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Press Release

SIHL Achieves Steady Development in Core Businesses Throughout the Year

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Disposal of Equity Interest in the Hangzhou Bay Bridge and Subscription to Hangzhou Bay Bridge REIT, Helping the Group Enhances Asset Liquidity and Marketability

Full-Year Dividend of 94 HK Cents, Maintaining a Payout Ratio of 36.4%

Shanghai Industrial Holdings Limited ("SIHL" or the "Company," together with its subsidiaries, collectively referred to as the "Group"; HKEx stock code: 363) has announced its audited full-year results for the year ended December 31, 2024. The Group's revenue was HK$28.918 billion, a decrease of 11.6% compared to the previous year. Profit attributable to owners of the Company was HK$2.808 billion, a year-on-year decrease of 18.0%. The Board of Directors recommends a final dividend of 52 HK cents per share, in addition to the interim dividend of 42 HK cents per share, resulting in a full-year dividend of 94 HK cents per share and a full-year payout ratio of 36.4%, to reward shareholders for their unwavering support.

2024 Full-Year Results Highlights:

	For twelve months ended 31 December (Audited)		
	2024	2023	**Change**
Revenue (HK$ million)	**28,918**	32,698	-11.6%
Profit Attributable to Owners of the Company (HK$ million)	**2,808**	3,424	-18.0%
Earnings per Share - Basic (HK$)	**2.582**	3.149	-18.0%
Final Dividend per Share (HK cents)	**52**	52	
Interim Dividend per Share (HK cents)	**42**	42	
Total Dividend of the Year per Share (HK cents)	**94**	94	
Payout Ratio	**36.4%**	30.0%	
	As at December 31, 2024 (Audited)	**As at December 31, 2023 (Audited)**	**Change**
Total Assets (HK$ million)	**168,513**	179,312	-6.0%
Equity Attributable to Owners of the Company (HK$ million)	**47,571**	46,603	+2.1%
Cash and Cash Equivalents (HK$ million)	**28,514**	27,791	+2.6%

Net Debt Ratio ^	**65.12%**	66.30%	

^ (Interest-bearing loans - Cash) / Equity Attributable to Owners of the Company

Segment Revenue and Profit Abstracts:

	For the Twelve Months Ended December 31 (Audited)		
Segment Revenue (HK$ million)	**2024**	2023	Change
Infrastructure and Environmental Protection	**10,263**	10,399	-1.3%
Real Estate	**15,152**	19,096	-20.7%
Consumer Products	**3,503**	3,203	+9.4%
Segment Net Profit (HK$ million)	**2024**	2023	Change
Infrastructure and Environmental Protection	**2,629**	2,321	+13.3%
Real Estate	**-236**	839	N/A
Consumer Products	**643**	375	+71.8%
Comprehensive Healthcare Operations	**54**	80	-32.0%

In 2024, the economies of Mainland China and Hong Kong demonstrated resilience and vitality under multiple pressures. However, the international geopolitical situation remained tense, and the global economic environment was full of challenges and uncertainties. Facing market changes and various challenges, the management team continued to adhere to the principles of seeking progress while maintaining stability and upholding core businesses while fostering innovation, ensuring the stable operation and development of all core businesses. The Group recorded a total revenue of HK$28.918 billion for the year, a decrease of 11.6% compared to the previous year. Profit attributable to owners of the Company was HK$2.808 billion, a year-on-year decrease of 18.0%. The decline was mainly due to the significant decrease in the booked revenue from property delivery of SI Development and a significant profit contribution resulted from the booked revenue from property delivery and settlement of the Shanghai Bay project in which the Company holds a 49% equity interest recorded in the previous year, which resulted a higher base. The Board of Directors has recommended a final dividend of 52 HK cents per share, resulting in a full-year dividend of 94 HK cents per share and a payout ratio of 36.4%, to reward shareholders for their continued support.

During the year, the Group's various businesses developed steadily. The infrastructure and environmental protection business recorded a profit of HK$2.629 billion, an increase of 13.3% compared to the previous year. This was mainly because of the disposal of its relevant equity interest in the Hangzhou Bay Bridge during the issuance process of a public infrastructure investment fund (“REIT”) for the Hangzhou Bay Bridge. Profits from the infrastructure and environmental protection business accounted for approximately 85.1% of the Group’s net business profit. During the year, the Group, in line with the national strategy, focused on its core business of water treatment and water utilization, striving to expand its market share and consolidate its leading position in the first tier of China’s water and environmental protection industry.

The group achieved a breakthrough in integrating industry and finance. During the year, it sold a 23.0584% stake in the Ningbo Hangzhou Bay Bridge Development Co., Ltd. for RMB 1,863,859,100. Part of the proceeds was used to subscribe for 158,284,000 REIT units, representing approximately 15.8284% of the total fund units, with the remaining 7.23% equity stake recovered in cash. Through subscribing for the REIT units, the liquidity and marketability of such underlying assets under the REIT have been improved, and this will allow the Group to increase its investment return over time by securing capital gains on disposal of its units of the fund in the securities market and/or to receiving cash returns via cash distributions, which can increase investment returns in the future. Furthermore, the REIT was successfully listed on December 26, 2024, setting records for the highest offline subscription multiple, the largest offline subscription size, and the highest premium rate for highway public funds in nearly two years.

The healthcare operations business recorded a profit of HK$54.23 million this year, accounting for approximately 1.8% of the Group's net business profit. The Company holds a 40% stake in Shanghai Pharmaceuticals Holding Co., Ltd. through a 50% joint venture. As an important layout of the Group in the healthcare field, Shanghai Pharmaceuticals' revenue in 2024 was RMB 274.693 billion, an increase of 5.47% year-on-year, and profit attributable to owners of the Company amounted to RMB870 million, representing a year-on-year decrease of 11.98%.

The real estate business recorded a loss of HK$236 million in 2024, turning from profit to loss compared to the previous year, accounting for approximately negative 7.7% of the Group's net business profit. The decrease was mainly due to a significant decrease in the booked revenue from property delivery of Shanghai Industrial Development Co., Ltd (SI Development), and a significant profit contribution recorded in the previous year from property delivery of the Shanghai Bay project in which the Company directly holds a 49% stake, resulting in a higher base.

The consumer products business contributed a profit of HK$643 million this year, an increase of 71.8% compared to the previous year, accounting for approximately 20.8% of the Group's net business profit. In 2024, the consumer goods market recovered moderately. Nanyang Brothers Tobacco Company Limited ("Nanyang Tobacco") actively managed shipments schedules and continued to expand domestic and overseas markets. Both the overall sales volume and amount achieved year-on-year increases.

Business Highlights:

<u>Infrastructure and Environmental Protection</u>

- During the year, the overall traffic volume and toll revenue of the Group's three toll roads grew steadily. The total traffic volume increased by 1.3% year-on-year, and the toll revenue increased by 0.2% year-on-year to HK$2.029 billion. The widening and alteration projects of the road sections were implemented according to schedule by the Hu-Yu Expressway. The overall construction work to add the Xicen East entrance and exit to the road has completed 85%.

- SIIC Environment Holdings Ltd.("SIIC Environment") (BHK SGX, 807 HKSE) recorded a revenue of RMB 7.596 billion during the year, an increase of 0.3% year-on-year; profit attributable to owners of the Company was RMB 605 million, an increase of 0.2% year-on-year. The slight increase in revenue and net profit was mainly due to the steady increase in operating income (including financial income from service concession arrangements) and a significant decrease in financial expenses compared to last year. A total of four new sewage treatment projects were added during the year, with a total design treatment scale of 445,000 tonnes/day; two projects were upgraded and expanded, and another four projects were expanded and put into commercial operation. Xicen water purification plant in Qingpu, a benchmark sewage treatment project, was put into commercial operation in January 2025. It is one of the underground sewage treatment plants with the best effluent standards in the country.

- General Water of China Co., Ltd ("General Water of China") recorded operating revenue of HK$1.942 million this year, a decrease of 6.5% year-on-year, and net profit of HK$279 million, an increase of 5.2% year-on-year. A total of seven new/newly signed projects were added during the year, involving an investment of approximately RMB 957 million, with a water treatment scale of 521,000 tonnes/day. As at the end of 2024, General Water of China owns 19 water-supply plants and 18 sewage treatment plants, with a production capacity of 4.348 million tonnes/day, of which the water-supply capacity is 3.237 million tonnes/day and the sewage treatment capacity is 1.111 million tonnes/day. In 2024, the company has been successfully selected into the "The Top 50 Environmental Enterprises in China by Revenue" list for the seventh consecutive year.
- S.I. Yangtze River Delta Ecological Development Co., Ltd, in which the Company indirectly holds a 50% equity stake, owns a 28.34% equity stake in Shanghai SUS Environment Co., Ltd ("SUS Environment"). SUS Environment had a cumulative total scale of 42,225 tonnes/day for waste incineration operation projects as of the end of 2024. The annual amount of domestic waste entering the plant was 16.23 million tonnes, an increase of 9.65% year-on-year, and the amount of electricity generated on the grid was 5.64 billion kWh, an increase of 11.9% year-on-year. During the year, the Company acquired three new domestic waste-incineration projects and accelerated the construction progress of nine waste-to-energy projects.
- With respect to new business arena, as at the end of 2024, the photovoltaic asset capacity of Shanghai Galaxy and Galaxy Energy, its subsidiary, reached 740 MW. During the year, 15 photovoltaic power projects completing approximately 962 million kWh of on-grid electricity. However, since the volume of radiation decreased due to severe sandstorms, the volume of on-grid electricity sold decreased by 11.04% over last year.

Real Estate

- Shanghai Industrial Development Co. Ltd ("SI Development") (600748 SSE) recorded revenue of RMB 2.494 billion during the year, a decrease of 74.7% year-on-year, mainly due to a significant decrease in the booked revenue from property delivery during the year. Net loss amounted to RMB 291 million, representing a turnaround from profit to loss year-on-year. Contract sales of real estate projects for the year exceeded RMB 715 million. There were six projects under construction and one completed project during the year. The rental income for this year was approximately HK$366 million.
- Shanghai Industrial Urban Development Group Limited ("SIUD") (563 HKSE) recorded a revenue of HK$12.44 billion during the year, an increase of 56.4% compared to last year. The loss attributable to owners of the Company was HK$331 million, mainly due to the decrease in projects with higher gross profit margins among those delivered during the year compared to last year, the downward adjustment of sales prices during the year in response to market conditions, and the recognition of certain impairment losses on property projects during the year. The contract sales reached RMB 3,933 million, and the projects mainly included Originally in Xi'an and Summitopia in Tianjin, etc. The rental income for this year was approximately HK$794 million.

Consumer Products

- The revenue and net profit of Nanyang Tobacco during the year were HK$2.182 billion and HK$560 million, respectively, representing an increase of 20.2% and 86.0% year-on-year. Sales in the duty-paid markets of Hong Kong and Macau decreased by 23.7% year-on-year, mainly due to the significant increase in tobacco tax in the Hong Kong market for two consecutive years. In the face of fewer domestic outbound tourists than expected and tightened customs policies, in the duty-free markets in the Mainland, Hong Kong and Macau and overseas, a year-on-year decline by 20.5% in sales was recorded during the year. Nanyang Tobacco has gradually changed its marketing strategy, while focusing on mid-to-high-end products and phasing out low-end products to adapt to significant changes in the duty-free market. In the export and ship tobacco markets, sales increased by 89.7% year-on-year during the year. The inventory pressure brought by the pandemic has been gradually released, and sales have recorded a relatively large rebound.
- Nanyang Tobacco also actively expands its international business and is committed to developing the Malaysia production project to implement overseas production base operations. The Malaysia project progressed from commencing production in 2023 to achieving mass production in 2024, resulting in a year-on-year increase of 344.9% in full-year sales.
- In addition, Nanyang Tobacco followed up on the unified application project of cigarette QR codes in accordance with the requirements of the State Tobacco Monopoly Administration, which improved the accuracy of management from raw material procurement, production planning, warehousing management to logistics and transportation. A new production line project of lipstick cigarette packaging was added during the year to promote technological product innovation and capacity matching upgrades.
- Wing Fat Printing recorded revenue of HK$1.584 billion and net profit of HK$95.18 million during the year, an increase of 2.3% and 12.1% year-on-year, respectively, mainly benefiting from the optimization of the business structure to improve the overall gross profit, the significant results of cost reduction and efficiency improvement in core factories, and better asset operation efficiency. In addition, the continued strengthening of the US dollar exchange rate during the year also helped improve the overall gross profit level.

Leng Wei Qing, Chairlady of SIHL, said: “Looking forward to 2025, there are still many uncertain factors in the global economy, but opportunities and challenges coexist. The resilience of the Chinese economy and policy support will bring new development opportunities to the Group. The Group will continue to adhere to reform and innovation, further improve management efficiency and accuracy, integrate resources, achieve intelligent transformation, and promote the company to a higher level. In terms of infrastructure and environmental protection business, following the national strategy, SIIC Environment will continue to seek new opportunities in the environmental protection field, promote integration of financing activities and business operations, continue to develop in core economic zones and urban clusters, and increase investments in reclaimed water and industrial sewage treatment, while constructing additional high-standard and modern environmental protection projects to maintain its leading position in the first tier of China’s water and environmental protection industries. Toll roads will continue to improve operating efficiency and accelerate the digital transformation of transportation infrastructure. Through investment in the healthcare operations and new business arena, the Group's investment in the pharmaceutical health and environmental green energy sectors will bring more profit contributions to the Group. The real estate business will closely monitor industry policies and market trends, revitalize existing assets, innovate financing methods and channels, and promote healthy, stable and high-quality development. In terms of consumer goods business, Nanyang Tobacco will be committed to technological innovation, expand its deployment of innovative products such as green health, low tar and harm reduction, accelerate the launch of new mid-to-high structure products and the expansion of overseas duty-free channels, and inject new concepts into existing products to ensure that traditional tobacco brands remain new. At the same time, the company will further promote the construction of a digital platform, deepen the digital application capabilities, and use intelligent manufacturing to enhance core competitiveness. While providing meticulous service to existing core customers, Wing Fat Printing will explore new businesses in subdivided fields, including cooperating with tobacco packaging customers on new QR code requirements and providing anti-counterfeit and traceable packaging technical support to potential emerging biopharmaceutical customers, striving to consolidate the stickiness of existing customers through service upgrades and technological innovation, and seize the opportunities in emerging markets. The Group is committed to continuous breakthroughs in various businesses to bring the greatest returns to shareholders."

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About SIHL

Shanghai Industrial Holdings Limited ("SIHL", HKSE Stock Code: 363) is the largest overseas conglomerate under Shanghai Industrial Investments (Holdings) Co., Ltd ("SIIC"). As the flagship of the SIIC group of companies, SIHL has been successful in leveraging its Shanghai advantage since listing, in terms of securing the best investment opportunities in mainland China with full support from the parent company. Over 20 years' development, SIHL has become a conglomerate company with four core businesses: infrastructure and environmental protection (including toll roads/bridge, and environmental protection related business such as sewage treatment and solid waste treatment business), comprehensive healthcare products, real estate and consumer products (including Nanyang Tobacco and Wing Fat Printing). SIHL will continue to raise its governance standard in order to create favourable returns and value for shareholders.

For more information about SIHL, please visit the company website at www.sihl.com.hk.

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