023 to 2024, in phases
26	Zhifu District, Yantai	Yantai Project	Residential and commercial	100%	77,681	159,100	2,614	2,614	2022 to 2024, in phases
Sub-total					**5,231,582**	**12,161,226**			

	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)	Expected date of completion
1	Qingpu District, Shanghai	Belle Rive	Villa	49%	315,073	59,577	–	25,985	Phase II of north land lot commenced construction in the latter half of 2021, and is expected to be completed in 2024
2	Qingpu District, Shanghai	Shanghai Bay	Residential	49%	808,572	631,199	3,411	335,205	2011 to 2023, in phases
3	Qingpu District, Shanghai	He Villa/Sea County	Residential	49%	162,708	121,683	26	85,537	Completed
Sub-total					**1,286,353**[1]	**812,459**[1]			
Total					**8,879,234**[1]	**17,785,761**[1]			

Major Future Development Projects

	City	Projects of SI Development	Project type	Interest attributable to SI Development	Approximate site area (square meters)	Planned total GFA (square meters)	Expected date of completion
1	Hongkou District, Shanghai	North Bund Lot No. 90	Commercial and office	100%	12,725	110,932	2024
2	Hongkou District, Shanghai	North Bund Lot No. 91	Commercial and office	50%	34,585 (including underground area)	453,958	Under planning
3	Qingpu District, Shanghai	Zhujiajiao Lot D2	Residential and commercial	51%	349,168	177,954	Under planning
Sub-total					**396,478**[1]	**742,844**[1]	

	City	Projects of SI Urban Development	Project type	Interest attributable to SI Urban Development	Approximate site area (square meters)	Planned total GFA (square meters)	Expected date of completion
1	Qingpu District, Shanghai	Qingpu Project • Cloud Vision	Residential	59%	30,052	45,077	2023
2	Qingpu District, Shanghai	Lingang 105 Project • Ocean One	Residential	47.2%	41,961	104,903	2024
3	Shanghai	Lingang 103 Project	Residential	80%	119,545	438,707	2025 to 2026, in phases
Sub-total					**191,558**	**588,687**	

	City	Projects of the Company	Project type	Interest attributable to the Company	Approximate site area (square meters)	Planned total GFA (square meters)	Expected date of completion
1	Qingpu District, Shanghai	Zhujiajiao Lot D2	Residential and commercial	49%	349,168	177,954	Under planning
2	Qingpu District, Shanghai	Shanghai Lot F	Villa	10%	350,533	175,267	Under planning
3	Qingpu District, Shanghai	Shanghai Lot G	Villa	10%	401,274	200,637	Under planning
Sub-total					**1,100,975**[1]	**553,858**[1]	
Total					**1,689,011**[1]	**1,885,389**[1]	

Major Investment Properties

	City	Projects of SI Development	Project type	Interest attributable to SI Development	Total GPA for investment properties (square meters)
1	Wenjiang District, Chengdu	Orchard Forest	Commercial	100%	769
2	Qingdao Economic Development Zone	Dali Plaza	Commercial	76%	21,495
3	Laoshan District, Qingdao	Shanghai Industrial Investment Centre	Office	100%	29,057
4	Fengze District, Quanzhou	Sea Palace (Phase I of Linghai Yuan)	Commercial	100%	1,451
5	Changning District, Shanghai	Super Ocean Finance Center	Office	100%	2,321
6	Changning District, Shanghai	United 88	Office	100%	50,560
			Commercial	100%	38,923
			Parking lot	100%	28,457
7	Hongkou District, Shanghai	Gao Yang Commercial Centre	Office	100%	13,671
8	Huangpu District, Shanghai	Golden Bell Plaza	Office	100%	9,801
			Office	90%	40,186
			Parking lot	90%	4,870
9	Huangpu District, Shanghai	Huangpu Estate	Commercial	100%	20,918
10	Huangpu District, Shanghai	No. 108 Haichao Road	Commercial	100%	474
11	Jiading District, Shanghai	Sea Garden	Commercial	100%	13,076
12	Jiading District, Shanghai	Essence of Shanghai	Long-term serviced apartment and commercial	100%	37,121
13	Jing'an District, Shanghai	Territory Shanghai	Commercial Parking lot	100% 100%	1,559 148 units
14	Pudong New District, Shanghai	No. 1111 Shangchuan Road	Industrial	100%	40,208
15	Pudong New District, Shanghai	Huashen Building	Office	100%	344
16	Xuhui District, Shanghai	Shanghai Industrial Investment Building	Office	100%	10,088
			Office	74%	14,130
			Parking lot	74%	8,692
17	Xuhui District, Shanghai	Yonglong Building	Office	100%	798
18	Yangpu District, Shanghai	Hi-Shanghai	Commercial	100%	22,027
			Parking Lot	100%	22,000
19	Zhabei District, Shanghai	No. 235 Zhongshan Road North (portion)	Office	100%	1,434
20	Xiqing District, Tianjin	Rhine Town	Commercial	100%	1,451
Sub-total					**435,881**

	City	Projects of SI Urban Development	Project type	Interest attributable to SI Urban Development	Total GPA for investment properties (square meters)
1	Chaoyang District, Beijing	Youngman Point	Commercial	100%	19,768[1]
2	Jiulongpo District, Chongqing	Top City	Commercial, office building and parking lot	100%	317,405[1]
3	Changning District, Shanghai	ShanghaiMart	Exhibition, transaction market, office building and parking lot	51%	284,651
4	Songjiang District, Shanghai	Shanghai Youth City	Commercial	100%	16,349[1]
5	Xuhui District, Shanghai	Urban Development International Tower	Office building	59%	45,239
6	Xuhui District, Shanghai	YOYO Tower	Commercial	59%	13,839
7	Heping District, Shenyang	Shenyang U Centre	Commercial and office building	100%	64,597[1]
8	Futian District, Shenzhen	China Phoenix Tower	Office building	91%	1,048[1]
9	Chanba Ecotope, Xi'an	Originally	Commercial	71.5%	31,674[1]
10	Shanghai, Tianjin and Kunshan	Others	Commercial, office building and parking lot	–	98,290
Sub-total					**892,860**
Total					**1,328,741**

Notes:
1. Such total GFAs are duplicate figures, which have been included in the Major Development Properties table.

CONSUMER PRODUCTS

The consumer products business made a profit contribution of HK$236 million to the Group, representing a decrease of 19.4% over the corresponding period last year and accounting for approximately 18.7% of the Group's Net Business Profit. As the COVID-19 pandemic resurged in Hong Kong and the Mainland in the second quarter of the year, the China market and duty-free market were significantly affected, resulting in a decline in sales and revenue of Nanyang Tobacco for the period. Nevertheless, its profit remained flat compared with the same period last year as a result of cost-control and product-mix adjustments. During the period, Wing Fat Printing has achieved positive synergy among various businesses with the continuous implementation of its "1+1+1" strategy, which supported the overall stability of the company's business scale, business structure, core customer base and delivery capacity during the period.

Tobacco

Due to the resurgence and spreading of the COVID-19 epidemic in the first half of 2022, Nanyang Tobacco was under continuous pressure with severe impacts on consumption, logistics and production. Turnover was HK$860 million, representing a year-on-year decrease of 6.3%. Net profit was HK$191 million, basically flat compared with the corresponding period last year. Affected by the pandemic, Nanyang Tobacco implemented full-scale work plans under its annual work directives, leading its employees to strengthen the enterprise foundation management, ensure safe production and resume market sales in order to achieve targeted results while securing epidemic prevention and production.

In view of the ever-changing global business environment, Nanyang Tobacco adhered to the principle of "strengthening business growth and pursuing excellence" by continuously promoting equipment and technology transformation in order to be at the forefront of the industry. During the period, the following technological transformations were implemented: (1) completed all supporting equipment fitting for the new cigarette-making machine of the exquisite canned cigarettes production line – the new machine is expected to be installed and begin trial production within this year; (2) completed the first stage production task for the world's first canning of slim size cigarettes, conducting analysis and providing feedback to the supplier for the continuous improvement of equipment performance; (3) carried out certification, studying and testing of the moulded-fibre gift box plastic packaging proposal for the packaging of exquisite canned cigarettes; and (4) completed the heterotypic cans sealing machine and coding machine projects, and conducted trial and batch production with the equipment running in a stable manner and producing good results on finished-product inspection.

In the first half of the year, the global market was severely hit by the pandemic. Nanyang Tobacco analyzed the situation of all sales channels and allocated resources to capitalize on sales opportunities in an effort to reduce the impact of the pandemic. In the Hong Kong market, sales volume continued to grow over the high base of last year. In the face of the sporadic resurgence of the pandemic in mainland China, the company made considerable efforts to expedite supply of the franchised cigarettes from suppliers to ensure stable supply to the end market. For the Mainland markets, the company actively responded to the resurgence of the pandemic in the Mainland during the first half of the year, maintained smooth cargo transportation by active communication and coordination, and continued to “promote new products and improve product mix” to achieve higher average price per carton. In the tax-free markets in the Mainland, Hong Kong and Macau, the company worked hard to assist the duty-free stores to consume their inventories during the period and succeeded in introducing new products, optimizing the status and structure of the products after the epidemic and preparing for customs clearance. In the ship cigarettes and overseas markets, factors including the pandemic, the unstable international situation, high oil prices and freight prices still pose significant risk in overseas markets. The international duty-free market gradually recovered as the pandemic eased, and the company will step up its post-epidemic recovery and make preparations to launch its products.

In view of the lingering COVID-19 epidemic, the company will implement regular epidemic prevention-and-control measures to protect production and operation. In the second half of the year, it will closely monitor changes in the Hong Kong market, consider launching a series of promotional activities for traditional cigarette series and introduce innovative cigarettes in all major channels to create growth points with new specifications. For the Mainland markets, the company will mainly promote and launch new products and high-end products, reduce the inventory for retail customers, and lay the foundation for consolidating the planned sales volume. The company also plans to cultivate innovative tobacco products in overseas markets in order to seize opportunities after the pandemic.

Printing

Wing Fat Printing recorded a turnover of HK$875 million during the period, basically flat compared with the same period last year. Structurally, the year-on-year growth of the medicine-packing business effectively compensated fluctuations in other business segments. Net profit for the period was HK$39.91 million, representing a decrease of 63.3% over the same period last year and a year-on year decrease of 39.1% after excluding a once-off gain on disposal of minority interests for the same period last year. The decrease in profit was mainly due to changes in business structure and competing prices resulting in a decrease in comprehensive gross profit margin and the increase in logistics delivery costs under the epidemic. During the period, the company successfully overcame the unprecedentedly severe epidemic in Hong Kong, Shanghai and other major operational locations, and secured epidemic prevention as well as stable business operations.

Wing Fat Printing faced increased difficulties in various areas. These included organizing of production and logistics, high costs and the downstream end markets suffering from tight supply chain and sluggish demand due to global inflation. The overcapacity of the industry was obvious, and the disorderly competition using low pricing to secure quantity squeezed the reasonable profitability of the industry. The company’s profitability was also significantly affected by such impacts. Going forward, the company will continue to maintain its consistent strategic positioning and the resilience of its legacy. Guided by its established strategy, the company will further strengthen the structural orientation of its business development, accelerate the implementation of the industry layout, enhance customer service and development capabilities, improve per capita output, strengthen expense control, open up new sources of income and reduce expenditure to maintain stable overall revenue, profitability and asset structure to achieve its annual operating targets.

KEY FIGURES

	2022 unaudited	2021	Change %
	Six months ended 30 June		
Results			
Revenue (HK$'000)	**15,220,233**	16,315,820	-6.7
Profit attributable to owners of the Company (HK$'000)	**1,103,688**	2,130,516	-48.2
Earnings per share – basic (HK$)	**1.015**	1.945	-47.8
Dividend per share – interim (HK cents)	**42**	48	
Dividend payout ratio	**41.4%**	24.7%	
Interest cover (note (a))	**4.9 times**	9.3 times	

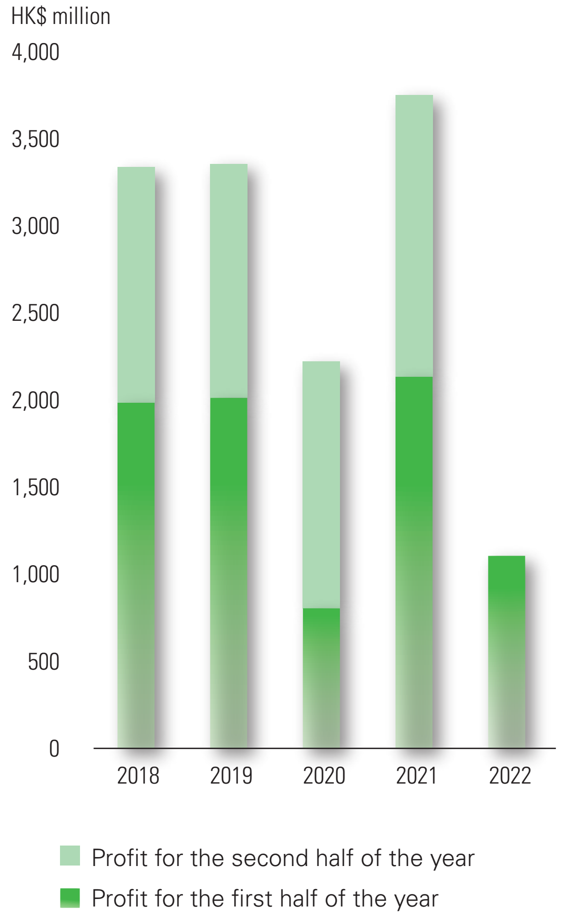
	unaudited 30 June	audited 31 December	Change %
Financial Position			
Total assets (HK$'000)	**195,263,463**	207,710,535	-6.0
Equity attributable to owners of the Company (HK$'000)	**45,975,154**	47,439,454	-3.1
Net assets per share (HK$)	**42.29**	43.63	-3.1
Net debt ratio (note (b))	**69.02%**	52.17%	
Gearing ratio (note (c))	**45.76%**	44.14%	
Number of shares in issue (shares)	**1,087,211,600**	1,087,211,600	

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

I ANALYSIS OF FINANCIAL RESULTS

1 Profit attributable to owners of the Company

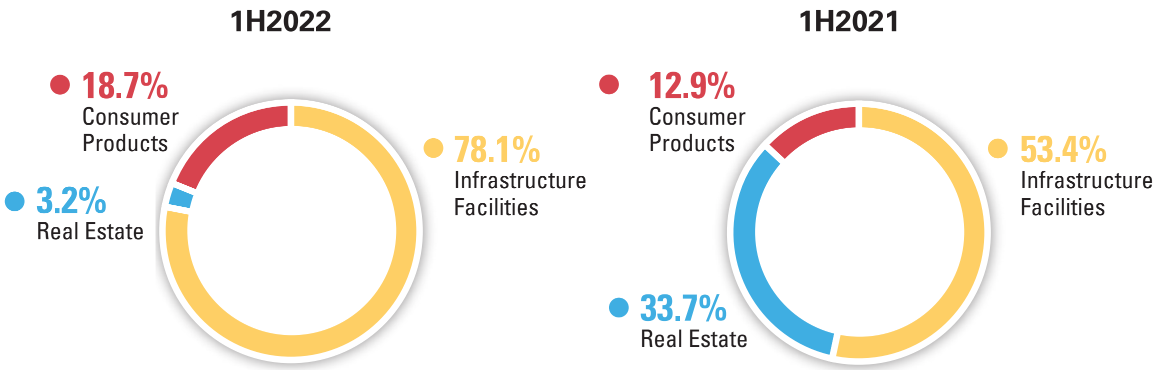
For the six months ended 30 June 2022, the Group recorded a profit attributable to owners of the Company of HK$1,103.69 million, a decrease of HK$1,026.83 million or approximately 48.2% as compared to the same period of 2021.



2 Profit Contribution from Each Business

The profit contributed by each business in the Group for the first half of 2022 and the comparative figures of the same period last year was summarized as follows:

	2022	2021	Change
	Unaudited		%
	Six months ended 30 June		
	HK$'000	HK$'000	
Infrastructure Facilities	**984,256**	1,215,066	-19.0
Real Estate	**39,721**	767,860	-94.8
Consumer Products	**235,717**	292,300	-19.4
	1,259,694	2,275,226	-44.6



Net profit from the infrastructure facilities business for the period amounted to approximately HK$984.26 million, accounting for 78.1% of Net Business Profit, and representing a year-on-year decrease of 19.0%.

Mainly due to the outbreak of the COVID-19 pandemic in Shanghai during April and May of this year, the implementation of prevention and control measures resulted in a significant year-on-year decrease in traffic flow and toll revenue. As a result, the toll road and bridge business recorded a drop in profit.

The profit of water services and waste-to-energy business increased by 20.0% year-on-year. Of which, the profit contribution from SIIC Environment for the period increased by 11.5%, mainly due to higher revenue and higher profit year-on-year. With Shanghai Baoshan Renewable Energy Utilization Center Project was scheduled to commence operation within this year and the overall construction progress accelerating, the construction revenue and the volume of sewage water treatment as well as the average treatment price increased during the period. The half-year profit of waste-to-energy business increased due to higher profit contribution from Canvest Environmental and SUS Environment.

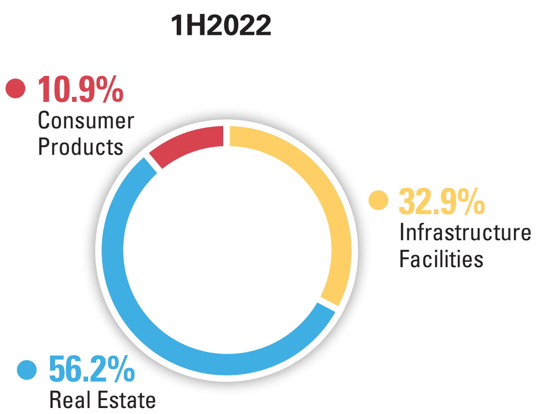
The real estate business recorded a profit of approximately HK$39.72 million, accounting for 3.2% of the Net Business Profit, a significant decrease of approximately HK$728.14 million over the same period in 2021. It was mainly due to the recognition of property sales revenue from the Qingpu project in the first half of last year, the share of profit from the Shanghai Bay project in which SIHL holds a 49% equity interest directly and the disposal of the investment property located at No. 815 Dongdaming Road, Hongkou District, for which a fair value gain with reference to the price of the sales contract was recorded before completion of the transaction. During the period, real estate companies responded to the anti-pandemic policies of the state and the Shanghai government and provided several rent-free periods to customers, resulting in a year-on-year decrease in rental income.

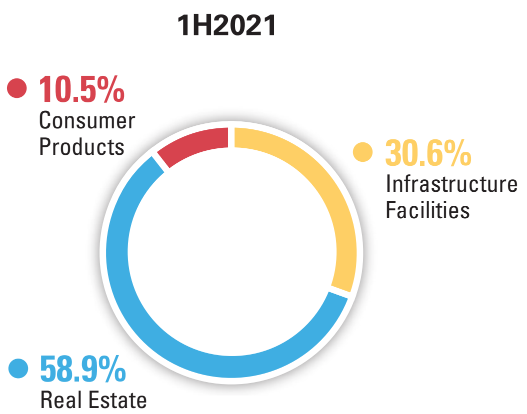
The consumer products business recorded a net profit of HK$235.72 million for the period, accounting for 18.7% of Net Business Profit, and representing a year-on-year decrease of 19.4%. The cigarette sales of Nanyang Tobacco decreased by 6.3% year-on-year, mainly due to the impact of related prevention and control measures during the period. The sales of Wing Fat Printing remained unchanged as compared to the same period last year, but the pandemic disrupted logistics and higher transportation fees led to an increase in selling expenses and a year-on-year decline in operating profit, and a disposal gain of Jinan Quanyong was recorded by Wing Fat Printing in the first half of last year, caused the decline in profit contribution from Wing Fat Printing.

3 Revenue

The Group's revenue by principal businesses for the first half of 2022 and the comparatives of the same period last year was summarized as follows:

	2022 Unaudited	2021	Change
	Six months ended 30 June		%
	HK$'000	HK$'000	
Infrastructure Facilities	**5,010,583**	5,000,390	0.2
Real Estate	**8,546,026**	9,605,644	-11.0
Consumer Products	**1,663,624**	1,709,786	-2.7
	15,220,233	16,315,820	-6.7





For the six months ended 30 June 2022, revenue of approximately HK$15,220.23 million was recorded, down 6.7% year-on-year. Of which, due to the outbreak of the pandemic in Shanghai in April and May this year, the implementation of prevention and control measures caused a significant drop in traffic flow and toll revenue year-on-year. However, as the Shanghai Baoshan Renewable Energy Utilization Center Project of SIIC Environment was scheduled to commence operation within this year, the overall construction progress was accelerated, led to an increase in construction revenue and the volume of sewage water treatment as well as the average treatment price during the period resulting in a slight increase in infrastructure facilities revenue. Revenue from the real estate business was affected by the decrease in booked revenue upon delivery of properties year-on-year and impact of the pandemic on the sales of the consumer products business in Hong Kong and China.

4 Profit before Taxation

(1) Gross profit margin

Compared to the first half of 2021, the overall gross profit margin for the period decreased by 12.7 percentage points. The toll road gross profit margin dropped mainly due to a significant year-on-year decrease in toll road traffic and toll revenue as a result of prevention and control measures implemented during April and May of this year due to the outbreak of the pandemic in Shanghai. In addition, there was an increase in the proportion of delivery of properties with relatively low margin in the real estate business as compared to the same period last year.

(2) Other income, gains and losses

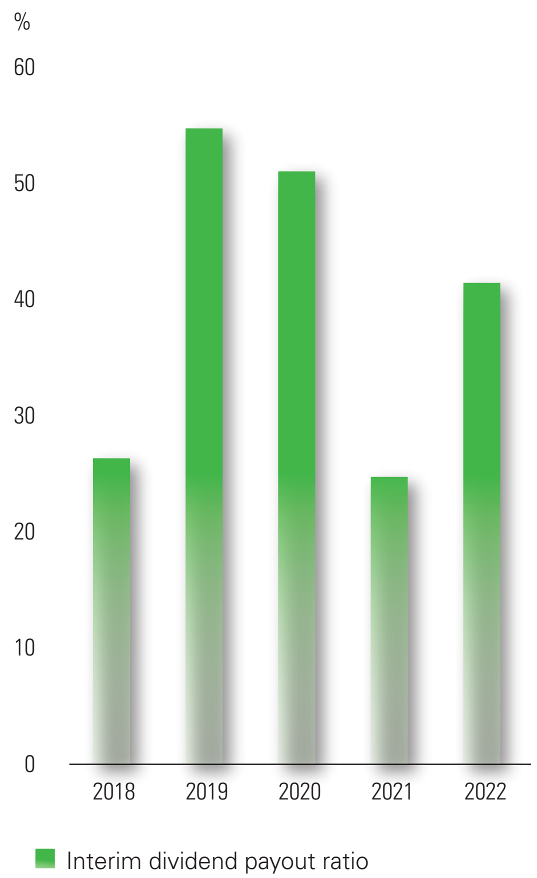
Other income, gains and losses decreased, which was mainly due to the disposal of investment properties, for which a fair value gain with reference to the price of the sales contract was recorded before completion of the transaction last year.

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

There was no gain on disposal during the period. The gain on disposal last year was mainly attributable to the disposal of 80% equity interest in a subsidiary, Lingbi Chenxin Green Industry Development Co., Ltd. and an approximately 37.23% equity interest in an associate, Jinan Quanyong.

5 Dividend

The Board of Directors of the Group has resolved to declare an interim dividend of HK42 cents per share, a decrease of 12.5% as compared with 2021 interim dividend of HK48 cents per share. The interim dividend payout ratio is 41.4% (2021 interim: 24.7%).

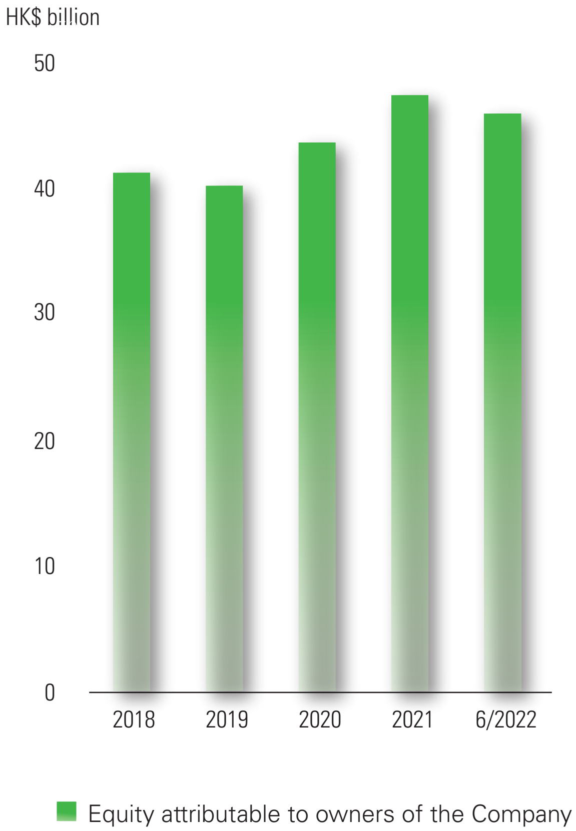


II FINANCIAL POSITION OF THE GROUP

1 Capital and Equity attributable to owners of the Company

The Company had a total of 1,087,211,600 shares in issue as at 30 June 2022. There is no change compared with 1,087,211,600 shares as at the end of 2021.

Equity attributable to owners of the Company reached HK$45,975.15 million as at 30 June 2022, it was attributable to the profit for the first half of the year after deducting the dividend actually paid during the period.



2 Indebtedness

(1) Borrowings

As at 30 June 2022, the total borrowings of the Group including bank borrowings and other borrowings amounted to approximately HK$66,114.77 million (31 December 2021: HK$64,276.28 million), of which 77.9% (31 December 2021: 72.3%) was unsecured credit facilities. The proportions of US dollars, Renminbi and HK dollars of total borrowings were 2%, 88% and 10% (31 December 2021: 2%, 89% and 9%) respectively.

(2) Pledge of assets

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

(a) investment properties with an aggregate carrying value of HK$10,655,378,000 (31 December 2021: HK$11,876,715,000);
(b) leasehold land and buildings with an aggregate carrying value of HK$10,183,000 (31 December 2021: HK$11,609,000);
(c) plant and machineries with an aggregate carrying value of HK$88,022,000 (31 December 2021: HK$189,290,000);
(d) receivables under service concession arrangements/intangible assets with an aggregate carrying value of HK$17,953,367,000 (31 December 2021: HK$19,149,719,000);
(e) properties under development held for sale with an aggregate carrying value of HK$11,361,926,000 (31 December 2021: HK$17,448,191,000);
(f) properties held for sale with an aggregate carrying value of HK$247,929,000 (31 December 2021: HK$259,702,000);
(g) trade receivables with an aggregate carrying value of HK$143,935,000 (31 December 2021: HK$289,972,000);
(h) bank deposits with an aggregate carrying value of HK$299,715,000 (31 December 2021: HK$709,526,000);
(i) equity interests of subsidiaries with aggregate carrying value of HK$175,706,000 (31 December 2021: HK$184,049,000); and
(j) land use rights included in right-of-use assets, with aggregate carrying value of HK$502,962,000 (31 December 2021: HK$966,000).

(3) Contingent liabilities

As at 30 June 2022, the guarantees given to banks by the Group in respect of banking facilities utilised by property buyers, associates and joint ventures amounted to approximately HK$6,155.55 million, HK$1,217.80 million and HK$2,013.99 million (31 December 2021: HK$6,535.52 million, HK$1,337.11 million and HK$2,024.89 million) respectively.

3 Capital Commitments

As at 30 June 2022, the Group had capital commitments mainly contracted for business development and investments in fixed assets of HK$14,160.15 million (31 December 2021: HK$14,587.51 million). The Group had sufficient internal resources and/or through loan markets for the finance of its capital expenditures.

4 Bank Balances and Short-term Investments

As at 30 June 2022, bank balances and short-term investments held by the Group amounted to HK$34,380.43 million (31 December 2021: HK$39,527.91 million) and HK$351.39 million (31 December 2021: HK$414.89 million) respectively. The proportions of US dollars and other currencies, Renminbi and HK dollars of bank balances were 4%, 83% and 13% (31 December 2021: 3%, 84% and 13%) respectively. Short-term investments mainly consisted of investments such as bonds, structured deposits, Hong Kong and PRC listed shares.

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

III MANAGEMENT POLICIES FOR FINANCIAL RISK

1 Currency Risk

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

2 Interest Rate Risk

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

3 Price Risk

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

4 Credit Risk

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

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

Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

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

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shanghai Industrial Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 54, which comprise the condensed consolidated statement of financial position as of 30 June 2022, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 August 2022

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June 2022 HK$'000 (unaudited)	 2021 HK$'000 (unaudited)
Revenue	3	**15,220,233**	16,315,820
Cost of sales		**(11,159,923)**	(9,895,101)
Gross profit		**4,060,310**	6,420,719
Net investment income		**159,004**	221,133
Other income, gains and losses		**302,779**	1,074,388
Selling and distribution costs		**(515,755)**	(599,166)
Administrative and other expenses		**(1,020,294)**	(1,083,645)
Finance costs		**(823,919)**	(784,308)
Share of results of joint ventures		**222,929**	163,249
Share of results of associates		**108,428**	183,673
Gain on disposal of subsidiaries/interest in an associate		**–**	76,812
Profit before taxation		**2,493,482**	5,672,855
Income tax expense	4	**(1,002,605)**	(2,539,827)
Profit for the period	5	**1,490,877**	3,133,028
Profit for the period attributable to			
– Owners of the Company		**1,103,688**	2,130,516
– Non-controlling interests		**387,189**	1,002,512
		1,490,877	3,133,028
Earnings per share	7		
		HK$	HK$
– Basic		**1.015**	1.945
– Diluted		**1.015**	1.945

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Six months ended 30 June 2022 HK$'000 (unaudited)	2021 HK$'000 (unaudited)
Profit for the period	**1,490,877**	3,133,028
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss		
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	**(16,704)**	(6,725)
Reclassification adjustment for realisation of revaluation reserve upon disposal of related properties	**(22,176)**	–
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
– subsidiaries	**(3,141,731)**	935,157
– joint ventures	**(267,865)**	54,682
– associates	**(292,749)**	62,825
Other comprehensive (expense) income for the period	**(3,741,225)**	1,045,939
Total comprehensive (expense) income for the period	**(2,250,348)**	4,178,967
Total comprehensive (expense) income for the period attributable to		
– Owners of the Company	**(877,206)**	2,631,923
– Non-controlling interests	**(1,373,142)**	1,547,044
	(2,250,348)	4,178,967

Condensed Consolidated Statement of Financial Position

At 30 June 2022

	NOTES	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Non-Current Assets			
Investment properties	8	**27,984,472**	28,985,301
Property, plant and equipment	8	**5,485,680**	5,764,711
Right-of-use assets		**652,383**	698,853
Toll road operating rights		**6,113,408**	6,599,286
Goodwill		**565,686**	590,588
Other intangible assets	8	**7,905,755**	8,603,724
Interests in joint ventures		**6,033,972**	6,078,908
Interests in associates		**7,903,839**	8,257,908
Investments	9	**426,028**	456,697
Receivables under service concession arrangements		**25,237,595**	25,925,594
Deposits paid on acquisition of non-current assets	8	**7,932,210**	7,960,018
Deferred tax assets		**127,909**	136,391
		96,368,937	100,057,979
Current Assets			
Inventories	10	**50,802,113**	53,441,173
Trade and other receivables	11	**10,041,769**	12,280,029
Contract assets		**138,332**	116,869
Investments	9	**351,386**	414,889
Receivables under service concession arrangements		**833,562**	848,548
Prepaid taxation		**1,117,962**	1,014,476
Pledged bank deposits		**299,715**	709,526
Short-term bank deposits		**442,100**	668,643
Bank balances and cash		**33,638,612**	38,149,742
		97,665,551	107,643,895
Assets classified as held for sale	15	**1,228,975**	8,661
		98,894,526	107,652,556

Condensed Consolidated Statement of Financial Position

At 30 June 2022

	NOTES	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Current Liabilities			
Trade and other payables	12	**17,873,361**	22,185,904
Lease liabilities		**90,721**	100,582
Contract liabilities	13	**16,311,428**	20,618,731
Deferred income		**546,217**	446,581
Taxation payable		**3,886,571**	6,641,699
Bank and other borrowings	14	**21,388,988**	23,637,611
		60,097,286	73,631,108
Liabilities associated with assets classified as held for sale	15	**659,668**	113
		60,756,954	73,631,221
Net Current Assets		**38,137,572**	34,021,335
Total Assets less Current Liabilities		**134,506,509**	134,079,314
Capital and Reserves			
Share capital		**13,649,839**	13,649,839
Reserves		**32,325,315**	33,789,615
Equity attributable to owners of the Company		**45,975,154**	47,439,454
Non-controlling interests		**32,402,044**	33,918,247
Total Equity		**78,377,198**	81,357,701
Non-Current Liabilities			
Provision for major overhauls		**81,221**	89,298
Deferred income		**2,994,516**	3,368,970
Bank and other borrowings	14	**44,683,736**	40,619,524
Deferred tax liabilities		**8,236,891**	8,495,150
Lease liabilities		**132,947**	148,671
		56,129,311	52,721,613
Total Equity and Non-Current Liabilities		**134,506,509**	134,079,314

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company									Attributable to non-controlling interests			
	Share capital HK$'000	Other revaluation reserve HK$'000 (Note i)	Other reserve HK$'000 (Note ii)	Merger reserve HK$'000 (Note iii)	Investment revaluation reserve HK$'000	Translation reserve HK$'000	PRC statutory reserves HK$'000 (Note iv)	Retained profits HK$'000	Sub-total HK$'000	Perpetual bonds HK$'000 (Note v)	Share of net assets of subsidiaries HK$'000	Sub-total HK$'000	Total HK$'000
At 1 January 2021 (audited)	13,649,839	54,855	(786,597)	(5,912,547)	251,055	1,918,855	2,700,023	31,803,283	43,678,766	1,096,852	37,291,765	38,388,617	82,067,383
Profit for the period	–	–	–	–	–	–	–	2,130,516	2,130,516	–	1,002,512	1,002,512	3,133,028
Fair value change on equity investments at fair value through other comprehensive income held by subsidiaries, net of tax	–	–	–	–	(1,651)	–	–	–	(1,651)	–	(5,074)	(5,074)	(6,725)
Exchange differences arising on translation of foreign operations													
– subsidiaries	–	–	–	–	–	385,551	–	–	385,551	–	549,606	549,606	935,157
– joint ventures	–	–	–	–	–	54,682	–	–	54,682	–	–	–	54,682
– associates	–	–	–	–	–	62,825	–	–	62,825	–	–	–	62,825
Total comprehensive income (expense) for the period	–	–	–	–	(1,651)	503,058	–	2,130,516	2,631,923	–	1,547,044	1,547,044	4,178,967
Transfers	–	–	–	–	–	–	158,059	(158,059)	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	31,635	31,635	31,635
Contribution from non-controlling interests upon additional capital injection into a subsidiary	–	–	–	–	–	–	–	–	–	–	30,230	30,230	30,230
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	(4,928)	(4,928)	(4,928)
Release upon disposal of an associate	–	–	–	–	–	–	(16,433)	–	(16,433)	–	–	–	(16,433)
Repurchase of shares by a listed subsidiary	–	–	39,026	–	–	–	–	–	39,026	–	(71,788)	(71,788)	(32,762)
Accrual of interest to holders of perpetual bond	–	–	–	–	–	–	–	(16,211)	(16,211)	33,356	(17,145)	16,211	–
Interest paid to holder of perpetual bond	–	–	–	–	–	–	–	–	–	(33,356)	–	(33,356)	(33,356)
Dividends paid (note 6)	–	–	–	–	–	–	–	(565,350)	(565,350)	–	–	–	(565,350)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(579,035)	(579,035)	(579,035)
At 30 June 2021 (unaudited)	13,649,839	54,855	(747,571)	(5,912,547)	249,404	2,421,913	2,841,649	33,194,179	45,751,721	1,096,852	38,227,778	39,324,630	85,076,351

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company									Attributable to non-controlling interests	
	Share capital HK$'000	Other revaluation reserve HK$'000 (Note i)	Other reserve HK$'000 (Note ii)	Merger reserve HK$'000 (Note iii)	Investment revaluation reserve HK$'000	Translation reserve HK$'000	PRC statutory reserves HK$'000 (Note iv)	Retained profits HK$'000	Sub-total HK$'000	Share of net assets of subsidiaries HK$'000	Total HK$'000
At 1 January 2022 (audited)	13,649,839	46,698	(763,707)	(5,912,547)	142,396	3,131,110	3,114,486	34,031,179	47,439,454	33,918,247	81,357,701
Profit for the period	-	-	-	-	-	-	-	1,103,688	1,103,688	387,189	1,490,877
Fair value change on equity investments at fair value through other comprehensive income held by subsidiaries, net of tax	-	-	-	-	(4,691)	-	-	-	(4,691)	(12,013)	(16,704)
Reclassification adjustment for realisation of revaluation reserve upon disposal of related properties	-	(9,511)	-	-	-	-	-	-	(9,511)	(12,665)	(22,176)
Exchange differences arising on translation of foreign operations											
– subsidiaries	-	-	-	-	-	(1,406,078)	-	-	(1,406,078)	(1,735,653)	(3,141,731)
– joint ventures	-	-	-	-	-	(267,865)	-	-	(267,865)	-	(267,865)
– associates	-	-	-	-	-	(292,749)	-	-	(292,749)	-	(292,749)
Total comprehensive (expense) income for the period	-	(9,511)	-	-	(4,691)	(1,966,692)	-	1,103,688	(877,206)	(1,373,142)	(2,250,348)
Transfers	-	-	-	-	-	-	26,828	(26,828)	-	-	-
Contribution from non-controlling interests upon additional capital injection into subsidiaries	-	-	-	-	-	-	-	-	-	160,283	160,283
Dividends paid (note 6)	-	-	-	-	-	-	-	(587,094)	(587,094)	-	(587,094)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(303,344)	(303,344)
At 30 June 2022 (unaudited)	13,649,839	37,187	(763,707)	(5,912,547)	137,705	1,164,418	3,141,314	34,520,945	45,975,154	32,402,044	78,377,198

Notes:

(i) Other revaluation reserve is comprised 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 mainly 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.

(v) In 2 January 2020, Shanghai Industrial Development Co., Ltd. ("SI Development"), a non-wholly owned listed subsidiary of the Group issued a 5.5% perpetual bond with par value of RMB1 billion (equivalent to approximately HK$1,096,852,000) to an independent third party (the "perpetual bondholder").

The perpetual bondholder is entitled to an interest of 5.5% per annum in the first 1.5 years (the "initial investment period") after issuance. Upon the end of the initial investment period, SI Development can elect to extend repayment of the principal for another year once every year indefinitely and the interest rate will be reset with reference to People's Bank of China Benchmark Lending Rate upon each deferral of interest payment and capped at 9%. The interest payments fall due quarterly. Unless SI Development declares dividend to shareholders or reduces the registered capital within 12 months before the interest due date, SI Development can elect to defer the payment of all current or deferred interests to the next payment date.

According to the above-mentioned terms, the issued perpetual bond has no maturity date. SI Development has the right to defer interest payment and the option for redemption of perpetual bond. SI Development has no obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer, so the perpetual bond is classified as an equity instrument. During the year ended 31 December 2021, the perpetual bond was fully repaid by the Group.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash (used in) from operating activities	**(8,062,520)**	2,893,305
Net cash from (used in) investing activities:		
Decrease (increase) in pledged/short-term bank deposits	**593,185**	(14,935)
Dividend income received from investments	**237,779**	3,498
Dividend income received from associates	**202,365**	146,552
Interest received	**196,891**	179,242
Proceeds from disposal of property, plant and equipment	**10,862**	5,547
Deposits paid for acquisition of parcels of land/property, plant and equipment/intangible assets/interest in a joint venture	**(291,353)**	(5,905,015)
Addition of service concession rights	**(211,625)**	(138,160)
Purchase of property, plant and equipment	**(210,748)**	(329,395)
Development costs paid for investment properties	**(193,223)**	(89,484)
Capital injection in an associate	**(32,617)**	(227,927)
(Advance to) repayment from joint ventures	**(30,873)**	1,666,363
(Advance to) repayment from associates	**(9,413)**	590,259
Purchases of financial assets at fair value through other comprehensive income ("FVTOCI")	**(9,060)**	–
Proceeds received in advance for proposed disposal of assets classified as held for sale	**–**	604,810
Net cash inflow on acquisition of subsidiaries	**–**	116,905
Proceeds from disposal of interests in associates	**–**	110,184
Proceeds from disposal of financial assets at fair value through profit or loss ("FVTPL")	**–**	102,741
Proceeds from disposal of subsidiaries	**–**	32,373
Capital refund from an equity investment at FVTOCI	**–**	19,291
Investments in joint ventures	**–**	(179,942)
Purchase of financial assets at FVTPL	**–**	(24,040)
	252,170	(3,331,133)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash from financing activities:		
Bank and other borrowings raised	**15,533,582**	12,764,422
Repayment from (advance to) related parties	**1,895,715**	(90,328)
Contribution from non-controlling interests upon additional capital injection of a subsidiary	**160,283**	30,230
Repayment of bank and other borrowings	**(10,802,649)**	(7,558,670)
Interest paid	**(793,514)**	(675,800)
Dividends paid	**(326,800)**	(258,346)
Dividends paid to non-controlling interests	**(303,344)**	(579,035)
Repayment of lease liabilities	**(50,322)**	(67,449)
Transaction cost attributable to the issue of medium term corporate bonds	**(3,009)**	–
Repurchase of shares by a listed subsidiary	**–**	(32,762)
Interest paid to holder of perpetual bond	**–**	(33,356)
	5,309,942	3,498,906
Net (decrease) increase in cash and cash equivalents	**(2,500,408)**	3,061,078
Cash and cash equivalents at beginning of the period	**38,152,829**	28,354,355
Effect of foreign exchange rate changes	**(1,863,650)**	396,850
Cash and cash equivalents at end of the period	**33,788,771**	31,812,283
Represented by		
Bank balances and cash	**33,638,612**	31,812,266
Bank balances and cash classified as held for sale	**150,159**	17
	33,788,771	31,812,283

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").

The financial information relating to the year ended 31 December 2021 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

1A. SIGNIFICANT EVENTS IN THE CURRENT INTERIM PERIOD

Due to the implementation of the COVID-19 pandemic prevention and control quarantine measures in certain cities in the PRC during the first half year of 2022, certain operations of the Group were both directly and indirectly affected. The quarantine measures in Shanghai caused a direct adverse impact to the toll road and lease business, and the hotel operations in surrounding regions were affected indirectly.

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, as appropriate.

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

Application of amendments to HKFRSs

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Impacts and changes in accounting policies on application of Amendments to HKFRS 3 Reference to the Conceptual Framework

2.1.1 Accounting policies

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

2.1.2 Transition and summary of effects

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

2.2 Impacts and accounting policies on application of Amendments to HKAS 16 Property, Plant and Equipment – Proceeds before Intended Use

2.2.1 Accounting policies

Property, plant and equipment

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

2.2.2 Transition and summary of effects

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

2.3 Impacts on application of Amendments to HKFRSs Annual Improvements to HKFRSs 2018-2020

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

HKFRS 9 Financial Instruments

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

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

3. REVENUE AND SEGMENT INFORMATION

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

Infrastructure 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.

Disaggregation of Revenue

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Sales of goods and services		
Sales of properties	**7,423,628**	7,521,997
Sales of goods	**1,663,624**	1,709,786
Income from infrastructure facilities, other than financial income from service concession arrangements		
– toll road operation	**556,759**	1,041,645
– water-related service		
– operating and maintenance income	**2,048,263**	1,932,309
– construction income from construction contracts	**1,663,751**	1,380,925
Ancillary facilities, property services and management income	**610,831**	1,283,671
Income from hotel operations	**94,762**	141,622
Revenue from goods and services	**14,061,618**	15,011,955
Financial income from service concession arrangements	**741,810**	645,511
Rental income	**416,805**	658,354
	15,220,233	16,315,820
Timing of revenue recognition of revenue from goods and services		
A point in time	**11,135,515**	11,164,092
Overtime	**2,926,103**	3,847,863
	14,061,618	15,011,955

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results

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

Six months ended 30 June 2022 (unaudited)

	Infrastructure facilities HK$'000	Real estate HK$'000	Consumer products HK$'000	Unallocated HK$'000	Consolidated HK$'000
REVENUE					
Segment revenue – external sales	**5,010,583**	**8,546,026**	**1,663,624**	**–**	**15,220,233**
Segment operating profit (loss)	**1,548,117**	**1,156,951**	**299,212**	**(18,236)**	**2,986,044**
Finance costs	**(385,182)**	**(391,731)**	**(1,372)**	**(45,634)**	**(823,919)**
Share results of joint ventures	**225,948**	**(3,019)**	**–**	**–**	**222,929**
Share of results of associates	**237,053**	**(128,625)**	**–**	**–**	**108,428**
Segment profit (loss) before taxation	**1,625,936**	**633,576**	**297,840**	**(63,870)**	**2,493,482**
Income tax expense	**(266,320)**	**(590,049)**	**(54,100)**	**(92,136)**	**(1,002,605)**
Segment profit (loss) after taxation	**1,359,616**	**43,527**	**243,740**	**(156,006)**	**1,490,877**
Less: segment profit attributable to non-controlling interests	**(375,360)**	**(3,806)**	**(8,023)**	**–**	**(387,189)**
Segment profit (loss) after taxation attributable to owners of the Company	**984,256**	**39,721**	**235,717**	**(156,006)**	**1,103,688**

Six months ended 30 June 2021 (unaudited)

	Infrastructure facilities HK$'000	Real estate HK$'000	Consumer products HK$'000	Unallocated HK$'000	Consolidated HK$'000
REVENUE					
Segment revenue – external sales	5,000,390	9,605,644	1,709,786	–	16,315,820
Segment operating profit (loss)	1,879,775	3,942,500	311,584	(100,430)	6,033,429
Finance costs	(404,120)	(364,680)	(821)	(14,687)	(784,308)
Share results of joint ventures	166,540	(3,291)	–	–	163,249
Share of results of associates	246,792	(63,119)	–	–	183,673
Gain on disposal of subsidiaries/ interest in an associate	28,270	–	48,542	–	76,812
Segment profit (loss) before taxation	1,917,257	3,511,410	359,305	(115,117)	5,672,855
Income tax expense	(350,589)	(2,103,358)	(56,287)	(29,593)	(2,539,827)
Segment profit (loss) after taxation	1,566,668	1,408,052	303,018	(144,710)	3,133,028
Less: segment profit attributable to non-controlling interests	(351,602)	(640,192)	(10,718)	–	(1,002,512)
Segment profit (loss) after taxation attributable to owners of the Company	1,215,066	767,860	292,300	(144,710)	2,130,516

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

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

At 30 June 2022 (unaudited)

	Infrastructure facilities HK$'000	Real estate HK$'000	Consumer products HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	**69,266,507**	**113,436,313**	**7,566,324**	**4,994,319**	**195,263,463**
Segment liabilities	**33,185,391**	**73,902,078**	**954,797**	**8,843,999**	**116,886,265**

At 31 December 2021 (audited)

	Infrastructure facilities HK$'000	Real estate HK$'000	Consumer products HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	69,550,838	125,020,162	8,047,122	5,092,413	207,710,535
Segment liabilities	33,247,842	83,747,217	967,629	8,390,146	126,352,834

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
– Hong Kong	**38,583**	45,783
– PRC Land Appreciation Tax ("LAT")	**387,930**	1,291,240
– PRC Enterprise income tax ("EIT") (including PRC withholding tax of HK$9,136,000 (six months ended 30 June 2021: HK$137,846,000))	**466,165**	1,038,372
	892,678	2,375,395
Overprovision in prior periods		
– Hong Kong	**(608)**	–
– PRC EIT	**(20,281)**	(1,926)
	(20,889)	(1,926)
Deferred taxation for the current period	**130,816**	166,358
	1,002,605	2,539,827

4. INCOME TAX EXPENSE (continued)

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 (i) certain PRC subsidiaries which are qualified as a High New Technology Enterprise and enjoy a preferential tax rate of 15% for both periods (the preferential tax rate is applicable for a consecutive three years from the date of grant and subject to approval for renewal); and (ii) certain PRC subsidiaries, engaging in public infrastructure projects, are entitled to full exemption from PRC EIT for the first three years and a 50% reduction in PRC EIT for the next three years from the first year of generating operating income.

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

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting) the following items:		
Amortisation of other intangible assets (included in cost of sales)	**190,636**	198,197
Amortisation of toll road operating rights (included in cost of sales)	**192,411**	357,441
Depreciation of property, plant and equipment	**266,736**	256,218
Depreciation of right-of-use assets	**39,352**	46,948
Dividend income from investments (included in net investment income)	**(5,500)**	(3,498)
Government compensation of toll road operating rights (included in other income, gain and losses) (Note)	**(105,037)**	(196,244)
Impairment loss on trade receivables (included in other income, gains and losses)	**5,744**	219,663
Decrease (increase) in fair value of financial assets at FVTPL (included in net investment income)	**55,076**	(22,817)
Interest expenses for lease liabilities	**7,063**	8,596
Interest income (included in net investment income)	**(193,386)**	(192,859)
Net foreign exchange loss (included in other income, gains and losses)	**145,034**	30,745
Net gain on disposal of property, plant and equipment (included in other income, gains and losses)	**(365)**	(1,105)
Net increase in fair value of investment properties (included in other income, gains and losses)	**(15,704)**	(793,617)
Share of PRC EIT of associates (included in share of results of associates)	**47,990**	66,344
Share of PRC EIT of joint ventures (included in share of results of joint ventures)	**49,665**	39,616

Note: The amount is transferred from deferred income to other income on a units-of-usage basis, calculated based on the proportion of actual traffic volume for a particular period to the projected total traffic volume over the periods for which the Group is granted the rights to operate the toll roads. This policy has resulted in a credit to other income in the current interim period of approximately HK$105 million (six months ended 30 June 2021: approximately HK$196 million). As at 30 June 2022, an amount of approximately RMB3,023 million (equivalent to approximately HK$3,541 million) (31 December 2021: approximately RMB3,110 million (equivalent to approximately HK$3,816 million)) remains to be amortised.

6. DIVIDENDS

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
2021 final dividend paid of HK54 cents (six months ended 30 June 2021: 2020 final dividend paid of HK52 cents) per share	**587,094**	565,350

Subsequent to the end of the current interim period, the directors of the Company have determined that a 2022 interim cash dividend of HK42 cents (2021 interim: HK48 cents) per share will be paid to the shareholders of the Company whose names appear on the Company's register of members on 23 September 2022.

7. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	**1,103,688**	2,130,516
Interest to holders of perpetual bond	**–**	(16,211)
	1,103,688	2,114,305
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,087,211,600**	1,087,211,600

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

8. MOVEMENTS IN INVESTMENT PROPERTIES/PROPERTY, PLANT AND EQUIPMENT/OTHER INTANGIBLE ASSETS AND DEPOSITS PAID ON ACQUISITION OF NON-CURRENT ASSETS

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

During the current interim period, the Group recognised a net increase in fair value of investment properties of approximately HK$16 million in profit or loss (six months ended 30 June 2021: HK$794 million). During the six months ended 30 June 2022, the Group has subsequent expenditures on certain investment properties of approximately HK$193 million (six months ended 30 June 2021: HK$89 million). In addition, properties held for sale included in inventories with an aggregate carrying amount of approximately HK$111 million (six months ended 30 June 2021: HK$275 million) were transferred to investment properties as the management had changed the use of the properties, evidenced by inception of lease agreements with the tenants during the period. No fair value gain or loss (six months ended 30 June 2021: fair value gain HK$123 million) in respect of these properties is recognised in the profit or loss.

During the current interim period, the Group incurred costs for construction in progress of approximately HK$30 million (six months ended 30 June 2021: HK$245 million) and acquired other property, plant and equipment at an aggregate cost of approximately HK$109 million (six months ended 30 June 2021: HK$86 million) for the purpose of expanding the Group's operations and businesses.

In addition, the Group acquired other intangible assets of approximately HK$212 million (six months ended 30 June 2021: HK$138 million).

During the current interim period, the Group entered into an equity transfer agreement with a fellow subsidiary to further acquire 40% equity interest in a joint venture at a consideration of approximately RMB225 million (equivalent to approximately HK$263 million). An amount of approximately RMB168 million (equivalent to approximately HK$197 million) was paid by the Group and has been recognised as deposit paid on acquisition of non-current assets as at 30 June 2022. Upon completion of the acquisition, the Group will own 80% of equity interest in the joint venture and the joint venture will become an indirect subsidiary of the Company.

9. INVESTMENTS

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Equity instruments at FVTPL		
Listed equity securities	343,766	395,523
Unlisted equity securities	8,229	635
	351,995	396,158
Financial assets at FVTPL	–	19,366
Equity instruments at FVTOCI		
Listed equity securities	72,982	88,063
Unlisted equity securities	352,437	367,999
	425,419	456,062
Total investments	777,414	871,586
Analysed for reporting purposes as:		
Current portion	351,386	414,889
Non-current portion	426,028	456,697
	777,414	871,586

10. INVENTORIES

Inventories mainly represent properties under development held for sale. Included in the amount is HK$34,891,688,000 (31 December 2021: HK$39,030,615,000) which is not expected to be realised within one year.

As at 31 December 2021, the Group enter into two land use right transfer contracts with the Shanghai Government department in Qingpu and Lingang district respectively to acquire of land in Shanghai in the PRC for development of residential properties for sales at an aggregate consideration of RMB2,830,324,000 (equivalent to HK$3,472,790,000). Amount of consideration were fully paid by the Group and it is recognised as prepayments for acquisition because the land use right certificates have not been ready. During the current interim period, the Group obtained the land use right certificates and the amount was transferred to properties under development for sale.

11. TRADE AND OTHER RECEIVABLES

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

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Within 30 days	**1,428,081**	1,149,695
Within 31 – 60 days	**430,836**	455,140
Within 61 – 90 days	**437,337**	283,650
Within 91 – 180 days	**712,093**	521,820
Within 181 – 365 days	**630,504**	603,190
Over 365 days	**725,209**	714,450
	4,364,060	3,727,945

Included in other receivables as at 30 June 2022 were (i) unsecured amounts of HK$923,469,000 (31 December 2021: HK$957,760,000) due from certain associates of which HK$886,590,000 (31 December 2021: HK$589,284,000) carried fixed interest at prevailing market interest rates; and (ii) amounts of HK$415,509,000 (31 December 2021: HK$403,881,000) due from certain joint ventures with amounts of HK$113,687,000 (31 December 2021: HK$99,814,000) carries fixed interest at prevailing market interest rates.

12. TRADE AND OTHER PAYABLES

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

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Within 30 days	**2,955,636**	3,286,268
Within 31 – 60 days	**286,504**	232,677
Within 61 – 90 days	**114,967**	132,927
Within 91 – 180 days	**244,638**	401,685
Within 181 – 365 days	**468,172**	1,217,757
Over 365 days	**1,613,903**	1,717,611
	5,683,820	6,988,925

Included in other payables as at 30 June 2022 were (i) amounts of HK$45,689,000 (31 December 2021: HK$47,649,000) due to State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District (the "Xuhui SASAC") and entities controlled by the Xuhui SASAC, (ii) amounts of HK$135,616,000 (31 December 2021: HK$138,051,000) due to certain fellow subsidiaries, which are unsecured and have no fixed terms of repayment, (iii) amounts of HK$1,342,172,000 (31 December 2021: HK$3,334,054,000) due to non-controlling interests of which the amount of HK$580,029,000 (31 December 2021: HK$570,798,000) carried fixed interest at prevailing market interest rates, (iv) amounts of HK$185,193,000 (31 December 2021: HK$195,405,000) due to other related parties, which are unsecured and have no fixed terms of repayment and (v) accrued expenditure on properties under development of HK$2,182,173,000 (31 December 2021: HK$3,038,742,000).

13. CONTRACT LIABILITIES

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

14. BANK AND OTHER BORROWINGS

During the current interim period, the Group (i) completed the issuance of medium term notes in the PRC with an aggregate principal amount of RMB880 million (equivalent to approximately HK$1,031 million) by SI Urban Development with a term of 3 years at a coupon rate of 2.85%; (ii) obtained new borrowings in the amount of approximately HK$14,503 million (six months ended 30 June 2021: HK$10,965 million) and (iii) repaid borrowings of approximately HK$10,803 million (six months ended 30 June 2021: HK$7,559 million). The borrowings carry interest at market rates.

15. ASSETS CLASSIFIED AS HELD FOR SALE

In December 2021, management of SIIC Environment Holdings Ltd. ("SIIC Environment"), a listed subsidiary of the Company, resolved to dispose of its subsidiary, namely Shenxian SI Environment Protection Energy Co., Ltd. ("Shenxian"). Negotiations with several interested parties have taken place and the disposal is expected to complete in the second half year of 2022. The assets and liabilities attributable to the subsidiary, which are expected to be sold within twelve months, have been classified as a disposal group held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", and are presented separately in the consolidated statement of financial position as at 31 December 2021 and 30 June 2022.

In January 2022, management of SIIC Environment resolved to dispose of another subsidiary, namely Dazhou Jiajing Environment Renewable Resource Co. ("Dazhou"). The assets and liabilities attributable to the subsidiary, which are expected to be sold within twelve months, have been classified as a disposal group held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", and are presented separately in the consolidated statement of financial position as at 30 June 2022.

Subsequent to the end of the reporting period in August 2022, the disposal of the equity interest in Dazhou is completed.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations held for sale.

The major classes of assets and liabilities comprising the disposal groups classified as held for sale as at 30 June 2022 and 31 December 2021 are as follows:

		30 June 2022		31 December 2021
	HK$'000	HK$'000	HK$'000	HK$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
	Dazhou	Shenxian	Total	Shenxian
Property, plant and equipment	71,839	–	71,839	–
Other intangible assets	276,150	–	276,150	–
Receivables under service concession arrangements	623,836	5,247	629,083	5,323
Deferred tax assets	3,993	–	3,993	–
Inventories	1,187	–	1,187	–
Trade and other receivables	96,325	239	96,564	251
Bank balances and cash	149,392	767	150,159	3,087
	1,222,722	6,253	1,228,975	8,661
Trade and other payables, and total liabilities associated with assets classified as held for sale*	(659,563)	(105)	(659,668)	(113)

* The total liabilities of Dazhou shown above does not include the intercompany liabilities of approximately RMB169 million (equivalent to approximately HK$107 million) which was undertaken by the buyer of Dazhou.

16. CAPITAL COMMITMENTS

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Capital expenditure contracted for but not provided in these condensed consolidated financial statements in respect of		
– acquisition of property, plant and equipment and intangible assets	34,132	46,386
– acquisition of land use right	2,666,628	2,793,252
– additions in construction in progress	1,621,730	1,634,065
– additions in properties under development held for sale	9,708,557	10,036,806
– investment in joint ventures	129,100	77,005
	14,160,147	14,587,514

17. FINANCIAL GUARANTEE CONTRACTS

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Guarantees given to banks in respect of banking facilities utilised by		
– property buyers	6,155,552	6,535,523
– associates	1,217,796	1,337,114
– joint ventures	2,013,987	2,024,889
	9,387,335	9,897,526

The fair values of these guarantee, as at dates of initial recognition, were considered insignificant. At the end of the current interim period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss as the amount of the loss allowance was not significant.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Financial assets	Fair value as at 30 June 2022 HK$'000 (unaudited)	Fair value as at 31 December 2021 HK$'000 (audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s)
Financial assets at FVTPL					
Listed equity securities	343,766	395,523	Level 1	Quoted bid prices in an active market	N/A
Unlisted equity securities	8,229	635	Level 3	Adjusted net asset value method under cost approach	Discount factor of lack of control, the higher the discount factor, the lower the fair value
Corporate bonds	–	19,366	Level 2	Quoted prices in the over-the-counter markets	N/A
Financial assets at FVTOCI					
Listed equity securities	72,982	88,063	Level 1	Quoted bid prices in an active market	N/A
Unlisted equity securities	352,437	367,999	Level 3	Adjusted net asset value method under cost approach	Discount factor of lack of control, the higher the discount factor, the lower the fair value

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

Reconciliation of Level 3 fair value measurements of financial assets

	Unlisted equity instruments at FVTPL HK$'000	Unlisted equity instruments at FVTOCI HK$'000	Total HK$'000
At 1 January 2021 (Audited)	31,411	593,738	625,149
Refund of capital	–	(19,291)	(19,291)
Exchange adjustments	7	7,236	7,243
Fair value loss in other comprehensive income	–	(600)	(600)
At 30 June 2021 (Unaudited)	31,418	581,083	612,501
At 1 January 2022 (Audited)	635	367,999	368,634
Addition	7,859	9,060	16,919
Fair value loss in other comprehensive income	–	(7,903)	(7,903)
Exchange adjustments	(265)	(16,719)	(16,984)
At 30 June 2022 (Unaudited)	8,229	352,437	360,666

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value measurements and valuation processes

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

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Management of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model on a regular basis, or when needs arise and will report the significant results and findings to the board of directors of the Company. The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments.

19. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related party	Nature of transactions	Six months ended 30 June 2022 HK$'000 (unaudited)	2021 HK$'000 (unaudited)
Fellow subsidiaries	Rentals and management fee paid by the Group on land and buildings	**17,844**	20,791
	Rentals received by the Group on land and buildings	**9,403**	7,095
Non-controlling shareholders of subsidiaries	Management fee paid by the Group	**–**	3,715
Joint venture	Interest income received by the Group	**362**	9,134
Associates	Interest income received by the Group	**17,597**	19,271
	Rentals received by the Group on land and buildings	**–**	230
	Property agency fee paid by the Group	**907**	2,338

Furthermore, the Group has entered into several banking facility agreements amounted to HK$7,366 million (31 December 2021: HK$6,989 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.

19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(ii) Compensation of key management personnel

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

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Directors' fee and committee remuneration	**1,353**	1,357
Basic salaries and allowance	**6,280**	6,584
Bonuses	**3,004**	3,004
Retirement benefits scheme contributions	**235**	235
	10,872	11,180

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 predenominated 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.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company 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	Approximate percentage of the issued Shares
Zhou Jun	Beneficial owner	Personal	300,000	0.03%

Note: All interests stated above represent long positions.

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

SI Urban Development

Name of Director	Capacity	Nature of interests	Number of issued ordinary shares held	Approximate percentage of the issued shares
Zhou Jun	Beneficial owner	Personal	360,000	0.01%

Note: All interests stated above represent 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 2022.

SHARE OPTIONS

(I) SIHL Scheme

The SIHL Scheme shall be valid and effective for a period of 10 years commencing the date of adoption of the scheme, and was expired on 24 May 2022. During the period, no options were granted under the SIHL Scheme.

(II) SI Urban Development Scheme

The SI Urban Development 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 Scheme.

(III) SIIC Environment Scheme

The SIIC 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 SIIC 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 2022, 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	684,929,748 *(Notes 1 and 2)*	63%

Notes:

1. SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, Shanghai Industrial Financial Holdings (Hong Kong) Company Limited, SIIC Trading Company Limited and SIIC CM Development Limited held 519,409,748 shares, 80,000,000 Shares, 52,908,000 Shares, 32,602,000 Shares and 10,000 Shares 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 2022.

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

Change in Directors' information since the date of the annual report 2021 up to the date of this report is set out below:

Mr. Xu Bo

- resigned as a vice president and chief financial controller of SIIC.

EMPLOYEES AND REMUNERATION POLICIES

During the six months ended 30 June 2022, the number of employees is 18,354. The Group appraises staff remuneration with reference to the operating results of the enterprises, individual performance and industry average. With a strong commitment to staff relationship and training, the Group also encourages employees to continue their education, adding value for themselves and contributing to the Group.

REVIEW OF REPORT

The Audit Committee has reviewed the Company's interim report for the six months ended 30 June 2022.

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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has established its own Code for Securities Transactions by Directors or Relevant Employees, which was set on terms no less exacting than the required standards set out in the Model Code. Having made enquiries with all Directors and the relevant employees of the Company, each of them has confirmed that they have fully complied with the requirements of the Model Code and the code of the Company during the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

Glossary of Terms

Term used	Brief description
Canvest Environmental	Canvest Environmental Protection Group Company Limited (HKSE stock code: 1381)
Companies Ordinance	Companies Ordinance (Chapter 622) of the laws of Hong Kong
Company	Shanghai Industrial Holdings Limited (HKSE stock code: 363)
Director(s)	director(s) of the Company
Galaxy Energy	SIIC Aerospace Galaxy Energy (Shanghai) Co., Ltd.
General Water of China	General Water of China Co., Ltd.
Group	the Company and its subsidiaries
Jinan Quanyong	Jinan Quanyong Printing Co., Ltd.
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules
Nanyang Tobacco	Nanyang Brothers Tobacco Company, Limited
Net Business Profit	Net profit excluding net corporate expenses
PRC	The People's Republic of China
SFO	Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
SGX	Singapore Stock Exchange
Shanghai Galaxy	Shanghai Galaxy Investment Co., Ltd.
Share(s)	ordinary share(s) of the Company
Shareholder(s)	shareholder(s) of the Company
SI Clean Energy	Shanghai Industrial Clean Energy Company Limited
SI Development	Shanghai Industrial Development Co., Ltd. (SSE stock code: 600748)
SI Urban Development or SIUD	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 annual general meeting held on 16 May 2013
SIHL Scheme	A share option scheme adopted by the Company at the extraordinary general meeting held on 25 May 2012, and was expired on 24 May 2022

Glossary of Terms

Term used	Brief description
SIIC	Shanghai Industrial Investment (Holdings) Company Limited
SIIC Environment	SIIC Environment Holdings Ltd. (SGX stock code: BHK; HKSE stock code: 807)
SIIC Environment Scheme	A share option scheme adopted by SIIC Environment at the extraordinary general meeting held on 27 April 2012
SIIC Longchuang	SIIC Longchuang Smart Energy Technology Company Limited
SSE	Shanghai Stock Exchange
Stock Exchange or HKSE	The Stock Exchange of Hong Kong Limited
SUS Environment	Shanghai SUS Environment Co., Ltd.
Wing Fat Printing	The Wing Fat Printing Company, Limited

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