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INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Shandong Hi-Speed Holdings Group Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2023 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2022 (the “**Corresponding Period**”), as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT For the six months ended 30 June 2023

		For the six months ended 30 June	
		2023	2022
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
REVENUE	4	3,074,206	1,216,778
COST OF SALES AND SERVICES		(1,411,776)	(535,861)
Gross profit		1,662,430	680,917
Other income		66,326	28,660
Other gains and losses, net	5	(26,806)	1,152,140
Impairment losses on financial assets reversed/(recognised), net	6	271,048	(355,828)
Fair value losses on financial assets at fair value through profit or loss, net	8	(203,120)	(686,844)
Selling and distribution expenses		(2,235)	(337)
Administrative and other operating expenses		(502,326)	(223,078)
Finance costs	7	(991,226)	(386,274)
Share of results of:			
Joint ventures		(86,510)	13,558
Associates		(11,074)	8,537

		For the six months ended 30 June	
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
PROFIT BEFORE TAX	8	176,507	231,451
Income tax (expense)/credit	9	(86,459)	69,470
PROFIT FOR THE PERIOD		<u>90,048</u>	<u>300,921</u>
Profit/(loss) for the period attributable to:			
Owners of the Company		(294,432)	75,863
Holders of perpetual capital instrument		185,278	193,654
Non-controlling interests		199,202	31,404
		<u>90,048</u>	<u>300,921</u>
(LOSS)/EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic	10	<u>HK\$(4.89) cents</u>	<u>HK\$1.26 cents</u>
Diluted	10	<u>HK\$(4.89) cents</u>	<u>HK\$1.26 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	90,048	300,921
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value changes on equity instruments classified as financial assets at fair value through other comprehensive income	(166,250)	(81,023)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value changes on debt instruments classified as financial assets at fair value through other comprehensive income	(67,591)	(209,241)
Release of FVTOCI reserve upon disposal of debt instruments classified as financial assets at fair value through other comprehensive income	96,144	9,856
Share of other comprehensive (loss)/income of joint ventures	(16,841)	1,333
Share of other comprehensive (loss)/income of associates	(61,934)	1,126
Exchange difference arising on translation of foreign operations	(974,207)	(38,486)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(1,190,679)	(316,435)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,100,631)	(15,514)
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	(910,819)	(240,471)
Holders of perpetual capital instrument	185,278	193,654
Non-controlling interests	(375,090)	31,303
	(1,100,631)	(15,514)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	<i>12</i>	21,431,989	20,845,016
Investment properties		522,000	1,052,000
Right-of-use assets		4,657,336	4,264,336
Intangible assets		2,101,154	1,574,357
Operating concessions		1,506,831	1,562,219
Interests in joint ventures		353,239	464,693
Interests in associates	<i>13</i>	3,465,696	3,558,337
Financial assets at fair value through other comprehensive income	<i>14</i>	851,993	1,270,726
Financial assets at fair value through profit or loss	<i>15</i>	–	4,188
Finance lease receivables	<i>16</i>	–	29,912
Loans receivables	<i>17</i>	799,502	1,009,547
Prepayments, deposits and other receivables	<i>19</i>	2,444,596	3,332,845
Other tax recoverables		335,837	356,426
Other non-current assets		–	1,385,240
Deferred tax assets		498,759	492,348
		<hr/>	<hr/>
Total non-current assets		38,968,932	41,202,190
CURRENT ASSETS			
Inventories		74,525	95,003
Contract assets	<i>18</i>	710,841	1,086,746
Financial assets at fair value through other comprehensive income	<i>14</i>	3,472,923	3,248,546
Financial assets at fair value through profit or loss	<i>15</i>	2,916,220	3,370,194
Finance lease receivables	<i>16</i>	459,354	481,834
Loans receivables	<i>17</i>	3,299,292	2,409,207
Trade and other receivables	<i>19</i>	12,115,567	11,489,363
Other tax recoverables		146,258	124,223
Restricted cash and pledged deposits		351,926	271,724
Cash held on behalf of clients		70,614	11,487
Cash and cash equivalents		3,495,082	4,392,562
		<hr/>	<hr/>
Assets classified as held for sale		739,302	774,530
		<hr/>	<hr/>
Total current assets		27,851,904	27,755,419
		<hr/>	<hr/>

		30 June	31 December
		2023	2022
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Notes</i>	(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and bills payables	20	1,697,088	1,941,813
Other payables and accruals		1,915,643	2,162,823
Lease liabilities		560,722	537,107
Borrowings	21	14,710,250	13,445,859
Tax payables		216,254	214,397
		<hr/>	<hr/>
Total current liabilities		19,099,957	18,301,999
		<hr/>	<hr/>
NET CURRENT ASSETS		8,751,947	9,453,420
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		47,720,879	50,655,610
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Borrowings	21	29,942,374	30,341,403
Lease liabilities		3,132,007	2,925,950
Other non-current liabilities		12,462	1,555,456
Other payables and accruals		–	12,280
Deferred tax liabilities		313,265	245,743
		<hr/>	<hr/>
Total non-current liabilities		33,400,108	35,080,832
		<hr/>	<hr/>
Net assets		14,320,771	15,574,778
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Issued capital		6,019	6,019
Reserves		(948,299)	(42,072)
		<hr/>	<hr/>
Equity attributable to owners of the Company		(942,280)	(36,053)
Perpetual capital instrument		7,138,310	7,104,441
Non-controlling interests		8,124,741	8,506,390
		<hr/>	<hr/>
Total equity		14,320,771	15,574,778
		<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. CORPORATE INFORMATION

Shandong Hi-Speed Holdings Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and the principal place of business in Hong Kong of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and 38/F, The Center, 99 Queen’s Road Central, Central, Hong Kong, respectively.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed consolidated financial statements for the six months ended 30 June 2023 (the “Interim Financial Statements”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Interim Financial Statements are presented in Hong Kong Dollar (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousands (HK\$’000) except when otherwise indicated.

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

Except as described below, the Group’s accounting policies applied in preparing these Interim Financial Statements are consistent with those policies applied in preparing the annual financial statements for the year ended 31 December 2022.

(b) Application of New and Revised HKFRSs

The Group has adopted the following new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Interim Financial Statements.

HKFRS 17	Insurance Contracts
Amendments to HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The Group has not early adopted any standards, interpretations or amendments that has been issued but not yet effective.

Except as described below, the adoption of the new and amendments to HKFRSs has had no significant financial effect on these Interim Financial Statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets in paragraph 15 and 24 of HKAS 12 such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the annual financial statements but does not impact the overall deferred tax balances presented in the condensed consolidated statement of financial position as the related deferred tax balances qualify for offsetting under paragraph 74 of HKAS 12.

(c) Judgements and estimates

In preparing these Interim Financial Statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

3. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions reviewed by the Group's chief operating decision maker ("CODM"). The CODM has been identified as the executive directors that make strategic decisions. For the six months ended 30 June 2023 and 2022, the Group had four reportable operating segments.

Details are as follows:

- (i) Industrial investment segment is engaged in operations of industrial investment-related business;
- (ii) Standard investment segment is engaged primarily in trading of listed securities and listed bonds primarily for interest income, dividend income and capital appreciation;
- (iii) Non-standard investment segment is engaged in direct investment business including investments in debts instruments, unlisted bonds, notes, unlisted equity investments and investment funds; and
- (iv) Licensed financial services segment is engaged primarily in provision of money lending services, securities brokerage services, asset management services, financial leasing, advisory services and asset trading platform.

In addition to the above reportable segments, other segments that do not meet the quantitative thresholds for the reporting segments in both current and prior year were grouped in “Unallocated”.

CODM monitors the results of the Group’s operating segments separately as described above, for the purpose of making decisions about resource allocation and assessment of the Group’s performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that unallocated income, unallocated finance costs, unallocated expenses and share of results of joint ventures and associates are excluded from such measurement.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments except corporate assets; and
- all liabilities are allocated to reportable segments except corporate liabilities, certain deferred tax liabilities, certain borrowings and certain other payables and accruals.

	Industrial investment		Standard investment		Non-standard investment		Licensed financial services		Unallocated		Total	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000										
	(Unaudited)	(Unaudited)										
Segment revenue:												
Revenue from external customers	2,769,414	938,622	68,351	164,585	133,688	41,064	102,753	72,507	-	-	3,074,206	1,216,778
Segment results	485,733	1,946,652	(293,676)	(234,969)	57,221	(788,189)	107,547	(633,792)	-	-	356,825	289,702
Reconciliations:												
Unallocated income											10,001	4,211
Unallocated finance costs											(53)	(148)
Unallocated expenses*											(92,682)	(84,409)
Share of results of												
– Joint ventures											(86,510)	13,558
– Associates											(11,074)	8,537
Profit before tax											176,507	231,451
Other segment information:												
Finance costs	(825,824)	(266,068)	(89,030)	(71,729)	(44,074)	(41,904)	(32,245)	(6,425)	(53)	(148)	(991,226)	(386,274)
Amortisation	(77,747)	(24,891)	-	-	-	-	(75)	(289)	(144)	(144)	(77,966)	(25,324)
Depreciation												
– property, plant and equipment	(555,451)	(93,948)	-	-	-	-	(1,824)	(2,384)	(585)	(1,018)	(557,860)	(97,350)
– right-of-use assets	(128,273)	(39,166)	-	-	-	-	(1,916)	(2,452)	(695)	(4,313)	(130,884)	(45,931)
Fair value gain on investment property	-	-	-	-	-	-	-	-	10,000	-	10,000	-
Fair value (loss)/gain on financial assets at fair value through profit or loss	(49,529)	6,809	(197,592)	(392,086)	35,006	(299,111)	8,995	(2,456)	-	-	(203,120)	(686,844)
Loss on disposal of debt instruments at fair value through other comprehensive income	-	-	(96,144)	(9,856)	-	-	-	-	-	-	(96,144)	(9,856)
Impairment losses reversed/ (recognised) in respect of												
– goodwill	-	-	-	-	-	-	-	(13,228)	-	-	-	(13,228)
– intangible assets	-	-	-	-	-	-	-	(400,279)	-	-	-	(400,279)
– finance lease receivables	-	-	-	-	-	-	18,159	(105,269)	-	-	18,159	(105,269)
– loans receivables	-	-	-	-	30,792	(250,059)	81,956	(87,995)	-	-	112,748	(338,054)
– trade and other receivables	-	34,829	139,726	208,620	135	7,484	282	81	(2)	(11)	140,141	251,003
– contract assets	-	257	-	-	-	-	-	-	-	-	-	257
– financial assets at fair value through other comprehensive income	-	-	-	-	-	(163,765)	-	-	-	-	-	(163,765)
Gain on bargain purchase from acquisition of subsidiaries	44,556	1,601,839	-	-	-	-	-	-	-	-	44,556	1,601,839
Capital expenditure**	(777,095)	(193,686)	-	-	-	-	-	(2,192)	(9,294)	(2,471)	(786,389)	(198,349)

Notes:

- * Unallocated expenses mainly included employee benefit expenses of approximately HK\$47,919,000 (six months ended 30 June 2022: HK\$42,921,000), lease payment of approximately HK\$3,068,000 (six months ended 30 June 2022: HK\$1,184,000), legal and professional fee of approximately HK\$8,593,000 (six months ended 30 June 2022: HK\$9,799,000) and depreciation of approximately HK\$1,280,000 (six months ended 30 June 2022: HK\$5,331,000).
- ** Capital expenditure consists of additions to property, plant and equipment, investment properties, intangible assets and operating concessions, excluding right-of-use assets and assets from acquisition of subsidiaries.

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

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Segment assets:		
Industrial investment	50,364,266	52,197,838
Standard investment	2,725,811	3,237,270
Non-standard investment	6,524,852	6,902,973
License financial services	4,057,283	3,445,289
	63,672,212	65,783,370
Unallocated assets	3,148,624	3,174,239
Total assets	66,820,836	68,957,609
	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Segment liabilities:		
Industrial investment	39,224,062	40,691,075
Standard investment	3,928,730	2,847,036
Non-standard investment	6,186,576	7,130,612
License financial services	3,015,505	2,586,741
	52,354,873	53,255,464
Unallocated liabilities	145,192	127,367
Total liabilities	52,500,065	53,382,831

Geographical information

Geographical information in related to the location of the Group's revenue is not presented since over 90% of the Group's revenue from external customers is generated in the PRC for the six months ended 30 June 2023. Accordingly, in the opinion of the Directors, the presentation of segment geographical information would provide no additional useful information to the users of these unaudited interim condensed consolidated financial statements.

The Group's operations are mainly located in Hong Kong, the PRC, Singapore and Australia for the six months ended 30 June 2022. The geographical information about the Group's revenue based on the locations of the operations is set out below:

	For the six months ended 30 June 2022 <i>HK\$'000</i> (Unaudited)
Revenue from external customers	
Hong Kong	200,197
The PRC	994,923
Singapore	20,738
Australia	920
	<hr/>
	1,216,778
	<hr/>

No customer of the Group has contributed over 10% of the total revenue of the Group for the current year and prior period.

Geographical segment information in related to the location of the Group's assets is not presented since over 90% of the Group's assets are located in the PRC as at 30 June 2023 and 31 December 2022. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these unaudited interim condensed consolidated financial statements.

4. REVENUE

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of electricity with tariff adjustment	2,252,970	807,270
Construction services	53,001	79,404
Technical consultancy services	7,646	5,664
Entrusted operation services	73,397	25,918
Provision of clean heat supply services	382,400	20,366
Consultancy services income	47,828	11,108
Handling fee income	–	2,434
Income from brokerage business	11,119	10,801
Income from asset management and performance	2,112	7,394
	<u>2,830,473</u>	<u>970,359</u>
Timing of revenue recognition		
Recognised at a point in time	2,760,300	942,739
Recognised over time	70,173	27,620
	<u>2,830,473</u>	<u>970,359</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts:

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	2,830,473	970,359
Financial leasing income	1,944	8,452
Interest income from money lending operations	46,856	19,679
Interest income from debt investments	36,520	50,451
Dividend income from financial assets at fair value through profit or loss	5,065	19,858
Interest income from financial assets at fair value through profit or loss	56,676	75,146
Interest income from financial assets at fair value through other comprehensive income	96,672	72,833
	<u>3,074,206</u>	<u>1,216,778</u>

5. OTHER GAINS AND LOSSES, NET

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Impairment losses recognised in respect of		
– Goodwill	–	(13,228)
– Intangible assets	–	(400,279)
Gains on early termination of leases	19	3,038
Foreign exchange losses, net	(38,794)	(28,630)
Losses on disposal of other receivables	(53,900)	(10,600)
Gains on bargain purchase from acquisition of subsidiaries	44,556	1,601,839
Gain on debt that no need to be paid	11,313	–
Fair value gain on investment properties	10,000	–
	<u>(26,806)</u>	<u>1,152,140</u>

6. IMPAIRMENT LOSSES ON FINANCIAL ASSETS REVERSED/(RECOGNISED), NET

	For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Impairment losses on financial assets reversed/(recognised), net in respect of:		
– Finance lease receivables	18,159	(105,269)
– Loans receivables	112,748	(338,054)
– Trade and other receivables	140,141	251,003
– Contract assets	–	257
– Debt instruments at fair value through other comprehensive income	–	(163,765)
	271,048	(355,828)

7. FINANCE COSTS

	For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Interest on bank borrowings	881,109	238,320
Interest on other borrowings	3,169	15,334
Interest on bonds	114,397	155,337
Interest on lease liabilities	135,207	82,801
	1,133,882	491,792
Less: Finance costs included in cost of sales and services	(131,393)	(105,518)
Interest capitalised	(11,263)	–
	991,226	386,274

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Employee benefit expenses:		
Directors' remuneration:		
– Fees	970	750
– Salaries and allowances	12,350	12,832
– Retirement benefit scheme contributions (defined contribution scheme) *	44	39
Sub-total	<u>13,364</u>	<u>13,621</u>
Other staff's costs:		
– Salaries and allowances	167,606	108,259
– Retirement benefit scheme contributions (defined contribution scheme) *	8,905	5,698
Sub-total	<u>176,511</u>	<u>113,957</u>
Total employee benefit expenses	<u>189,875</u>	<u>127,578</u>
Realised losses from financial assets at fair value through profit or loss (<i>note 15(iv)</i>)	59,248	334,219
Unrealised losses from financial assets at fair value through profit or loss (<i>note 15(iii)</i>)	143,872	352,625
Fair value losses on financial assets at fair value through profit or loss, net	<u>203,120</u>	<u>686,844</u>
Realised losses on debt instruments at fair value through other comprehensive income [#]	96,144	9,856
Cost of sales of electricity and entrusted operation services	899,488	254,532
Cost of construction services	46,483	76,890
Cost of technical consultancy services	10,815	293
Cost of clean heat supply services	323,597	34,724
Cost of other services provided	–	169,422
Amortisation of operating concessions [^]	45,709	14,725
Amortisation of operating rights [^]	30,779	7,852
Amortisation of other intangible assets [#]	1,478	2,747
Depreciation of property, plant and equipment [@]	557,860	97,350
Depreciation of right-of-use assets [@]	130,884	45,931
Expenses relating to short term leases	<u>17,128</u>	<u>4,805</u>

Notes:

- * As at 30 June 2023, the Group had no material forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (six months ended 30 June 2022: nil).
- # These items are included in “Administrative and other operating expenses” on the face of the condensed consolidated income statement.
- ^ Amortisation of operating concessions and operating rights for the period are included in “Cost of sales and services” on the face of the condensed consolidated income statement.
- @ Depreciation for the period amounting to approximately HK\$680,438,000 and approximately HK\$8,306,000 (six months ended 30 June 2022: approximately HK\$131,377,000 and approximately HK\$11,904,000) are included in “Cost of sales and services” and “Administrative and other operating expenses” on the face of the condensed consolidated income statement, respectively.

9. INCOME TAX EXPENSE/(CREDIT)

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
– PRC Enterprise Income Tax	110,650	73,192
– Singapore Corporate Income Tax	2,270	2,309
	112,920	75,501
Deferred tax	(26,461)	(144,971)
Total income tax expense/(credit) recognised in the condensed consolidated income statement	86,459	(69,470)

No provision for current Hong Kong Profits Tax had been made for the six months ended 30 June 2023 and 2022 as the Group did not generate any assessable profits arising in Hong Kong during the period.

The PRC corporate income tax provision in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the period based on the prevailing legislation, interpretations and practices in respect thereof. In accordance with the relevant tax rules and regulations of Mainland China, a number of the Company’s subsidiaries enjoy income tax exemptions and reductions because (i) these companies are engaged in the operation of photovoltaic and wind power plants; and (ii) they have operations in certain regions of the PRC that are qualified for certain concessionary corporate income tax rates for a prescribed period of time.

The Singapore Corporate Income Tax for the Singapore subsidiaries are calculated at the Singapore Corporate Income Tax rate of 17% for the six months ended 30 June 2023 and 2022.

10. (LOSS)/EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic (loss)/earning per share

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

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earning per share	<u>(294,432)</u>	<u>75,863</u>
Number of share ('000)		
Weighted average number of ordinary shares	6,019,431	24,089,384
Effect of share consolidation subsequent to the end of the reporting period	<u>–</u>	<u>(18,067,038)</u>
Weighted average number of ordinary shares for the purposes of basic (loss)/earning per share	<u>6,019,431</u>	<u>6,022,346</u>
Basic (loss)/earning per share (in HK cents)	<u>(4.89)</u>	<u>1.26</u>

(b) Diluted (loss)/earning per share

The calculation of diluted (loss)/earning per share is based on the loss for the period attributable to owners of the Company of approximately HK\$294,432,000 (six months ended 30 June 2022: profit for the period attributable to owners of the Company of approximately HK\$75,863,000) and the weighted average number of ordinary shares in issue adjusted for the potential dilutive effect caused by the share options granted by the Company:

Weighted average number of ordinary shares (diluted):

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Number of share ('000)		
Weighted average number of ordinary shares for the purpose of basic (loss)/earning per share	6,019,431	6,022,346
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	–	83,732
Effect of share consolidation subsequent to the end of the reporting period	<u>–</u>	<u>(62,799)</u>
Weighted average number of ordinary shares for the purposes of diluted (loss)/earning per share	<u>6,019,431</u>	<u>6,043,279</u>
Diluted (loss)/earning per share (in HK cents)	<u>(4.89)</u>	<u>1.26</u>

Diluted loss per share did not assume the exercise of share options since their assumed exercise has an anti-dilutive effect on loss per share for the six months ended 30 June 2023.

11. DIVIDEND

The Board does not declare the payment of any interim dividend in respect of the current period (six months ended 30 June 2022: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group had additions to property, plant and equipment of approximately HK\$784,147,000 (six months ended 30 June 2022: HK\$196,165,000), excluding property, plant and equipment acquired in business combinations with an aggregate carrying amount of approximately HK\$1,017,948,000 (six months ended 30 June 2022: HK\$20,691,822,000) and transfer from investment properties of approximately HK\$540,000,000 (six months ended 30 June 2022: HK\$nil).

13. INTERESTS IN ASSOCIATES

	30 June 2023	31 December 2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Cost of investments	3,517,963	3,498,158
Share of post-acquisition profits and other comprehensive income	684	73,692
Exchange realignment	(52,951)	(13,513)
	<u>3,465,696</u>	<u>3,558,337</u>
Amounts due from associates (<i>note 19</i>)	<u>335,417</u>	<u>357,553</u>
Amount due to an associate	<u>–</u>	<u>25,338</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current assets		
Unlisted equity investment		
– Outside Hong Kong	305,227	251,000
Listed equity investments		
– In Hong Kong (<i>Note (ii)</i>)	58,345	45,683
– Outside Hong Kong (<i>Note (ii)</i>)	54,024	61,580
Listed bonds		
– In Hong Kong	8,490	12,650
– Outside Hong Kong	251,522	721,188
Investment funds		
– Outside Hong Kong	174,385	178,625
Sub-total	851,993	1,270,726
Current assets		
Notes		
– Outside Hong Kong	860,748	622,920
Listed bonds		
– Outside Hong Kong	246,905	238,105
Unlisted bonds		
– Outside Hong Kong	2,365,270	2,387,521
Sub-total	3,472,923	3,248,546
Total	4,324,916	4,519,272

Notes:

- (i) As at 30 June 2023 and 31 December 2022, no individual investment in financial assets at fair value through other comprehensive income and its fair value is over 5% of the total assets of the Group.
- (ii) The Group designated certain listed equity instruments that are measured at fair value through other comprehensive income, as the Group intended to hold the listed equity instruments for a long term.

(iii) Details of financial assets at fair value through other comprehensive income

Nature of investments	Fair value		Net gain/(loss) for the period ended		Investment cost	
	as at 30 June 2023 (Unaudited) HK\$'000	as at 31 December 2022 (Audited) HK\$'000	30 June 2023 (Unaudited) HK\$'000	30 June 2022 (Unaudited) HK\$'000	as at 30 June 2023 (Unaudited) HK\$'000	as at 31 December 2022 (Audited) HK\$'000
	Non-current assets					
Unlisted equity investment						
– Outside Hong Kong	305,227	251,000	(172,400)	(31,000)	653,623	281,220
Listed equity investments						
– In Hong Kong	58,345	45,683	12,662	(50,024)	1,171,715	1,171,715
– Outside Hong Kong	54,024	61,580	(6,512)	–	79,201	81,121
Listed bonds						
– In Hong Kong	8,490	12,650	(4,241)	(14,240)	26,008	25,880
– Outside Hong Kong	251,522	721,188	(3,904)	(88,043)	327,210	1,050,870
Investment funds						
– Outside Hong Kong	174,385	178,625	–	–	174,385	178,625
	851,993	1,270,726	(174,395)	(183,307)	2,432,142	2,789,431
Current assets						
Notes						
– Outside Hong Kong	860,748	622,920	–	(5,572)	860,748	622,920
Listed bonds						
– In Hong Kong	–	–	–	(3,480)	–	–
– Outside Hong Kong	246,905	238,105	(50,699)	(59,605)	509,738	286,755
Unlisted bonds						
– Outside Hong Kong	2,365,270	2,387,521	(8,747)	(38,300)	2,400,583	2,413,956
	3,472,923	3,248,546	(59,446)	(106,957)	3,771,069	3,323,631

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current asset		
Listed equity investment		
– In Hong Kong	–	4,188
Current assets		
Held-for-trading listed equity investments		
– In Hong Kong	715,437	765,734
– Outside Hong Kong	243,834	143,137
	<u>959,271</u>	<u>908,871</u>
Held-for-trading investment funds		
– In Hong Kong	134,373	51,751
– Outside Hong Kong	139,441	142,594
	<u>273,814</u>	<u>194,345</u>
Other investment funds		
– Outside Hong Kong	1,126,865	964,385
Held-for-trading listed bonds		
– Outside Hong Kong	82,512	99,380
Unlisted equity investments		
– Outside Hong Kong	318,667	535,054
Notes		
– In Hong Kong	155,091	137,042
– Outside Hong Kong	–	531,117
	<u>155,091</u>	<u>668,159</u>
Sub-total	<u>2,916,220</u>	<u>3,370,194</u>
Total	<u>2,916,220</u>	<u>3,374,382</u>

Notes:

- (i) As at 30 June 2023 and 31 December 2022, no individual investment in financial assets at fair value through profit or loss and its fair value is over 5% of the total assets of the Group.

(ii) Details of financial assets at fair value through profit or loss

Nature of investments	Fair value		Net gain/(loss) for the period ended		Investment cost	
	as at 30 June 2023 (Unaudited) HK\$'000	as at 31 December 2022 (Audited) HK\$'000	30 June 2023 (Unaudited) HK\$'000	30 June 2022 (Unaudited) HK\$'000	as at 30 June 2023 (Unaudited) HK\$'000	as at 31 December 2022 (Audited) HK\$'000
Non-current assets						
Listed equity investment						
– In Hong Kong	<u>–</u>	<u>4,188</u>	<u>(4,188)</u>	<u>(36,051)</u>	<u>59,383</u>	<u>59,383</u>
Current assets						
Held-for-trading listed equity investments						
– In Hong Kong	<u>715,437</u>	<u>765,734</u>	<u>(148,062)</u>	<u>(162,385)</u>	<u>976,695</u>	<u>932,811</u>
– Outside Hong Kong	<u>243,834</u>	<u>143,137</u>	<u>(42,161)</u>	<u>(103,097)</u>	<u>285,741</u>	<u>176,866</u>
	<u>959,271</u>	<u>908,871</u>	<u>(190,223)</u>	<u>(265,482)</u>	<u>1,262,436</u>	<u>1,109,677</u>
Held-for-trading investment funds						
– In Hong Kong	<u>134,373</u>	<u>51,751</u>	<u>(4,061)</u>	<u>(52,122)</u>	<u>214,149</u>	<u>112,425</u>
– Outside Hong Kong	<u>139,441</u>	<u>142,594</u>	<u>234</u>	<u>11,610</u>	<u>136,215</u>	<u>279,527</u>
	<u>273,814</u>	<u>194,345</u>	<u>(3,827)</u>	<u>(40,512)</u>	<u>350,364</u>	<u>391,952</u>
Other investment funds						
– Outside Hong Kong	<u>1,126,865</u>	<u>964,385</u>	<u>(47,285)</u>	<u>(25,074)</u>	<u>1,109,573</u>	<u>968,629</u>
Held-for-trading listed bonds						
– Outside Hong Kong	<u>82,512</u>	<u>99,380</u>	<u>(1,064)</u>	<u>(11,752)</u>	<u>95,752</u>	<u>144,074</u>
Unlisted equity investments						
– Outside Hong Kong	<u>318,667</u>	<u>535,054</u>	<u>12,067</u>	<u>(187,188)</u>	<u>265,490</u>	<u>637,942</u>
Notes						
– In Hong Kong	<u>155,091</u>	<u>137,042</u>	<u>17,374</u>	<u>(18,985)</u>	<u>156,500</u>	<u>155,730</u>
– Outside Hong Kong	<u>–</u>	<u>531,117</u>	<u>14,026</u>	<u>(101,800)</u>	<u>–</u>	<u>545,055</u>
	<u>155,091</u>	<u>668,159</u>	<u>31,400</u>	<u>(120,785)</u>	<u>156,500</u>	<u>700,785</u>
	<u>2,916,220</u>	<u>3,370,194</u>	<u>(198,932)</u>	<u>(650,793)</u>	<u>3,240,115</u>	<u>3,953,059</u>

(iii) Net unrealised (loss)/gain from financial assets at fair value through profit or loss:

	For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Listed equity investment		
– In Hong Kong	(4,188)	(36,051)
Unlisted equity investments		
– In the PRC	12,067	(187,188)
Held-for-trading listed equity investments		
– In Hong Kong	(105,536)	86,531
– Outside Hong Kong	(10,021)	(59,703)
Held-for-trading investment funds		
– In Hong Kong	(4,061)	(63,817)
– Outside Hong Kong	234	11,610
Notes		
– In Hong Kong	17,374	(18,985)
– Outside Hong Kong	–	(77,855)
Held-for-trading listed bonds		
– Outside Hong Kong	(2,456)	(8,912)
Other investment funds		
– Outside Hong Kong	(47,285)	1,745
	<u>(143,872)</u>	<u>(352,625)</u>

(iv) Realised (loss)/gain from financial assets at fair value through profit or loss:

	For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Held-for-trading listed equity investments		
– In Hong Kong	(42,526)	(248,916)
– Outside Hong Kong	(32,140)	(43,394)
Other investment funds		
– Outside Hong Kong	–	(26,819)
Held-for-trading listed bonds		
– Outside Hong Kong	1,392	(2,840)
Notes		
– Outside Hong Kong	14,026	(23,945)
Held-for-trading investment funds		
– In Hong Kong	–	11,695
	<u>(59,248)</u>	<u>(334,219)</u>

16. FINANCE LEASE RECEIVABLES

The minimum finance lease payments are set out below:

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
Within one year	599,542	627,532
Later than one year and not later than second year	–	30,838
	<hr/>	<hr/>
Gross amount of finance lease receivables	599,542	658,370
Less: unearned finance income	(140,188)	(146,624)
	<hr/>	<hr/>
Present value of minimum lease payment receivables	459,354	511,746
	<hr/>	<hr/>

The carrying amount of finance lease receivables are set out below:

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
Within one year	459,354	481,834
Later than one year and not later than second year	–	29,912
	<hr/>	<hr/>
Carrying amount of finance lease receivables	459,354	511,746
	<hr/>	<hr/>
Analysed for reporting purpose as:		
Non-current assets	–	29,912
Current assets	459,354	481,834
	<hr/>	<hr/>
	459,354	511,746
	<hr/>	<hr/>

An aging analysis of the gross amount of the finance lease receivables which had been past due based on the number of past due days is as follows:

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
Within 30 days	–	335,167
91 days to 180 days	101,768	66,287
181 days to 1 year	117,525	69,724
1 year to 2 years	181,923	725,640
2 year to 5 years	1,354,938	557,798
	<hr/>	<hr/>
	1,756,154	1,754,616
	<hr/>	<hr/>

17. LOANS RECEIVABLES

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Loans receivables	4,429,451	3,869,964
Less: allowance for impairment losses	(330,657)	(451,210)
	<u>4,098,794</u>	<u>3,418,754</u>
Analysed for reporting purpose as:		
Non-current assets	799,502	1,009,547
Current assets	3,299,292	2,409,207
	<u>4,098,794</u>	<u>3,418,754</u>

An aging analysis of loans receivables (net of impairment), determined based on the time to maturity of the loans receivables, as at the end of the reporting period is as follows:

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
To be due within		
Within 90 days	2,285,902	1,762,644
91 days to 180 days	–	646,563
181 days to 1 year	1,013,390	–
1 year to 2 years	–	1,009,547
Over 2 years	799,502	–
	<u>4,098,794</u>	<u>3,418,754</u>

An aging analysis of the loans receivables which had been past due based on the number of past due days is as follows:

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 30 days	381,467	–
31 days to 90 days	–	787,250
181 days to 1 year	872,284	–
1 year to 2 years	782,498	865,712
2 years to 5 years	424,174	434,488
Over 5 years	2,000	2,000
	<u>2,462,423</u>	<u>2,089,450</u>

18. CONTRACT ASSETS

		30 June 2023	31 December 2022
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
Tariff adjustment receivables	<i>(i)</i>	656,596	587,320
Construction contracts	<i>(ii)</i>	48,425	448,286
Retention money	<i>(ii)</i>	5,820	51,140
		710,841	1,086,746
Less: Allowance for impairment losses		–	–
		710,841	1,086,746

Notes:

- (i) Tariff adjustment receivables included in contract assets represented the central government renewable energy subsidy for the Group's photovoltaic and wind power plant projects that are to be billed and settled upon entering into the list of national renewable energy power generation subsidies for the renewable energy power generation projects (the "Project List"). In the opinion of the Directors, the registration procedures of the Project List for the Group's photovoltaic and wind power plant projects are of administrative in nature and the Group will comply with the related procedures stipulated by the current government policy in Mainland China and all other attaching conditions, if any.
- (ii) Contract assets are initially recognised for revenue earned from construction and related services as the receipt of consideration is conditional on construction progress. Included in contract assets for construction and related services are retention receivables. Upon completion of certain milestones as agreed with customers and such being accepted by them, the amounts recognised as contract assets are reclassified to trade receivables.

19. TRADE AND OTHER RECEIVABLES

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables	2,235,145	2,399,977
Bills receivable	29,823	37,905
Tariff adjustment receivables (<i>note</i>)	6,759,787	5,938,240
	9,024,755	8,376,122
Less: Allowance for impairment losses	(2,043)	(1,793)
	9,022,712	8,374,329
Prepayments	578,367	754,102
Interest receivables	316,996	265,847
Deposits and other receivables	3,764,920	4,929,951
Due from joint ventures	554,489	293,643
Due from associates (<i>note 13</i>)	335,417	357,553
	5,550,189	6,601,096
Less: Allowance for impairment losses	(12,738)	(153,217)
	5,537,451	6,447,879
	14,560,163	14,822,208
Analysed for reporting purpose as:		
Non-current assets	2,444,596	3,332,845
Current assets	12,115,567	11,489,363
	14,560,163	14,822,208

Note:

Tariff adjustment receivables included in trade receivables represent the central government renewable energy subsidy for the Group's photovoltaic and wind power plant projects that have been registered into the Project List.

The following is an aging analysis of trade and bills receivables (excluding tariff adjustment receivables), net of allowance for impairment losses, presented based on the trade date/invoice date (or date of revenue recognition, if earlier):

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 90 days	631,106	903,681
91 days to 180 days	176,700	322,461
181 days to 1 year	748,357	260,807
1 year to 2 years	310,740	390,180
Over 2 years	396,022	558,960
	<u>2,262,925</u>	<u>2,436,089</u>

The following is an aging analysis of tariff adjustment receivables, net of allowance for impairment losses, presented based on the date of revenue recognition:

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 90 days	528,380	915,705
91 days to 180 days	549,239	544,856
181 days to 1 year	1,369,909	992,951
1 year to 2 years	2,186,819	1,275,165
Over 2 years	2,125,440	2,209,563
	<u>6,759,787</u>	<u>5,938,240</u>

Except for the trade receivables attributable to the dealing in securities transactions, the Group's trading terms with its customers are mainly on credit, except for certain new customers where payment in advance is normally required. The Group generally allows credit periods of 30 days to 90 days (31 December 2022: 30 days to 90 days) to its customers, and generally accepts settlement of certain trade receivables by bank and commercial bills with maturity periods ranging from 90 days to 180 days (31 December 2022: 90 days to 180 days) after taking into consideration the customers' historical repayment record and current ability of making payments.

The settlement terms of trade receivables attributable to the dealing in securities transactions are two days after the trade date, except for the balances with margin clients which are repayable on demand.

Certain subsidiaries engaging in the operation of clean energy businesses have pledged trade receivables to secure certain bank borrowings and other borrowings (note 21(a)(vi)).

20. TRADE AND BILLS PAYABLES

An aging analysis of trade and bills payables, presented based on the invoice date:

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 90 days	81,609	152,310
91 days to 180 days	160,646	145,828
181 days to 1 year	137,585	245,366
1 year to 2 years	280,661	285,510
Over 2 years	1,036,587	1,112,799
	<u>1,697,088</u>	<u>1,941,813</u>

The trade payables are non-interest bearing. Trade and bills payables are normally settled on terms of 30 days to 180 days.

The Group's bill payables amounting to approximately HK\$21,067,000 (31 December 2022: approximately HK\$33,390,000) were secured by the pledged bank deposits as at 30 June 2023.

21. BORROWINGS

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Bank borrowings:		
– Repayable within one year	11,452,744	9,937,035
– Repayable after one year but within two years	5,914,567	3,769,812
– Repayable after two years but within five years	7,379,187	7,514,736
– Repayable after five years	5,505,883	5,545,597
Bonds		
– Repayable within one year	1,566,180	1,737,538
– Repayable after one year but within two years	–	–
– Repayable after two years but within five years	4,334,140	5,991,212
– Repayable after five years	793,457	792,547
Other borrowings		
– Repayable within one year	1,691,326	1,771,286
– Repayable after one year but within two years	1,157,080	1,383,451
– Repayable after two years but within five years	2,921,158	3,349,162
– Repayable after five years	1,936,902	1,994,886
	<u>44,652,624</u>	<u>43,787,262</u>
Analysed for reporting purpose as:		
Non-current liabilities	29,942,374	30,341,403
Current liabilities	14,710,250	13,445,859
	<u>44,652,624</u>	<u>43,787,262</u>

- (a) Certain of the Group's bank borrowings and other borrowings are secured by:
- (i) guarantees given by Shandong Hi-Speed Group Co., Ltd.;
 - (ii) guarantees given by the Company and/or its subsidiaries;
 - (iii) pledges over certain of the Group's financial assets at fair value through other comprehensive income;
 - (iv) pledges over certain of the Group's financial assets at fair value through profit or loss;
 - (v) pledges over certain of the Group's finance lease receivables;
 - (vi) pledges over certain of the trade receivables and contract assets of certain subsidiaries;
 - (vii) pledges over certain of the Group's property, plant and equipment;
 - (viii) pledges over certain of the Group's investment property;
 - (ix) pledges over the Group's certain operating concessions; and/or
 - (x) pledges over the Group's equity interests in certain subsidiaries and an associate.

22. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

I. MARKET REVIEW

In the first half of 2023, the world economic recovery was sluggish, the spill-over effects of policy contraction in major developed economies emerged, and there were more unstable and uncertain factors in the international market. Looking into overseas, global consumption desire has declined due to the high interest rate environment; with the combined effect of global inflation and the Russo-Ukrainian conflict, the world economic growth slowed down, but signs and risks of economic recession that the market had been worried about were slow to materialize, and the rising optimism fueled the mature equity markets to record considerable gains in the first half of 2023, while at the same time, overseas risk assets were under increasing dip pressure. As regards mainland China, as the pandemic prevention and control stabilized, the economic recovery moved into a phase of wave-like development and zigzagging process with pressure on external demand, sluggish domestic demand, more risks and hidden dangers in key areas, and a complex and challenging external environment. China's economic operation in the first half of 2023 is divided into two phases: in the first quarter, economic and social operation restored normalcy, promote economic recovery and realized a good start; in the second quarter, the lack of endogenous momentum resulted in a weaker-than-expected economic growth. However, after entering June, the situation showed signs of marginal improvement, and the economy is expected to build up momentum and rebound in the second half of 2023. In Hong Kong, since the beginning of 2023, Hong Kong fully resumed quarantine-free travel, GDP in the first quarter recorded a sharp rise, while GDP growth in the second quarter was weaker than market expectation, triggering market concerns about whether Hong Kong's economic recovery will slow down. Echoing this, the Hang Seng Index moved higher and then lower, accumulating a decline of around 4%, in the first half of 2023.

II. GROUP STRATEGY AND OPERATIONS

In the face of increased market volatility due to tightening of monetary policies in major economies around the world, the Group, adhering to its core business philosophy of prudent compliance and steady development, has been steadfastly moving towards the strategic goal of building an outstanding industrial investment holding group in accordance with the strategic transformation policies of "specialization, focus, marketization and institutionalization". During the Reporting Period, the Group aimed at maintaining steady development, steadily reinforcing the bottom line of risk prevention and control, stabilizing the basic foundation of business development and seeking strategic investment opportunities. Thanks to the joint efforts of all staff, the Company's endogenous momentum continued to be enhanced, risks and hidden dangers continued to be mitigated, and the development expectations continued to be improved.

Steadily reinforcing the bottom line of risk prevention and control. The Group took the improvement of the comprehensive risk management system as a starting point, paid special attention to macroeconomic and systemic risks, promoted the construction of the three lines of defense against risks in an orderly manner, prudently carried out various investment business, and strictly controlled the investment risks brought about by market fluctuations; vigorously pushed forward the disposal of existing risks, formulated a specific mitigation plan of “one enterprise, one policy”, and promoted the mitigation of risks in various ways, such as debt restructuring, assignment of credit and introduction of relief funds; under the market environment with tightening liquidity, the Group ensured reasonable and sufficient liquidity through diversified financing channels, and the scale and price of financing remained relatively stable.

Stabilizing the basic foundation of business development. The Group continuously improves the investment and management empowerment for its controlled enterprise, Shandong Hi-Speed New Energy Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1250) (“**SDHS New Energy**”), and created a beneficial mechanism of post-investment empowerment from multiple dimensions such as capital, resources, brand and mechanism with “investment + investment management” as the driving force, giving full play to the rich resource endowment of its controlling shareholder, Shandong Hi-Speed Group Co., Ltd.* (山東高速集團有限公司) (“**Shandong Hi-Speed Group**”), so as to promote the realization of the high-quality integration and development of the energy network and infrastructure network between SDHS New Energy and Shandong Hi-Speed Group, enhancing the long-term value of the invested enterprise.

Seeking strategic investment opportunities. In the first half of 2023, amidst the ever-changing market environment, the Group, in accordance with China’s strategic plan of vigorously promoting the construction of a modernized industrial system and accelerating the cultivation and growth of strategic emerging industries, continued to look for investment opportunities in new energy, new infrastructure and other deterministic industrial tracks that matched the objectives of the strategic transformation, so as to obtain the required platforms for the Group’s successful transformation.

III. BUSINESS REVIEW

(i) Industrial investment

In terms of investment strategy, the Group focuses on new energy, new infrastructure and other strategic emerging industries to carry out in-depth exploration of investment opportunities, combines controlling equity investments with minority equity investments, and aims to find and hold quality assets. In the first half of 2023, the Group conducted in-depth research and demonstration around semiconductors, big data, energy storage technology, photovoltaic modules and other sub-tracks, and has screened out a number of high-quality investment targets.

During the Reporting Period, the Group's investment management empowerment to its controlled enterprises was continuously strengthened. On the one hand, the Group leveraged the brand and resource advantages of Shandong Hi-Speed Group, its controlling shareholder, strengthened business linkage and industrial synergy, and actively grafted high-quality industrial resources for SDHS New Energy, and jointly participated in the cooperation and development of new energy power stations and energy storage projects by establishing strategic partnerships with CGN Wind Energy and other top-tier enterprises; on the other hand, the Group actively promoted the integration and linkage of resources of the controlling companies, centered on photovoltaic, wind power, heating supply, organic solid waste disposal and its upstream industry chain, and dug deeper for quality investment targets. In terms of new energy project development, SDHS New Energy actively adapted to the new changes in market development modes, set up a big development system with effective linkage of "development department + middle and back-office departments", improved the development organization structure, collaborative operation mechanism and incentive and assessment mechanism and promoted the high-quality development of the market, and we have locked up some high-quality projects under the unusually competitive situation of new energy development.

With the orderly promotion of investment management work and the gradual release of empowering effect, the development quality of SDHS New Energy has been steadily improved. In February 2023, SDHS New Energy was included in the Hang Seng Composite Index, and then formally included in the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in March, reflecting the capital market's adequate affirmation of the development quality of SDHS New Energy.

During the Reporting Period, benefiting from the strategic synergies brought about by the Group's resource integration, the industrial investment business segment recorded a profit of approximately HK\$485,733,000.

(ii) Standard investment business

The Group engages in standard investment business including equity and fixed income investment by self-owned funds. In terms of standard equity investments, under the overall sluggish performance of the A-share and Hong Kong stock markets, the Group maintained a low position with risk control as the primary objective, with its layout mainly in sectors such as science and technology, consumer goods and new energy, so as to minimize the volatility of the portfolio. In terms of fixed income standard investments, in the face of unfavourable factors that the crisis of domestic real estate industry liquidity remained unresolved and the volatility in the bond market intensified, our investment team adopted the investment strategy of diversifying investment and lowering duration, with the layout mainly in U.S. treasury bonds or bank certificates of deposit and other short-term cash management products, so as to reduce the negative impact on the portfolio returns brought about by the volatility of the market.

During the Reporting Period, due to the aforementioned interest rate hikes in the major economies in the world and the violent turmoil in the capital market, the Group's standard investment business incurred a loss of approximately HK\$293,736,000 on a fair value basis, as compared to a loss of approximately HK\$401,942,000 recorded for the Corresponding Period.

(iii) Non-standard investment business

During the Reporting Period, in respect of the non-standard investment business, the Group insisted on resolving existing risks as the top priority. Since the beginning of this year, with China's continuous adjustment and optimization of real estate policies, the real estate market has gradually developed in the direction of stabilization, but the risks accumulated by certain real estate enterprises over a long period of time have yet to be fully released. In the first half of 2023, the Group optimized its mechanism, concentrated its efforts on debt restructuring, assignment of credit and introduction of relief funds to reduce the credit exposure of its existing non-standard investment business, and achieved significant breakthroughs in a number of projects. At the same time, the Group prudently grasped investment opportunities, appropriately carried out businesses of strong credit subject guarantee and quality asset pledge, focusing on the Group's strategic transformation direction and coordinating with industrial investment in real economy areas such as new energy, new infrastructure and new technology, so as to provide financing services for the industrial investment target companies and their upstream and downstream industrial chain companies.

Benefiting from the revitalization of existing businesses and the addition of certain new high-quality projects with good returns and manageable risks, the business of this segment turned from loss to profit. Non-standard investment business recorded a profit of approximately HK\$57,221,000 for the Reporting Period, as compared to a loss of approximately HK\$788,189,000 for the Corresponding Period.

(iv) Licensed financial services

The Group currently holds licences of types 1, 4, 5, 6 and 9 issued by the Securities and Futures Commission of Hong Kong and a money lender licence in Hong Kong, as well as licences including Qualified Foreign Limited Partner ("QFLP") Fund Manager and financial leasing in Mainland China. The Group's services include corporate and individual clients in Mainland China, Hong Kong and the world, providing integrated financial services related to cross-border investment and financing needs in Mainland China and Hong Kong. During the Reporting Period, the licensed financial services business recorded a profit of approximately HK\$107,547,000 as compared to a loss of approximately HK\$633,792,000 for the Corresponding Period.

IV. FUTURE PROSPECTS

From the perspective of the global economy, factors such as the slow recovery of the global industrial chain, high core inflation, tightening monetary policy and financial conditions will exert influence throughout 2023, making the overall recovery of the world economy still full of uncertainty, and it is expected that global economic growth will weaken in the second half of 2023. From the perspective of China's economy, China is in a critical period of economic recovery and industrial upgrading, and the Central Political Bureau meeting held in July made a series of working deployments in response to the difficulties and challenges in the current economic operation, which will effectively promote the overall economy to accelerate the recovery, boost market confidence and achieve steady economic growth and high-quality development. In particular, the meeting proposed to “vigorously promote the construction of a modernized industrial system, accelerate the cultivation and expansion of strategic emerging industries and create more pillar industries”, “activate the capital market and boost investor confidence”, “adjust and optimize the real estate related policies in a timely manner, adopt city-specific measures and make good use of the tool box of real estate policies, so as to promote the stable and healthy development of the real estate market”, which are closely related to the Group's core businesses and are expected to play a positive role in the repair of the Group's profit and balance sheet.

Based on the mid-to-long-term strategic transformation plan, the Group will further optimize the asset allocation structure, with our focus on industrial investment and supplemented by standard and non-standard investment, achieving the goal of long-term asset appreciation while maintaining sufficient short-term liquidity. The business development strategies of each business segment are as follows:

(i) Industrial investment

Looking ahead to the second half of 2023, China's economy is in the bottoming-out stage, with both challenges and opportunities, which will be conducive to the industrial investment business to capture quality investment opportunities at reasonable valuations. The Group will continue to steadily promote and deepen its strategic transformation, give full play to the industrial advantages and resource advantages of the controlling shareholder, utilize its own advantages in the combination of industry and finance and domestic and overseas linkage, focus on and devote our efforts to the two strategic emerging industries of new energy and new infrastructure, select target companies with excellent business models and stable cash flow, build organic portfolios of strategic equity investment and holding equity investment, steadily develop the Group's industrial investment business, expand the scale of industrial investment, and play a key role in the development of the Group's investment business. As regards the new energy industry, based on the existing new energy assets, we will seize the golden

opportunity period of new energy development, and enhance our investment and mergers and acquisitions capability in the vertical industry chain of wind and solar power stations as well as horizontal assets of the same industry. As regards the new infrastructure industry, we will focus on the strategic opportunities of China's digital transformation, explore new infrastructure quality assets, create a new business model of "electric power + computing power", so as to formulate future-oriented core competitiveness.

At the same time, the Group will strive to consolidate the results of industrial acquisition in 2022, accelerate the improvement of "investment + investment management" momentum, strengthen the empowerment post-investment management according to the corporate development cycle and industry cycle for the invested targets such as SDHS New Energy and Shandong Hi Speed Renewable Energy Group Limited (a company listed on the Shenzhen Stock Exchange, stock code: 000803.SZ), and promote the overall improvement of the value of the invested enterprises.

(ii) Standard investment business

The standard investment business provides liquidity management for the Group to achieve absolute return. Looking ahead to the second half of 2023, the overall liquidity will be loose at domestic level and the Federal Reserve's interest rate hike cycle may come to an end at overseas level, which are favorable to liquidity of the global capital market. Given the reality of weak domestic economic recovery in the first half of 2023, it is expected that more policies will be introduced in the second half of 2023 to expand domestic demand and enhance the high-quality development of the economy. As regards the selection of industries, our priority will be given to science and technology industries that are in line with national strategies and could contribute to the upgrading of the manufacturing industry and the improvement of informatisation and intelligence, as well as big consumption industries related to the expansion of domestic demand, and at the same time, industries and companies that have bottomed out in terms of their performance or have maintained a high degree of prosperity will also be considered, so as to lay out at a low level and select high-quality companies.

(iii) Non-standard investment business

The Group will continue to take the mitigation of existing risks as its top priority, do a good job in post-investment management of its existing investment projects, reduce the credit exposure in the portfolio through asset revitalisation means such as debt restructuring, assignment of credit and litigation settlements; at the same time, the Group will leverage on the respective regional advantages and professional capabilities of its teams in Hong Kong, Mainland China and Singapore, pay close attention to the financing needs of new energy, new consumption, high-tech and other industries, focus on the direction of industrial transformation, select high-quality leading enterprises to provide capital support, and continuously optimise its business model.

(iv) Licensed financial services

The Group will prudently carry out Hong Kong and the PRC licensed financial service business, mainly focusing on securities brokerage, QFLP and financial leasing, which have synergistic effects with the Group's strategic transformation direction, to develop business and improve comprehensive service capabilities.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group had sufficient liquidity and working capital to maintain its business operations. As at 30 June 2023, the total amount of cash and cash equivalents of the Group which were mostly denominated in RMB, USD and HKD, was approximately HK\$3,495,082,000 (31 December 2022: HK\$4,392,562,000), total assets were approximately HK\$66,820,836,000 (31 December 2022: HK\$68,957,609,000) and total borrowings were approximately HK\$44,652,624,000 (31 December 2022: HK\$43,787,262,000).

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position during the Reporting Period. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

As at 30 June 2023, the Company had a total of 6,019,431,109 issued shares with a par value of HK\$0.001 each, and the total deficit attributable to the owners of the Company was approximately HK\$942,280,000 (31 December 2022: HK\$36,053,000).

BANK LOANS AND OTHER BORROWINGS

As at 30 June 2023, the outstanding borrowings of the Group were comprised of bank borrowings, bonds and other borrowings which were approximately HK\$30,252,381,000 (31 December 2022: HK\$26,767,180,000), HK\$6,693,777,000 (31 December 2022: HK\$8,521,297,000) and HK\$7,706,466,000 (31 December 2022: HK\$8,498,785,000), respectively. As at 30 June 2023, the outstanding bonds of the Group included, a bond with a coupon rate of 3.95% per annum (the outstanding amount: approximately HK\$1,566,180,000), a guaranteed bond with a coupon rate of 4.30% per annum (the outstanding amount: approximately HK\$793,457,000), a guaranteed bond with a coupon rate of 4.10% per annum (the outstanding amount: approximately HK\$3,905,895,000) and guaranteed bonds with interest rates ranging from 4.20% to 4.90% per annum (the outstanding amount: approximately HK\$428,245,000). The above stated bonds and other borrowings were denominated in USD and RMB.

GEARING RATIO

As at 30 June 2023, the gearing ratio (total outstanding borrowings divided by total assets) of the Group was approximately 66.82% (31 December 2022: 63.50%).

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's monetary assets, liabilities and transactions are mainly denominated in RMB, HKD and USD. The Group is mainly exposed to foreign exchange risk with respect to Renminbi which may affect the Group's performance. The Group will pay attention to the possible exchange rate exposure due to the continuing fluctuation of Renminbi, closely monitor its impact on the performance of the Group and consider adopting appropriate hedging measures when necessary. In addition, the Group also pays attention to the impact of the U.S. interest rate fluctuations on its U.S. dollar-denominated assets from time to time, and takes appropriate response measures. During the Reporting Period, the Group's management considers the impact of foreign exchange exposure on the Group was insignificant and, therefore, the Group has neither held any financial instruments for hedging purposes, nor any currency borrowings or other hedging instruments to hedge.

PLEDGE OF ASSETS

As at 30 June 2023, certain of the Group's bank borrowings, other borrowings and bills payables are secured by:

- guarantees given by Shandong Hi-Speed Group;
- guarantees given by the Company and certain subsidiaries;
- pledges over certain of the Group's financial assets at fair value through other comprehensive income;
- pledges over certain of the Group's financial assets at fair value through other profit or loss;
- pledges over certain of the Group's finance lease receivables;
- pledges over certain of the Group's trade receivables and contract assets of certain subsidiaries;
- pledges over certain of the Group's property, plant and equipment;
- pledges over certain of the Group's investment property;
- pledges over the Group's certain operating concessions;
- pledges over certain of the Group's bank deposits; and/or
- pledges over the Group's equity interest in certain subsidiaries and an associate.

Save as disclosed above, as at 30 June 2023, the Group did not have any other pledge of assets.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group did not have any significant contingent liabilities during the Reporting Period.

As at 30 June 2023, the Group had capital commitments, which were contracted but not provided in the condensed consolidated financial statements in respect of construction, material and equipment costs for development of clean energy project and capital contributions to joint ventures, amounting to approximately HK\$332,445,000 (31 December 2022: HK\$354,361,000) and approximately HK\$286,841,000 (31 December 2022: HK\$320,883,000), respectively.

MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, the Group has conducted the following material acquisition and disposal:

Acquisitions of entire equity interest in Shangqiu Ningdian New Energy Co., Ltd.* (商丘寧電新能源有限公司), Lankao Gold Wind Power New Energy Co., Ltd.* (蘭考金風清電新能源有限公司) and Shenqiu Yingdian New Energy Co., Ltd.* (沈丘穎電新能源有限公司)

On 20 December 2022, (i) China Power Construction Henan Electric Power Co., Ltd.* (中電建河南電力有限公司), Qingdian Green Energy Co., Ltd.* (清電綠色能源有限公司), as the sellers and Tianjin Fuyi Enterprise Management Consulting Co., Ltd.* (天津富驛企業管理諮詢有限公司) (the “**Purchaser**”), an indirect non-wholly owned subsidiary of the Company, entered into the equity transfer agreement (the “**Equity Transfer Agreement-1**”) in relation to the sale and purchase of entire equity interest in Shangqiu Ningdian New Energy Co., Ltd.* (商丘寧電新能源有限公司) (the “**Target Company-1**”) at the aggregate consideration of RMB143,567,600 (the “**Acquisition-1**”); (ii) Henan Qingdian New Energy Co., Ltd.* (河南清電新能源有限公司) and the Purchaser, entered into the equity transfer agreement (the “**Equity Transfer Agreement-2**”) in relation to the sale and purchase of entire equity interest in Lankao Gold Wind Power New Energy Co., Ltd.* (蘭考金風清電新能源有限公司) (the “**Target Company-2**”) at the consideration of RMB55,928,800 (the “**Acquisition-2**”); (iii) Henan Qingdian New Energy Co., Ltd.* (河南清電新能源有限公司), and the Purchaser, entered into the equity transfer agreement (the “**Equity Transfer Agreement-3**”, together with Equity Transfer Agreement-1 and Equity Transfer Agreement-2, the “**Equity Transfer Agreements**”) in relation to the sale and purchase of entire equity interest in Shenqiu Yingdian New Energy Co., Ltd.* (沈丘穎電新能源有限公司) (the “**Target Company-3**”, together with the Target Company-1 and Target Company-2, the “**Target Companies**”) at the consideration of RMB43,226,300 (the “**Acquisition-3**”, together with Acquisition-1 and Acquisition-2, the “**Acquisitions**”). Details are set out in the announcement of the Company dated 20 December 2022. Pursuant to the terms and conditions of the Equity Transfer Agreements, completion of the Acquisitions took place on 1 January 2023. During the Reporting Period, each of the Target Companies has been the indirect wholly owned subsidiary of SDHS New Energy and the indirect non-wholly owned subsidiary of the Company.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures of the Group during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2023, the Group did not have any future plans for material investments or capital assets.

ISSUANCE OF DEBENTURES

On 26 January 2022, Coastal Emerald Limited (“**Coastal Emerald**”) issued floating rate guaranteed bonds due 2023 in an aggregate principal amount of US\$220,000,000 to an independent third party to raise funds for refinancing and general corporate purposes.

On 15 June 2022, Coastal Emerald issued 4.10% guaranteed bonds due 2025 in an aggregate principal amount of US\$500,000,000 to independent third parties to raise funds for refinancing and general corporate purposes.

On 20 December 2022, a subsidiary of SDHS New Energy issued corporate bonds with an aggregate principal amount of RMB465,000,000 to certain institutional investors. The interest rates of the bonds ranged from 4.20% to 4.90% per annum. The corporate bonds are guaranteed by trade receivables and repayable on 30 November 2025.

After deduction of the issuance costs, the Group received net consideration of approximately US\$219,925,000, US\$497,735,000 and RMB462,920,000 from the issuance of the above bonds.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2023, there were 2,185 employees (including the directors of the Company and directors of the Company’s subsidiaries), while 2,437 employees for the Corresponding Period.

The Group actively attracts outstanding talents and builds a strong team to maintain the overall business growth of the Group. In order to retain and motivate employees, the Group has formulated an internal remuneration policy. When selecting and promoting employees, the Group will make a decision with reference to their qualification, experience and suitability for the position offered. The performance of employees will also be used as the basis for reviewing remuneration package during the annual review. Meanwhile, competitive remuneration packages are offered to employees by reference to the prevailing market level and individual merits.

In addition, the Group also provides employees with a series of welfare policies to enhance their sense of belonging and work enthusiasm, and jointly promote the sustainable development of the Group. In order to motivate employees to work hard, the Group provides bonuses and rewards to outstanding performance employees. The Group establishes the working hours of employees in accordance with relevant laws and regulations, and provides transportation reimbursement and compensatory leave for employees who work overtime. In addition, the Group provides employees with social insurance, housing provident fund and mandatory provident fund and other benefits. In addition to statutory holidays and regular paid annual leave, employees are also entitled to additional leave benefits such as sick leave, marriage leave, maternity leave, paternity leave and compassionate leave. In addition, eligible participants who contribute to the success of the Group's operations will also receive incentives under the Share Option Scheme adopted by the Company on 18 August 2014.

Employees are the essential driving force to the sustainable development of the Group. Adhering to a people-oriented approach to talent management, the Group continues to invest resources to attract and retain talents. Employees are provided with competitive remuneration and benefit packages and equal opportunities, as well as a wide range of training and development opportunities. The Group optimises its human resources management system continuously with a view to providing employees with a friendly and healthy workplace and ensuring that employees may can develop their talents and potentials.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any other significant events after the Reporting Period and up to the date of this announcement.

DIVIDENDS

The Board did not declare the payment of an interim dividend for the Reporting Period (Corresponding Period: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE

Pursuant to Code Provision C.2.1 of the the Corporate Governance Code (the "**CG Codes**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the roles of the Chairman and the Chief Executive Officer (the "**CEO**") should be separated and should not be performed by the same individual. Mr. Wang Xiaodong is the Chairman of the Board. The office of the CEO has been vacant during the Reporting Period, till Mr. Zhu Jianbiao, the executive Director and vice Chairman of the Board of the Company, was appointed as the CEO on 28 June 2023. Since then, the Company has complied with all applicable provisions of the CG codes. The Company will continue to review and update the current corporate governance from time to time to achieve a better level of corporate governance.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established in accordance with the requirements of the CG Code for the purposes of, among others, reviewing and providing supervision over the Group’s financial reporting processes and internal controls. The Audit Committee comprises two non-executive Directors and three independent non-executive Directors.

The Audit Committee has reviewed with management the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2023 and this interim results announcement, the accounting principles and practices adopted and discussed auditing, internal control and financial reporting matters. The Audit Committee is of the view that the applicable accounting standards and requirements have been complied with by the Company and that appropriate disclosure have been made.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code for securities transactions by the Directors. Following specific enquiry by the Company, the Directors have confirmed that they have complied with the required standard under the Model Code throughout the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange’s website (www.hkexnews.hk) and the Company’s website (www.sdhg.com.hk). The interim report for the six months ended 30 June 2023 will be published on the above websites and also be despatched to the shareholders of the Company in due course.

By Order of the Board
Shandong Hi-Speed Holdings Group Limited
Wang Xiaodong
Chairman

Hong Kong, 30 August 2023

As at the date of this announcement, the Board comprises Mr. Wang Xiaodong, Mr. Zhu Jianbiao, Ms. Liao Jianrong, Mr. Liu Zhijie and Mr. Liu Yao as executive Directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive Directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan as independent non-executive Directors.