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天津發展控股有限公司
TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$1,820,260,000 (30 June 2023: HK\$1,830,477,000).
- Profit attributable to owners of the Company amounted to approximately HK\$288,077,000 (30 June 2023: HK\$371,509,000).
- Basic earnings per share were HK26.85 cents (30 June 2023: HK34.63 cents).
- Interim dividend of HK5.18 cents per share (30 June 2023: HK3.45 cents per share).

RESULTS

The board of directors (the “**Board**”) of Tianjin Development Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2024 together with the comparatives figures for the corresponding period in 2023 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS*For the six months ended 30 June 2024*

		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
	<i>Notes</i>	(unaudited)	(unaudited)
Revenue	3	1,820,260	1,830,477
Cost of sales		(1,231,769)	(1,229,454)
Gross profit		588,491	601,023
Other income	4	149,223	143,851
Other gains and losses, net	5	(30,201)	(9,751)
Selling and distribution expenses		(240,710)	(235,093)
General and administrative expenses		(174,769)	(199,552)
Other operating expenses		(74,405)	(87,387)
Finance costs		(57,837)	(44,543)
Share of net profit of associates and joint venture accounted for using the equity method		257,003	348,173
Profit before tax		416,795	516,721
Tax expense	6	(32,465)	(34,408)
Profit for the period	7	384,330	482,313
Attributable to:			
Owners of the Company		288,077	371,509
Non-controlling interests		96,253	110,804
		384,330	482,313
Earnings per share	8	HK cents	HK cents
Basic		26.85	34.63
Diluted		26.85	34.63

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	<u>384,330</u>	<u>482,313</u>
Other comprehensive (expense) income		
<i>Items that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income	(473,760)	342,800
Deferred taxation on fair value change of equity instruments at fair value through other comprehensive income	70,443	(52,205)
Share of other comprehensive income of investments accounted for using the equity method		
– fair value through other comprehensive income reserve, net of tax	1,286	1,988
Currency translation differences		
– the Group	(72,289)	(322,100)
– investments accounted for using the equity method	<u>(44,915)</u>	<u>(199,673)</u>
Other comprehensive expense for the period	<u>(519,235)</u>	<u>(229,190)</u>
Total comprehensive (expense) income for the period	<u>(134,905)</u>	<u>253,123</u>
Attributable to:		
Owners of the Company	64,717	110,977
Non-controlling interests	<u>(199,622)</u>	<u>142,146</u>
	<u>(134,905)</u>	<u>253,123</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024 <i>HK\$'000</i> <i>(unaudited)</i>	31 December 2023 <i>HK\$'000</i> <i>(audited)</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	<i>17</i>	2,118,398	2,111,935
Land use rights	<i>17</i>	480,062	473,294
Investment properties		205,367	206,954
Investments accounted for using the equity method	<i>10</i>	6,887,938	6,826,722
Goodwill	<i>17</i>	68,273	–
Intangible assets	<i>17</i>	48,410	825
Financial assets at fair value through profit or loss		32,777	33,033
Finance lease receivables		111,766	15,068
Deposit paid for acquisition of a subsidiary		–	110,375
Deposits paid for acquisition of property, plant and equipment		29,124	47,831
Deferred tax assets		75,159	88,387
Equity instruments at fair value through other comprehensive income	<i>11</i>	1,235,207	1,719,518
Time deposit with maturity over three months		292,570	–
		11,585,051	11,633,942
Current assets			
Inventories		389,302	318,690
Amounts due from investments accounted for using the equity method		16,251	13,213
Amount due from ultimate holding company		618	305
Amounts due from related companies		70,626	88,039
Contract assets		177,734	107,092
Finance lease receivables		–	108,401
Trade receivables	<i>12</i>	1,516,870	1,390,103
Other receivables, deposits and prepayments	<i>12</i>	463,667	328,706
Financial assets at fair value through profit or loss		384,854	364,998
Structured deposits	<i>13</i>	406,604	154,919
Entrusted deposits	<i>14</i>	1,086,150	1,082,594
Restricted bank balances		144,355	216,868
Time deposits with maturity over three months		1,890,064	1,926,784
Cash and cash equivalents		3,847,064	4,461,089
		10,394,159	10,561,801
Assets classified as held for sale	<i>16</i>	155,337	96,936
		10,549,496	10,658,737
Total assets		22,134,547	22,292,679

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**As at 30 June 2024*

		30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
EQUITY			
Owners of the Company			
Share capital		5,136,285	5,136,285
Reserves		<u>7,370,531</u>	<u>7,398,506</u>
		12,506,816	12,534,791
Non-controlling interests		<u>4,767,471</u>	<u>4,978,137</u>
Total equity		<u><u>17,274,287</u></u>	<u><u>17,512,928</u></u>
LIABILITIES			
Non-current liabilities			
Lease liabilities		6,538	5,019
Bank borrowings		1,713,074	1,710,630
Deferred tax liabilities		<u>169,682</u>	<u>236,233</u>
		<u>1,889,294</u>	<u>1,951,882</u>
Current liabilities			
Trade payables	15	558,532	518,398
Other payables and accruals		1,367,464	1,294,865
Amounts due to related companies		196,537	183,024
Contract liabilities		513,717	632,444
Lease liabilities		1,532	5,527
Bank borrowings		259,649	100,000
Current tax liabilities		<u>73,535</u>	<u>93,611</u>
		<u>2,970,966</u>	<u>2,827,869</u>
Total liabilities		<u><u>4,860,260</u></u>	<u><u>4,779,751</u></u>
Total equity and liabilities		<u><u>22,134,547</u></u>	<u><u>22,292,679</u></u>
Net current assets		<u><u>7,578,530</u></u>	<u><u>7,830,868</u></u>
Total assets less current liabilities		<u><u>19,163,581</u></u>	<u><u>19,464,810</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. 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 Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and application of business combination accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in this announcement of interim results are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

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

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

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

3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions and reviewed by the chief operating decision-makers (the “**CODM**”). The CODM assess the performance of the operating segments based on a measure of profit after tax.

The Group has six reportable segments. The segments are managed separately as each business offers different products and services. The following summary describes the operation in each of the Group’s reportable segments.

(a) Utilities

This segment derives revenue from distribution of water, heat and thermal power to industrial, commercial and residential customers in the Tianjin Economic and Technological Development Area (“**TEDA**”), the People’s Republic of China (the “**PRC**”), while the result of electricity business of this segment is contributed by Tianjin TEDA Electric Power Co., Ltd. (天津泰達電力有限公司) (“**TEDA Power**”), an investment accounted for using the equity method of the Group.

(b) Pharmaceutical

This segment derives revenue from manufacture and sales of chemical drugs, proprietary Chinese medicines and other healthcare products as well as design, manufacture and printing for pharmaceutical packaging in the PRC, while the result of the provision of pharmaceutical research and development services of this segment is contributed by Tianjin Institute of Pharmaceutical Research Co., Ltd. (天津藥物研究院有限公司) (“**Research Institute**”), an investment accounted for using the equity method of the Group.

(c) Hotel

This segment derives revenue from operation of a hotel in Hong Kong.

(d) Electrical and mechanical

This segment derives revenue from manufacture and sales of hydroelectric equipment and large scale pump units.

(e) Port services

The result of this segment is contributed by a listed investment accounted for using the equity method of the Group, Tianjin Port Development Holdings Limited (天津港發展控股有限公司) (“**Tianjin Port**”), which provides port services in Tianjin.

(f) Elevators and escalators

The result of this segment is contributed by an investment accounted for using the equity method of the Group, Otis Elevator (China) Investment Company Limited (奧的斯電梯(中國)投資有限公司) (“**Otis China**”), which manufactures and sells elevators and escalators.

3. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2024 (unaudited)

	Utilities HK\$'000 (note (i))	Pharma- ceutical HK\$'000	Hotel HK\$'000	Electrical and mechanical HK\$'000	Port services HK\$'000	Elevators and escalators HK\$'000	Total operating segments HK\$'000
Segment revenue							
– external customers	<u>768,660</u>	<u>895,352</u>	<u>66,555</u>	<u>89,693</u>	–	–	<u>1,820,260</u>
Operating profit (loss) before interest	50,422	88,046	15,123	(58,700)	–	–	94,891
Interest income	12,257	45,101	52	170	–	–	57,580
Finance costs	–	(337)	–	–	–	–	(337)
Share of net profit (loss) of associates and joint venture accounted for using the equity method	<u>28,259</u>	<u>(46,553)</u>	–	–	<u>87,882</u>	<u>187,415</u>	<u>257,003</u>
Profit (loss) before tax	<u>90,938</u>	<u>86,257</u>	<u>15,175</u>	<u>(58,530)</u>	<u>87,882</u>	<u>187,415</u>	<u>409,137</u>
Tax (expense) credit	<u>(3,812)</u>	<u>(24,001)</u>	–	<u>538</u>	–	–	<u>(27,275)</u>
Segment results							
– profit (loss) for the period	<u>87,126</u>	<u>62,256</u>	<u>15,175</u>	<u>(57,992)</u>	<u>87,882</u>	<u>187,415</u>	<u>381,862</u>
Non-controlling interests	<u>(4,757)</u>	<u>(56,680)</u>	–	<u>10,010</u>	–	<u>(32,348)</u>	<u>(83,775)</u>
Profit (loss) attributable to owners of the Company	<u><u>82,369</u></u>	<u><u>5,576</u></u>	<u><u>15,175</u></u>	<u><u>(47,982)</u></u>	<u><u>87,882</u></u>	<u><u>155,067</u></u>	<u><u>298,087</u></u>
Segment results							
– profit (loss) for the period includes: Depreciation and amortisation	<u><u>30,270</u></u>	<u><u>50,634</u></u>	<u><u>6,835</u></u>	<u><u>11,702</u></u>	–	–	<u><u>99,441</u></u>

For the six months ended 30 June 2023 (unaudited)

	Utilities HK\$'000 (note (i))	Pharma- ceutical HK\$'000	Hotel HK\$'000	Electrical and mechanical HK\$'000	Port services HK\$'000	Elevators and escalators HK\$'000	Total operating segments HK\$'000
Segment revenue							
– external customers	<u>856,295</u>	<u>833,390</u>	<u>60,426</u>	<u>80,366</u>	–	–	<u>1,830,477</u>
Operating profit (loss) before interest	16,561	102,574	12,160	(22,846)	–	–	108,449
Interest income	19,066	23,286	32	543	–	–	42,927
Finance costs	–	(154)	–	–	–	–	(154)
Share of net profit (loss) of associates and joint venture accounted for using the equity method	<u>29,437</u>	<u>(25,761)</u>	–	–	<u>99,832</u>	<u>244,665</u>	<u>348,173</u>
Profit (loss) before tax	<u>65,064</u>	<u>99,945</u>	<u>12,192</u>	<u>(22,303)</u>	<u>99,832</u>	<u>244,665</u>	<u>499,395</u>
Tax (expense) credit	<u>(842)</u>	<u>(20,569)</u>	–	<u>553</u>	–	–	<u>(20,858)</u>
Segment results							
– profit (loss) for the period	<u>64,222</u>	<u>79,376</u>	<u>12,192</u>	<u>(21,750)</u>	<u>99,832</u>	<u>244,665</u>	<u>478,537</u>
Non-controlling interests	<u>(3,070)</u>	<u>(62,012)</u>	–	<u>3,770</u>	–	<u>(42,229)</u>	<u>(103,541)</u>
Profit (loss) attributable to owners of the Company	<u><u>61,152</u></u>	<u><u>17,364</u></u>	<u><u>12,192</u></u>	<u><u>(17,980)</u></u>	<u><u>99,832</u></u>	<u><u>202,436</u></u>	<u><u>374,996</u></u>
Segment results							
– profit (loss) for the period includes: Depreciation and amortisation	<u><u>34,229</u></u>	<u><u>42,219</u></u>	<u><u>7,148</u></u>	<u><u>12,747</u></u>	–	–	<u><u>96,343</u></u>

3. SEGMENT INFORMATION *(continued)*

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Reconciliation of profit for the period		
Total reportable segments	381,862	478,537
Corporate and others <i>(note (ii))</i>	2,468	3,776
	<hr/>	<hr/>
Profit for the period	384,330	482,313
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notes:

- (i) Revenue from supply of water, and heat and thermal power to external customers amounted to HK\$142,305,000 and HK\$626,355,000, respectively (six months ended 30 June 2023: HK\$153,044,000 and HK\$703,251,000, respectively).

The above revenue included government supplemental income of HK\$77,194,000 (six months ended 30 June 2023: HK\$225,469,000) which will be finalised by the relevant bureau of TEDA from time to time. While the recognition of the government supplemental income represents the best estimate of the Group's entitlement after taking all relevant factors into account, it may be different from the actual amount and subsequent adjustment may be necessary.

- (ii) These principally include (a) results of the Group's other non-core businesses which are not categorised as reportable segments; and (b) corporate level activities including central treasury management, administrative function and exchange gain or loss.

4. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income	131,845	121,454
Government grants	2,268	1,309
Rental income, net of negligible outgoings	3,738	5,676
Sales of scrap materials	452	591
Dividend income from equity instruments at fair value through other comprehensive income	2,433	6,769
Finance lease interest income	3,057	3,151
Sundries	5,430	4,901
	<hr/>	<hr/>
	149,223	143,851
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Allowance for) reversal of impairment losses:		
– trade receivables	(21,963)	(13,423)
– other receivables	78	(3,276)
– contract assets	(3,667)	769
– finance lease receivable	197	(798)
Net gains (losses) on disposal/written off of property, plant and equipment	1,221	(144)
Net fair value gains (losses) on financial assets held for trading		
– listed	1,162	(782)
– unlisted	(6,118)	30,042
Net exchange losses	(1,111)	(22,139)
	(30,201)	(9,751)

6. TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current taxation		
– PRC Enterprise Income Tax (“EIT”)	21,529	29,622
Deferred taxation	10,936	4,786
	32,465	34,408

No provision for Hong Kong profits tax has been made for both interim periods as there was no estimated assessable profit derived from Hong Kong or the estimated assessable profit is wholly absorbed by tax losses brought forward from previous years.

The Group’s PRC subsidiaries are subject to EIT at a rate of 25% except for certain PRC subsidiaries which are subject to a preferential EIT rate of 15% as they are qualified as High and New Technology Enterprises.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period is arrived at after charging:		
Employees' benefits expense (including directors' emoluments)	298,463	255,799
Cost of inventories recognised as an expense	900,853	990,739
Depreciation of property, plant and equipment	102,026	103,274
Depreciation of land use rights	3,071	3,170
Amortisation of intangible assets	4,339	247
Short-term lease expenses on		
– plants, pipelines and networks	6,119	12,274
– land and buildings	2,458	1,739
Research and development costs charged to other operating expenses	74,400	87,375
	<u>74,400</u>	<u>87,375</u>

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>288,077</u>	<u>371,509</u>
Number of shares	<i>Thousand</i>	<i>Thousand</i>
Number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,072,770</u>	<u>1,072,770</u>

The computation of the above diluted earnings per share does not assume the issuance of unvested restricted shares granted by Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生製藥股份有限公司) (“**Lisheng Pharmaceutical**”), an indirect non-wholly owned subsidiary of the Company listed on the Shenzhen Stock Exchange, since it would result in an increase in earnings per share for both interim periods.

9. DIVIDENDS

Six months ended 30 June	
2024	2023
HK\$'000	HK\$'000
(unaudited)	(unaudited)

Dividends recognised as distribution during the period:

– 2023 final dividend, paid		
– HK8.80 cents per ordinary share		
(2022: HK5.50 cents per ordinary share)	94,404	59,002
	<u><u>94,404</u></u>	<u><u>59,002</u></u>

Subsequent to the end of the reporting period, the Board has declared an interim dividend of HK5.18 cents per ordinary share (six months ended 30 June 2023: HK3.45 cents per ordinary share), amounting to approximately HK\$55,569,500 (six months ended 30 June 2023: HK\$37,011,000) in total, to the shareholders of the Company whose names appear on the Company's register of members on 27 September 2024.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
<i>notes</i>	(unaudited)	(audited)
The Group's interests in associates and joint venture		
– Listed shares in Hong Kong		
– Tianjin Port	3,694,152	3,686,381
– Unlisted shares in the PRC		
– Otis China	1,195,614	1,016,817
– Research Institute	587,465	643,059
– TEDA Power	1,410,707	1,393,252
– Others	–	87,213
	<u><u>6,887,938</u></u>	<u><u>6,826,722</u></u>

notes:

- (i) Interests in Tianjin Port at the end of the reporting period included goodwill of HK\$820,729,000, net of impairment losses (31 December 2023: HK\$820,729,000, net of impairment losses).
- (ii) Amount is classified as asset held for sale as at 30 June 2024. Details of which are set out in Note 16.

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		30 June 2024	31 December 2023
		HK\$'000	HK\$'000
	<i>notes</i>	(unaudited)	(audited)
Equity securities			
Listed, at market value	<i>(i)</i>	82,086	99,952
Unlisted	<i>(ii)</i>	1,153,121	1,619,566
		1,235,207	1,719,518

notes:

- (i) The listed securities mainly represent the Group's 4.07% (31 December 2023: 4.07%) equity interest in Binhai Investment Company Limited ("**Binhai Investment**") which is listed on the Main Board of the Stock Exchange.

As at 30 June 2024, the market value of the Group's equity interest in Binhai Investment was HK\$67,762,000 (31 December 2023: HK\$79,331,000) and the unrealised fair value loss of HK\$11,569,000 (six months ended 30 June 2023: unrealised fair value gain of HK\$6,610,000) was recognised in other comprehensive income.

- (ii) The unlisted equity securities mainly represented the Group's investment in 12.15% (31 December 2023: 12.15%) equity interest in Tasly Holding Group Co., Ltd. (天士力控股集團有限公司) ("**Tasly Holding**"). Tasly Holding is a conglomerate in the PRC and is mainly holding Tasly Pharmaceutical Group Co., Ltd., (天士力醫藥集團股份有限公司) which is listed on the Shanghai Stock Exchange and is principally engaged in research and development, manufacturing and distribution of pharmaceutical products in the PRC.

Other unlisted equity securities are principally equity instruments in certain entities established and operated in the PRC. They are mainly denominated in Renminbi. The unlisted equity instruments are measured at fair value through other comprehensive income.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Trade receivables	1,305,062	1,039,911
Trade receivables backed by notes	211,808	350,192
Total trade receivables	1,516,870	1,390,103
Other receivables, deposits and prepayments	463,667	328,706
	1,980,537	1,718,809

note:

The ageing analysis of the Group's trade receivables (net of allowance) is as follows:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within 30 days	391,845	395,361
31 to 90 days	154,636	122,405
91 to 180 days	357,948	142,783
181 to 365 days	233,997	227,110
Over 1 year	378,444	502,444
	1,516,870	1,390,103

Various group companies have different credit policies which are dependent on the practice of the markets and the businesses in which they operate. In general, credit periods of (i) 30 days are granted to corporate customers of the Group's hotel business; (ii) 90 to 180 days are granted to customers in the electrical and mechanical segment; and (iii) 30 to 180 days are granted to customers in the pharmaceutical segment. No credit terms are granted to customers in the utilities segment.

13. STRUCTURED DEPOSITS

At 30 June 2024, the Group placed with six (31 December 2023: four) licensed commercial bank in the PRC for principal-protected structured deposits denominated in Renminbi with maturity of 1 to 6 months (31 December 2023: 1 to 3 months) after the end of the reporting period. The expected annual interest rate for the structured deposits was indicated at 1.1% to 2.8% (31 December 2023: 1.3% to 3.3%) per annum, however, the actual interest to be received is uncertain until maturity. Such structured deposits were accounted for as financial assets at fair value through profit or loss.

14. ENTRUSTED DEPOSITS

As at 30 June 2024, the entrusted deposits denominated in Renminbi were placed with three financial institutions (31 December 2023: three financial institutions) in the PRC, with maturity from 6 to 12 months (31 December 2023: 6 to 12 months) after the end of the reporting period. The deposits carry the expected rates of return ranging from 4.0% to 7.3% (31 December 2023: 4.0% to 7.3%) per annum.

15. TRADE PAYABLES

The ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Within 30 days	173,873	202,098
31 to 90 days	97,324	70,053
91 to 180 days	66,511	77,495
Over 180 days	220,824	168,752
	558,532	518,398

16. ASSETS CLASSIFIED AS HELD FOR SALE

- (i) On 28 June 2024, Lisheng Pharmaceutical entered into an equity transfer agreement with Grand Pharma (China) Co., Ltd. (“**Grand Pharma (China)**”), pursuant to which, Lisheng Pharmaceutical agreed to sell and Grand Pharma (China) agreed to acquire the entire 24.65% equity interest in Tianjin Tanabe Seiyaku Co., Ltd. (天津田邊製藥有限公司) (“**Tianjin Tanabe**”) held by Lisheng Pharmaceutical, subject to the terms and conditions of the equity transfer agreement at a consideration of RMB120,292,000 (equivalent to approximately HK\$131,755,000). Tianjin Tanabe is an associate of Lisheng Pharmaceutical and Grand Pharma (China) is a company established in the PRC and a subsidiary of Grand Pharmaceutical Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 512). The disposal was yet to be completed as of 30 June 2024, accordingly, the amount of HK\$59,175,000 included in investments accounted for using equity method is classified as asset held for sale as at 30 June 2024.
- (ii) As at 31 December 2023, amount represented the disposal of entire 15% equity interest in Tianjin Pharmaceutical Group Finance Co., Ltd. (天津醫藥集團財務有限公司) (“**Tianjin Pharmaceutical Finance**”) held by Lisheng Pharmaceutical to Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (津藥達仁堂集團股份有限公司) at a consideration of RMB87,824,000 (equivalent to approximately HK\$96,192,000). The disposal was yet to be completed as of 30 June 2024.

17. ACQUISITION OF A SUBSIDIARY

On 29 December 2023, the Group through Lisheng Pharmaceutical, entered into an equity acquisition agreement (the “**Agreement**”) with Jiangxi Qingchun Kangyuan Group Co., Ltd. (江西青春康源集團有限公司), Jiangxi Qingchun Kangyuan Chinese Medicine Co., Ltd. (江西青春康源中藥股份有限公司) (collectively the “**Vendors**”), Jiangxi Qingchun Kangyuan Pharmaceutical Co., Ltd. (江西青春康源製藥有限公司) (“**Qingchun Kangyuan**”, together with its subsidiaries from time to time, collectively “**Qingchun Kangyuan Group**”) and Mr. Liu Musheng, the actual controller of the Vendors and Qingchun Kangyuan, pursuant to which, Lisheng Pharmaceutical has conditionally agreed to acquire 65% equity interest in Qingchun Kangyuan at a total cash consideration of RMB136,991,855 (equivalent to approximately HK\$150,706,000). The acquisition was completed in February 2024 and the Group obtained control of Qingchun Kangyuan. Qingchun Kangyuan Group is principally engaged in research and development, production and sales of proprietary Chinese medicine preparations and Chinese herbal extract, with products covering various medicine fields including digestive system, respiratory system, skeletal musculature and systemic anti-infective etc.. The acquisition has been accounted for as an acquisition of business using the acquisition method.

Pursuant to the terms of the Agreement, Qingchun Kangyuan, the Vendors and Mr. Liu Musheng (collectively referred as the “**Guarantors**”) have agreed to provide a profit guarantee to the Group in relation to the financial performance of Qingchun Kangyuan Group for the years ended/ending 31 December 2023 to 2026. If the audited consolidated net profit attributable to owners of Qingchun Kangyuan (after exclusion of non-recurring gains and losses) (the “**Audited Net Profit**”) falls short of the guaranteed profit (the “**Guaranteed Profit**”) of RMB11,332,000, RMB12,465,000, RMB13,599,000 and RMB14,732,000 for the years ended/ending 31 December 2023, 2024, 2025 and 2026, respectively, the Guarantors will compensate to Lisheng Pharmaceutical (the “**Profit Guarantee Arrangement**”). Upon review by the Group during the reporting period, it is confirmed that the Guaranteed Profit for the year ended 31 December 2023 has been achieved.

The directors of the Company considered that the fair value of Profit Guarantee Arrangement at 30 June 2024 is insignificant.

The initial accounting for certain properties, land use rights and intangible assets acquired in the above business combination with fair value of HK\$59,772,000, HK\$11,479,000 and HK\$61,481,000, respectively have been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred tax liabilities and goodwill may be adjusted accordingly.

The non-controlling interest, representing 35% of equity interest in Qingchun Kangyuan Group, recognised at the date of acquisition amounted to HK\$44,225,000 was measured by reference to the proportionate share of recognised net assets of Qingchun Kangyuan Group amounted to HK\$126,358,000, determined on a provisional basis.

Goodwill arising on acquisition determined on a provisional basis of HK\$68,573,000 is calculated based on cash consideration transferred of HK\$150,706,000 plus non-controlling interests of HK\$44,225,000 less recognised amounts of net assets acquired of HK\$126,358,000.

Qingchun Kangyuan Group contributed revenue of HK\$132,567,000 and net profit of HK\$6,742,000 to the Group for the period from the date of acquisition to 30 June 2024.

Had the acquisition of Qingchun Kangyuan Group been completed on 1 January 2024, revenue for the interim period of the Group would have been HK\$1,823,644,000, and the profit for the interim period would have been HK\$384,357,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Utilities

The Group's utility businesses are mainly operated in the Tianjin Economic and Technological Development Area (“**TEDA**”), the People's Republic of China (the “**PRC**”) through supplying water, heat and thermal power as well as electricity to industrial, commercial and residential customers.

TEDA is a national development zone and has long been in a leading position in terms of overall capabilities in the PRC. Situated at the centre of Bohai economic rim and also at the intersection of Beijing-Tianjin-Hebei metropolitan regions, TEDA is an ideal place for manufacturing and R&D developments.

Water

Tianjin TEDA Tsinlien Water Supply Co., Ltd. (天津泰達津聯自來水有限公司) (“**Water Company**”) is principally engaged in supply of tap water in TEDA. It is also engaged in installation and maintenance of water pipes, technical consultancy, retail and wholesale of water pipes and related parts. The daily water supply capacity of the Water Company is approximately 325,000 tonnes.

During the period under review, revenue from the Water Company was approximately HK\$142.3 million, compared to HK\$153 million for the corresponding period last year. Profit from the Water Company was approximately HK\$18.4 million, 6.4% increase as compared to HK\$17.3 million in the six months ended 30 June 2023. The result was mainly due to lower of general and administrative expenses, partly offset by lower revenue driven by lower volumes of water sold during the period. The total quantity of water sold for the period was approximately 21,776,000 tonnes, a reduction of 4.1% over the same period last year.

Heat and Thermal Power

Tianjin TEDA Tsinlien Heat & Power Co., Ltd. (天津泰達津聯熱電有限公司) (“**Heat & Power Company**”) is principally engaged in distribution of steam and heat for industrial, commercial and residential customers within TEDA. The Heat & Power Company has transmission pipelines of approximately 549 kilometres and more than 120 processing stations in TEDA. The daily distribution capacity is approximately 30,000 tonnes of steam.

For the six months ended 30 June 2024, revenue from the Heat & Power Company was approximately HK\$626.4 million, a reduction of 10.9% from HK\$703.3 million in the same period last year. The decrease in revenue was primarily driven by lower government supplemental income. Profit from the Heat & Power Company was approximately HK\$40.4 million, as compared to HK\$17.5 million in the corresponding period last year. The increase in profit was mainly attributable to margin improvement, partly offset by the lower of government supplemental income. The total quantity of steam sold for the period was approximately 1,908,000 tonnes, a decrease of 4.7% over the corresponding period last year.

Electricity

As at 30 June 2024, the Group has 47.09% equity interest in Tianjin TEDA Electric Power Co., Ltd. (天津泰達電力有限公司) (“**TEDA Power**”). TEDA Power is principally engaged in supply of electricity in TEDA and also provides services in relation to construction of electricity supply network, application of technology related to new energy and renewable energy, electricity construction and related technical services. Currently, the installed transmission capacity of TEDA Power is approximately 996,000 kVA.

During the period under review, the revenue of TEDA Power decreased by 3% to approximately HK\$1,143.5 million and contributed to the Group a profit of approximately HK\$28.3 million, representing a reduction of HK\$1.1 million over the corresponding period last year. The total quantity of electricity sold for the period was approximately 1,440,934,000 kWh.

Pharmaceutical

Pharmaceutical segment is principally engaged in the manufacture and sale of chemical drugs, proprietary Chinese medicines and other healthcare products as well as design, manufacture and printing for pharmaceutical packaging in the PRC, and also participates in the business of research and development of new medicine technology and new products through its 35% equity interest in Tianjin Institute of Pharmaceutical Research Co., Ltd. (天津藥物研究院有限公司) (“**Research Institute**”).

For the six months ended 30 June 2024, the segment revenue grew by 7.4% to approximately HK\$895.4 million from HK\$833.4 million in the same period last year. Of the total segment revenue, revenue from manufacture and sale of chemical drugs, proprietary Chinese medicines and other healthcare products was approximately HK\$811.4 million, an increase of 9.9% from HK\$738 million in the corresponding period last year, with higher contribution from Jiangxi Qingchun Kangyuan Pharmaceutical Co., Ltd. (江西青春康源製藥有限公司) (“**Qingchun Kangyuan**”). Revenue from sale of packaging materials decreased by HK\$11.4 million to approximately HK\$84 million from HK\$95.4 million in the six months ended 30 June 2023. Profit from pharmaceutical segment was approximately HK\$62.3 million, compared to HK\$79.4 million in the same period last year.

During the period under review, the revenue of Research Institute decreased by 52% to approximately HK\$130.2 million and reported a loss (after non-controlling interests) of approximately HK\$50.9 million, as compared with a loss of HK\$33.5 million in the corresponding period last year. If not taking into account the result of Research Institute, profit from pharmaceutical segment amounted to approximately HK\$113.2 million, an increase of HK\$0.3 million from HK\$112.9 million in the same period last year on a like-for-like basis. This result was mainly attributable to higher contributions from manufacture and sale of chemical drugs, proprietary Chinese medicines and other healthcare products and higher interest income, partly offset by higher selling and distribution expenses as well as general and administrative expenses.

On 1 February 2024, the Group completed the acquisition of 65% equity interest in Qingchun Kangyuan. In accordance with the terms of the relevant sale and purchase agreement dated 29 December 2023, Qingchun Kangyuan, Jiangxi Qingchun Kangyuan Group Co., Ltd. (江西青春康源集團有限公司), Jiangxi Qingchun Kangyuan Chinese Medicine Co., Ltd. (江西青春康源中藥股份有限公司) and Mr. Liu Musheng (collectively referred to as the guarantors of such agreement) had provided performance guarantee covering the financial years of 2023, 2024, 2025 and 2026 to the Group, among which, the audited consolidated net profit (after deduction of non-recurring profits and losses) of Qingchun Kangyuan in the financial year of 2023 should not be less than RMB11,332,200 (“**2023 Guaranteed Profit**”), details of which were set out in the Company’s announcement dated 29 December 2023. Upon review by the Group during the reporting period, it is confirmed that the 2023 Guaranteed Profit has been achieved.

On 10 October 2023, Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生製藥股份有限公司) (“**Lisheng Pharmaceutical**”), an indirect non-wholly owned subsidiary of the Company, entered into an equity transfer agreement with Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (津藥達仁堂集團股份有限公司) in relation to the disposal of its 15% equity interest in Tianjin Pharmaceutical Group Finance Co., Ltd. (天津醫藥集團財務有限公司) at a consideration of RMB87,823,860. The disposal was completed in August 2024 and its details were set out in the Company’s announcement dated 25 August 2023 and 10 October 2023 and the circular of the Company dated 10 November 2023.

On 28 June 2024, Lisheng Pharmaceutical entered into an equity transfer agreement with Grand Pharma (China) Co., Ltd. (遠大醫藥(中國)有限公司) in relation to the disposal of its 24.65% equity interest in Tianjin Tanabe Seiyaku Co., Ltd. (天津田邊製藥有限公司) at a consideration of RMB120,292,000. The disposal was completed in July 2024 and its details were disclosed in the Company’s announcement dated 28 June 2024.

Hotel

Courtyard by Marriott Hong Kong (“**Courtyard Hotel**”), situated in a prime location on the Hong Kong Island, is a 4-star hotel with 245 guest rooms. It is positioned as an ideal lodge for business and leisure travellers.

For the six months ended 30 June 2024, revenue from Courtyard Hotel grew by 10.3% to approximately HK\$66.6 million from HK\$60.4 million in the corresponding period last year. Profit from Courtyard Hotel was approximately HK\$15.2 million compared to HK\$12.2 million in the same period last year. The average occupancy rate was 87.5% compared with 80.8% for the same period last year, and the average room rate remained stable.

Electrical and Mechanical

Electrical and mechanical segment is principally engaged in the manufacture and sale of hydroelectric equipment as well as large scale pump units in the PRC.

During the period under review, revenue from electrical and mechanical segment was approximately HK\$89.7 million, an increase of 11.6% from HK\$80.4 million in the corresponding period last year. Loss from electrical and mechanical segment was approximately HK\$58 million, compared a loss of HK\$21.8 million in the same period last year. The segment loss stemmed from lower operating margins on certain contract works completed and higher operating expenses during the period. The Group will continue to take cautious view with the operating performance of hydroelectric equipment business and may consider critically the advantages in its restructuring.

Strategic and Other Investments

Port Services

During the period under review, the revenue of Tianjin Port Development Holdings Limited (“**Tianjin Port**”) (stock code: 3382) increased by 8.1% to approximately HK\$6,746.3 million and profit attributable to owners of Tianjin Port was approximately HK\$418.5 million, representing an decrease of 12% over the same period last year.

Tianjin Port contributed to the Group a profit of approximately HK\$87.9 million, representing a decrease of 11.9% compared to the corresponding period last year.

Elevators and Escalators

During the period under review, the revenue of Otis Elevator (China) Investment Company Limited (奧的斯電梯(中國)投資有限公司) (“**Otis China**”) amounted to approximately HK\$8,790.9 million, representing a decrease of 1.4% over the corresponding period in 2023.

Otis China contributed to the Group a profit (after non-controlling interests) of approximately HK\$155.1 million, representing a reduction of 23.4% over the same period last year.

Investment in Binhai Investment Company Limited

During the period under review, the Group had 4.07% interest in Binhai Investment Company Limited (“**Binhai Investment**”) (stock code: 2886). As at 30 June 2024, the market value of the Group’s interest in Binhai Investment was approximately HK\$67.8 million (31 December 2023: HK\$79.3 million) and the unrealised fair value loss of approximately HK\$11.5 million was recognised in other comprehensive income.

Investment in Tasly Holding Group Co., Ltd.

During the period under review, the Group had 12.15% equity interest in Tasly Holding Group Co., Ltd. (天士力控股集團有限公司) (“**Tasly Holding**”), a non-core passive investment in relation to the Group’s pharmaceutical segment which was acquired indirectly from the controlling shareholder in 2015 by using merger accounting at an investment costs of HK\$191.5 million and is now held by Tianjin Central Pharmaceutical Co., Ltd. (天津市中央藥業有限公司), a wholly-owned subsidiary of Lisheng Pharmaceutical. Tasly Holding is a conglomerate established under the laws of the PRC on 30 March 2000 and its principal asset includes the holding of 683,481,524 A shares in Tasly Pharmaceutical Group Co., Ltd. (天士力醫藥集團股份有限公司) (“**Tasly Pharmaceutical**”), representing approximately 45.75% of its total issued A shares. Tasly Pharmaceutical is principally engaged in the research and development, manufacturing and distribution of pharmaceutical products in the PRC.

As at 30 June 2024, the fair value of investment in Tasly Holding was approximately HK\$1,137.3 million (31 December 2023: HK\$1,587.1 million), accounting for approximately 5.1% of the Group’s total assets, and on that date the unrealised fair value loss and exchange differences amounting to approximately HK\$449.8 million has been recognised in other comprehensive income. During the period under review, the Group did not received dividend income from Tasly Holding for the year ended 31 December 2023 (2022: Nil). The holding of 12.15% equity interest in Tasly Holding is not held for trading and not expected to be sold in the foreseeable future.

PROSPECT

It is anticipated that the uncertainties of global economy and the regional political tensions will continue in the second half of 2024. The Chinese economy benefiting from the implementation of various reform measures will remain a stable pace of development. The Company will continue to pursue a strategy of stable growth. While solidifying its existing businesses and strengthening its financial resources, the Company will dedicate to internal reorganisation with a view to maximise shareholders’ value and to lay a foundation for long-term sustainable development.

LIQUIDITY, CAPITAL RESOURCES AND PRINCIPAL RISK

As at 30 June 2024, the Group's total cash on hand and total bank borrowings stood at approximately HK\$6,174.1 million and approximately HK\$1,972.7 million respectively (31 December 2023: approximately HK\$6,604.7 million and HK\$1,810.6 million respectively).

The Group's sources of funding comprise cash flow generated from operations and loan facilities. The bank borrowings of HK\$259.6 million (31 December 2023: HK\$100 million) will mature within one year. During the period under review, the Group entered into a loan agreement with commercial bank in Hong Kong, pursuant to which loan facility of up to HK\$100 million were made available to the Group subject to floating rates with a spread of 1.6% over HIBOR of relevant interest periods. The gearing ratio as measured by total borrowings to shareholders' funds was at approximately 15.8% as at 30 June 2024 (31 December 2023: approximately 14.4%).

Of the total HK\$1,972.7 million bank borrowings outstanding as at 30 June 2024, HK\$1,913.1 million outstanding as at 30 June 2024 were subject to floating rates with a spread of 1.6% over HIBOR of relevant interest periods, of which the amount of HK\$1,713.1 million outstanding is linked to the sustainability performance of the Group's environmental, social and governance performance metrics, which may be reduced depending on the extent of pre-determined key performance indicators being met, and RMB54.5 million (equivalent to approximately HK\$59.6 million) of bank borrowings were fixed-rates debts with annual rates at 3% to 5%.

As at 30 June 2024, 97% (31 December 2023: 100%) of the Group's total bank borrowings was denominated in Hong Kong dollar, 3% (31 December 2023: nil) was denominated in Renminbi.

The Group's activities expose it to a variety of financial risks. The major financial assets and financial liabilities of the Group include cash and cash equivalents, time deposits with maturity over three months, structure deposits, entrusted deposits, other financial assets and bank borrowings. The Group's financial risk management is aimed at mitigating the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's interest rate, foreign currency and credit risk exposures. The Group regularly reviews its liquidity and financing requirements to ensure that sufficient financial resources are maintained to cover the funding needs.

During the period under review, the Group has not entered into any derivative contracts or hedging transactions. The Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and shall consider hedging foreign currency exposure should the need arise.

EMPLOYEES AND REMUNERATION POLICIES

During the period under review, the Group had a total of approximately 2,684 employees of which approximately 313 were management personnel and 868 were technical staff, with the balance being production workers.

The Group contributes to the employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in the PRC. The Group also contributes to the mandatory provident fund scheme for its Hong Kong employees. The contributions are based on a fixed percentage of the members' salaries.

CHARGE ON ASSETS

As at 30 June 2024, restricted bank balances and property, plant and equipment of HK\$144.4 million and HK\$6.5 million were respectively pledged to financial institutions by the Group to secure general banking facilities.

LITIGATION

As disclosed in the announcements of the Company dated 3 August 2023, 10 August 2023 and 30 December 2023 (the “**Announcements**”), Central Pharmaceutical was a party to a litigation arising from the ordinary course of business with its sales and marketing agent (the “**Agent**”). As stated in the Announcements, certain assets of Central Pharmaceutical had been retained as a request of claim for a payment in relation to the provision of sales and marketing services to Central Pharmaceutical. Central Pharmaceutical had lodged a petition for counterclaim on 7 August 2023 and received the civil judgement of the trial of first instance issued by Tianjin No. 2 Intermediate People’s Court (the “**First Judgement**”) on 8 December 2023. The Agent was not satisfied with the judgement and filed a civil petition for appeal to the Higher People’s Court of Tianjin on 19 December 2023. Central Pharmaceutical had also lodged a civil petition for appeal on 21 December 2023. In late of March 2024, Central Pharmaceutical received the civil judgement from the Higher People’s Court of Tianjin for revoking the civil judgement of the First Judgement and the case is remanded to Tianjin No. 2 Intermediate People’s Court for retrial. The management of the Group, based on legal advice, are of the opinion that any possible legal liability which may incur from such litigation shall not have material adverse effect on the financial position of the Group.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK5.18 cents per share for the six months ended 30 June 2024 (30 June 2023: HK3.45 cents per share) to the shareholders whose names appear on the Company’s register of members on 27 September 2024. The interim dividend will be paid on 28 October 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 September 2024 (Wednesday) to 27 September 2024 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Tengis Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 24 September 2024 (Tuesday).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) throughout the six months ended 30 June 2024.

The Board will continue to monitor and review the Company’s corporate governance practices and procedures and make necessary changes when it considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct for directors’ securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2024.

The Company has also established written guidelines regarding securities transaction on no less exacting than the Model Code for senior management and specific individuals who may have access to price sensitive information in relation to the securities of the Company.

REVIEW BY AUDIT COMMITTEE

At the request of the Audit Committee of the Company, the Group’s independent auditor has carried out a review of the unaudited condensed consolidated financial statements 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 HKICPA. The Audit Committee had reviewed the accounting principles and practices adopted by the Group and discussed with the management the effectiveness of the Company’s risk management (including ESG risks) and internal control systems, auditing and financial reporting matters including the review of unaudited condensed consolidated financial statements for the six months ended 30 June 2024.

By Order of the Board
Tianjin Development Holdings Limited
Teng Fei
Chairman and Executive Director

Hong Kong, 29 August 2024

As at the date of this announcement, the Board of the Company consists of Mr. Teng Fei, Dr. Zhai Xinxiang, Mr. Sun Lijun, Ms. Ng Yi Kum, Estella**, Mr. Wong Shiu Hoi, Peter**, Mr. Lau Ka Keung** and Mr. Sin Hendrick**.*

* *non-executive director*

** *independent non-executive director*