Shanghai Industrial Holdings Limited Announces 2016 Half-Year Results

Shanghai Industrial Holdings Limited ("SIHL", Stock Code: 0363) announced its half-year results. Revenue was HK$9,229 million, a 29.3% increase; profit attributable to ordinary shareholders was HK$1,506 million, an increase of 14.9%.

The Board of Directors has proposed an interim dividend of HK36 cents per share and a special dividend of HK10 cents per share to celebrate the 20th-year anniversary of the Company’s listing in Hong Kong.

2016 Half-year Results Highlights:

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<th>1H 2016</th>
<th>1H 2015 (Re-stated)</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Revenue (HK$ million)</td>
<td>9,228.6</td>
<td>7,138.6</td>
<td>+29.3%</td>
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<tr>
<td>Profit attributable to ordinary shareholders (HK$ million)</td>
<td>1,505.8</td>
<td>1,310.4</td>
<td>+14.9%</td>
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<td>Earnings per share (HK$)</td>
<td>1.387</td>
<td>1.209</td>
<td>+14.7%</td>
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<td>Dividend per share - interim (HK cents)</td>
<td>36</td>
<td>36</td>
<td></td>
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<td>- special (HK cents)</td>
<td>10</td>
<td>-</td>
<td></td>
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<tr>
<td>Total assets (HK$ million)</td>
<td>139,344.2</td>
<td>142,893.9</td>
<td>-2.5%</td>
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<td>Equity attributable to the owners of the Company (HK$ million)</td>
<td>37,438.6</td>
<td>36,028.1</td>
<td>+3.9%</td>
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Profit Contribution by Business

- Consumer Products: 33.9%
- Real Estate: 24.0%
- Infrastructure Facilities: 42.1%
Business Highlights:

Infrastructure Facilities

- Profit contribution from infrastructure facilities was HK$620 million, a 7.8% increase from last year. Traffic flow, revenue and net profit of toll roads business maintained stable growth in the first half.

- Revenue and net profit from SIIC Environment increased significantly to RMB1,119 million and RMB191 million respectively, or 41.6% and 25.9% higher than last year, thanks both to the contribution from new projects acquired and growth of existing projects, as well as the increase of construction activities in progress.

- General Water of China Co., Ltd. continued to increase its market share and improve overall efficiency. Net profit increased 37% to HK$119 million.

- In new business, after the acquisition of three more photovoltaic power station projects at the end of 2015, the total power generation capacity of the business reached 510MW. In the first half, the business generated 283 million kWh electricity, increased 48.9%.

Real Estate

- Profit contribution from the real estate business was HK$353 million, increased 33.6%.

- Contract sales from the two property arms: SI Development (“SID”) and SI Urban Development (“SIUD”) was GFA 477,000 sqm, reached RMB8.5 bn, or increased 287%.

- Rental income from SID and SIUD increased 2.7% to HK$456 million.

- SIUD sold 35% and 40% interests in Longcheng project in January and May respectively, where 35% was booked in the first half providing RMB345 million of after tax profit.

Consumer Products

- Despite the weak demand and strengthen tobacco control in mainland China, Nanyang Tobacco maintained stable revenue by increasing overseas market penetration and optimising its product mix to improve gross margin. During the first half, net profit of the tobacco business was HK$475 million, a 4.5% increase compared with last year.

- Printing business affected by destocking and weak pricing from PRC tobacco industry, revenue decreased during the period. In addition, due to higher overheads in the construction period of new paper packaging facilities, net profit dropped 64.8% to HK$23.37 million.

Mr Wang Wei, Chairman of SIHL, stated, “By adhering to its strategic target set for the year, continue to capitalize on financing activities for its business operations, further enhance its risk management and internal control system, and wisely allocate resources to improve its operating efficiency. At the same time, the group will further improve its business structure and assets when opportunities arise to maximise value for its shareholders.”

Mr Zhou Jun, Vice Chairman and CEO of SIHL mentioned, “Early this year, volatility in global equity and currency markets increased. The uncertainty in the global economy and the change of certain industrial policy in mainland China posed more challenges to our business operation. The group continued to strengthen risk control, improve its corporate governance and increase the efficiency of its resources allocation. Most business segments recorded steady growth in the first half of 2016. In the future, the group will seize opportunities to promote innovation and further improve efficiency, aiming to create new growth drivers.”

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About SIHL

Shanghai Industrial Holdings Limited ("SIHL", Stock Code: 0363) 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 Shanghai with full support from the parent company.

Over the past 20 years, SIHL has secured a unique position as a leading red chip company in Hong Kong with three core businesses: infrastructure facilities, real estate and consumer products. 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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