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上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

ANNOUNCEMENT OF 2015 INTERIM RESULTS

(Unaudited)

BUSINESS REVIEW

The Board of Directors of Shanghai Industrial Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2015. The Group's total revenue amounted to HK$6,982 million, representing a decrease of 8.6%. The Group realized a net profit of HK$1,373 million, a decrease of 29.5%, mainly due to the fact that considerable gains from the disposal of lot E of the Qingpu District in Shanghai were recorded in the same period last year, while only the disposal of the Yanjiao project was accounted for during the period. Excluding the above incomparable factor, the Group's net profit increased by 1.8%.

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

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

Infrastructure Facilities

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

Toll roads

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

Toll roads	Net profit from project company	Changes	Toll revenue	Changes	Traffic flow (vehicle journeys)	Changes
Jing-Hu Expressway (Shanghai Section)	HK$148 million	-9.8%	HK$310 million	-0.2%	21.97 million	+8.2%
Hu-Kun Expressway (Shanghai Section)	HK$217 million	+12.2%	HK$491 million	+5.0%	24.55 million	+8.1%
Hu-Yu Expressway (Shanghai Section)	HK$87.97 million	+0.5%	HK$269 million	+5.5%	19.15 million	+5.9%
Total	**HK$453 million**	**+1.80%**	**HK$1,070 million**	**+3.48%**	**65.67 million**	**+7.50%**

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

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

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

Water services

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

SI Environment

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

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

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

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

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

General Water of China

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

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

New Business Arena

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

Real Estate

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

SI Development

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

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

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

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

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

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

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

Leveraging on the advantage of its principal businesses and aiming at building up a business chain with emerging industries, SI Development diversified its investment and expanded to related businesses such as high-technology, internet, energy saving and environmental protection and new sources of materials during the period to achieve upgrading of its existing businesses and open up new channels for profit growth. In March, SI Development successfully issued a RMB1,000 million first phase corporate bond (3 years + 2 years) with an interest rate at 4.92%, and in June, the company further issued its 2015 first medium-term notes, with a principal amount of RMB1 billion for a period of 3 years at an interest rate of 4.95%. The funds raised have been received in full and will be used to support the company’s subsequent developments.

SI Urban Development

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

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

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

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

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

Consumer Products

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

Tobacco

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

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

Printing

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

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

**Net profit excluding net corporate expenses*

PROSPECTS

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

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

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

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

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

Wang Wei
Chairman
Hong Kong, 31 August 2015

INTERIM DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed on Thursday, 17 September 2015. No transfer of shares will be effected on that day. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 16 September 2015.

REVIEW OF INTERIM RESULTS

The audit committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2015.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") throughout the six months ended 30 June 2015, except for the deviation from E.1.2 of the CG Code as described below. An independent non-executive Director, also being the chairman of the Nomination Committee and Remuneration Committee of the Company, was unable to attend the extraordinary general meeting of the Company held on 15 June 2015 due to a business engagement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PUBLICATION OF THE INTERIM REPORT

The 2015 interim report will be despatched to shareholders in mid-September 2015 and will be made available at the HKExnews website of the Stock Exchange at *www.hkexnews.hk* and the website of the Company at *www.sihl.com.hk* accordingly.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Wang Wei, Mr. Zhou Jie, Mr. Lu Shen, Mr. Zhou Jun and Mr. Xu Bo; four independent non-executive Directors, namely, Dr. Lo Ka Shui, Prof. Woo Chia-Wei, Mr. Leung Pak To, Francis and Mr. Cheng Hoi Chuen, Vincent.

INTERIM RESULTS

Below are the unaudited interim results of the Group for the six months ended 30 June 2015 extracted from the unaudited condensed consolidated financial statements as set out in its 2015 interim report:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	**Six months ended 30.6.2015**	Six months ended 30.6.2014
		HK$'000	HK$'000
		(unaudited)	(unaudited)
Revenue	*3*	**6,982,031**	7,635,461
Cost of sales		**(4,155,994)**	(4,699,994)
Gross profit		**2,826,037**	2,935,467
Net investment income		**603,561**	317,506
Other income, gains and losses		**301,574**	254,480
Selling and distribution costs		**(378,928)**	(362,142)
Administrative and other expenses		**(789,259)**	(872,675)
Finance costs		**(806,267)**	(614,068)
Share of results of joint ventures		**105,292**	92,803
Share of results of associates		**1,180**	2,506
Gain on disposal of the Feng Qi Group		**-**	1,716,165
Net gain on disposal of interests in other subsidiaries/ deemed partial disposal of interest in a joint venture		**452,367**	13,542
Profit before taxation		**2,315,557**	3,483,584
Income tax expense	*4*	**(619,597)**	(936,788)
Profit for the period	*5*	**1,695,960**	2,546,796
Profit for the period attributable to			
- Owners of the Company		**1,373,497**	1,948,516
- Non-controlling interests		**322,463**	598,280
		1,695,960	2,546,796
Earnings per share	*7*		
		HK$	HK$
- Basic		**1.267**	1.800
- Diluted		**1.181**	1.664

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**1,695,960**	2,546,796
Other comprehensive income (expense)		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
- subsidiaries	**(38,746)**	(1,025,616)
- joint ventures	**(4,966)**	(25,553)
- associates	**(4,912)**	(49,619)
Fair value adjustments on available-for-sale investments held by		
- subsidiaries	**126,920**	(46,084)
- a joint venture	**-**	(5,607)
Reclassification on disposal of available-for-sale investments	**(7,843)**	-
Reclassification of translation reserve upon disposal/ deemed partial disposal of		
- the Feng Qi Group	**-**	(1,256)
- interests in other subsidiaries	**-**	(967)
- interest in a joint venture	**-**	(10,308)
Other comprehensive income (expense) for the period	**70,453**	(1,165,010)
Total comprehensive income for the period	**1,766,413**	1,381,786
Total comprehensive income for the period attributable to		
- Owners of the Company	**1,400,296**	1,130,295
- Non-controlling interests	**366,117**	251,491
	1,766,413	1,381,786

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	Notes	**30.6.2015**	31.12.2014
		HK$'000	HK$'000
		(unaudited)	(audited)
Non-Current Assets			
Investment properties		**15,959,817**	15,979,200
Property, plant and equipment		**4,517,672**	4,657,924
Prepaid lease payments – non-current portion		**279,293**	283,248
Toll road operating rights		**12,258,465**	12,633,146
Other intangible assets		**3,778,817**	1,963,325
Interests in joint ventures		**3,444,131**	3,351,253
Interests in associates		**2,723,106**	2,636,196
Investments		**1,126,325**	1,005,180
Receivables under service concession arrangements – non-current portion		**5,694,268**	4,379,747
Deposits paid on acquisition of property, plant and equipment		**74,589**	171,727
Other non-current receivable		**156,444**	-
Deferred tax assets		**343,572**	315,418
		50,356,499	47,376,364
Current Assets			
Inventories		**50,847,553**	47,007,200
Trade and other receivables	*8*	**6,122,234**	4,940,367
Prepaid lease payments – current portion		**6,143**	6,143
Investments		**630,227**	490,200
Receivables under service concession arrangements – current portion		**181,942**	137,176
Amounts due from customers for contract work		**78,405**	87,499
Prepaid taxation		**288,201**	201,470
Pledged bank deposits		**562,385**	742,973
Short-term bank deposits		**2,020,073**	469,736
Bank balances and cash		**22,523,093**	25,119,702
		83,260,256	79,202,466
Assets classified as held for sale		**-**	691,728
		83,260,256	79,894,194
Current Liabilities			
Trade and other payables	*9*	**15,468,201**	16,168,861
Customer deposits from sales of properties		**4,304,433**	3,088,017
Amounts due to customers for contract work		**24,856**	30,681
Taxation payable		**3,013,939**	3,411,953
Bank and other borrowings		**12,960,091**	18,431,868
Convertible bonds		**3,868,987**	-
		39,640,507	41,131,380
Liabilities associated with assets classified as held for sale		**-**	28
		39,640,507	41,131,408
Net Current Assets		**43,619,749**	38,762,786
Total Assets less Current Liabilities		**93,976,248**	86,139,150

	30.6.2015	31.12.2014
	HK$'000	HK$'000
	(unaudited)	(audited)
Capital and Reserves		
Share capital	**13,615,889**	13,527,827
Reserves	**23,267,242**	21,990,189
Equity attributable to owners of the Company	**36,883,131**	35,518,016
Non-controlling interests	**19,607,170**	17,884,803
Total Equity	**56,490,301**	53,402,819
Non-Current Liabilities		
Provision for major overhauls	**77,383**	78,934
Bank and other borrowings	**30,862,507**	22,283,617
Convertible bonds	**-**	3,826,613
Deferred tax liabilities	**6,546,057**	6,547,167
	37,485,947	32,736,331
Total Equity and Non-Current Liabilities	**93,976,248**	86,139,150

Notes:

(1) REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2015 are unaudited, but have been reviewed 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 (the "**HKICPA**"), by Deloitte Touche Tohmatsu, whose report on review of condensed consolidated financial statements is included in the interim report to be sent to shareholders.

(2) BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by 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 condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

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

Amendments to HKFRSs

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

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

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

(3) SEGMENT INFORMATION

Segment revenue and results

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

Six months ended 30 June 2015

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

Six months ended 30 June 2014

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

Segment assets and liabilities

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

At 30 June 2015

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

At 31 December 2014

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

(4) INCOME TAX EXPENSE

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	HK$'000
Current tax		
- Hong Kong	**87,229**	94,514
- PRC Land Appreciation Tax ("**LAT**")	**280,683**	343,999
- PRC Enterprise income tax ("**EIT**") (including PRC withholding tax of HK$48,454,000 (six months ended 30 June 2014: HK$46,320,000))	**337,942**	652,707
	705,854	1,091,220
Overprovision in prior periods		
- Hong Kong	**(2,275)**	-
- PRC LAT (Note)	**-**	(83,213)
- PRC EIT	**(4,416)**	(5)
	(6,691)	(83,218)
Deferred taxation for the current period	**(79,566)**	(71,214)
	619,597	936,788

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

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

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

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

(5) PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	HK$'000
Profit for the period has been arrived at after charging (crediting) the following items:		
Amortisation of toll road operating rights (included in cost of sales)	**374,681**	371,596
Amortisation of other intangible assets (included in cost of sales)	**46,351**	36,130
Depreciation of property, plant and equipment	**164,206**	141,648
Release of prepaid lease payments	**3,955**	2,294
Decrease in fair value of investment properties (included in administrative and other expenses)	**27,344**	56,040
Dividend income from investments (included in net investment income)	**(219,456)**	(1,761)
Gain on disposal of property, plant and equipment	**(4,838)**	(386)
Interest income (included in net investment income)	**(290,719)**	(296,533)
Change in fair value of financial assets at fair value through profit or loss (included in net investment income)	**(29,236)**	8,091
Net foreign exchange loss	**8,946**	130,555
Compensation from a contractor in respect of late completion of properties	**-**	(134,574)
Share of PRC EIT of joint ventures (included in share of results of joint ventures)	**32,284**	26,905
Share of PRC EIT of associates (included in share of results of associates)	**11,504**	940

(6) DIVIDENDS

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	HK$'000
2014 final dividend paid of HK45 cents (six months ended 30 June 2014: 2013 final dividend paid of HK45 cents) per share	**488,834**	487,243

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

(7) EARNINGS PER SHARE

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

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	HK$'000
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	**1,373,497**	1,948,516
Effect of dilutive potential ordinary shares - interest on convertible bonds, net of tax	**35,382**	34,763
Earnings for the purpose of diluted earnings per share	**1,408,879**	1,983,279
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,084,216,653**	1,082,759,777
Effect of dilutive potential ordinary shares		
- convertible bonds	**107,319,758**	107,319,758
- share options of the Company	**1,834,143**	1,883,256
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,193,370,554**	1,191,962,791

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

(8) TRADE AND OTHER RECEIVABLES

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

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

	30.6.2015	31.12.2014
	HK$'000	HK$'000
Within 30 days	**361,644**	294,684
Within 31 – 60 days	**195,978**	260,654
Within 61 – 90 days	**165,753**	110,967
Within 91 – 180 days	**280,399**	96,075
Within 181 – 365 days	**190,081**	100,989
Over 365 days	**68,387**	71,205
	1,262,242	934,574

(9) TRADE AND OTHER PAYABLES

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

	30.6.2015	31.12.2014
	HK$'000	HK$'000
Within 30 days	**487,613**	484,307
Within 31 – 60 days	**88,412**	234,290
Within 61 – 90 days	**187,478**	175,272
Within 91 – 180 days	**532,680**	117,992
Within 181 – 365 days	**280,156**	840,200
Over 365 days	**1,561,692**	1,736,557
	3,138,031	3,588,618

FINANCIAL REVIEW

I. Analysis of Financial Results

1. Revenue

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

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

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

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

2. Profit Contribution from Each Business

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

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

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

Renminbi in the same period last year was absent. The net profit contribution of Wing Fat Printing significantly increased 76.1% as compared to the same period last year.

3. Profit before Taxation

(1) Gross profit margin

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

(2) Other income, gains and losses

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

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

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

4. Dividends

The Board of Directors of the Group has resolved to declare an interim dividend of HK36 cents, a decrease of 20% as compared with 2014 interim of HK45 cents per share, and interim dividend payout ratio is 28.4% (2014 interim: 25.0%).

II. Financial Position of the Group

1. Capital and Equity attributable to owners of the Company

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

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

2. Indebtedness

(1) Borrowings

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

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

(2) Pledge of assets

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

(a) investment properties with an aggregate carrying value of HK$11,416,224,000 (31 December 2014: HK$12,456,886,000) ;

(b) leasehold land and buildings with an aggregate carrying value of HK$1,476,791,000 (31 December 2014: HK$1,664,858,000) ;

(c) plant and machineries with an aggregate carrying value of HK$28,762,000 (31 December 2014: HK$30,956,000);

(d) one (31 December 2014: one) toll road operating right of HK$3,005,417,000 (31 December 2014: HK$3,095,721,000);

(e) receivables under service concession arrangements with an aggregate carrying value of HK$2,508,269,000 (31 December 2014: HK$2,553,891,000) ;

(f) properties under development held for sale with an aggregate carrying value of HK$15,698,969,000 (31 December 2014: HK$8,443,487,000);

(g) properties held for sale with an aggregate carrying value of HK$32,665,000 (31 December 2014: HK$129,768,000);

(h) trade receivables with an aggregate carrying value of HK$176,757,000 (31 December 2014: HK$192,098,000); and

(i) bank deposits with an aggregate carrying value of HK$562,385,000 (31 December 2014: HK$742,973,000).

(3) Contingent liabilities

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

3. Capital Commitments

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

4. Bank Deposits and Short-term Investments

As at 30 June 2015, bank balances and short-term investments held by the Group amounted to HK$25,105.55 million (31 December 2014: HK$26,332.41 million) and HK$630.23 million (31 December 2014: HK$490.20 million) respectively. The proportions of US dollars and other currencies, Renminbi and HK dollars of bank balances were 7%, 87% and 6% (31 December 2014: 8%, 81% and 11%) respectively. Short-term investments mainly consisted of investments such as Hong Kong and PRC listed shares.

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