

18 December 2020

Press Release

SIHL Acquires Stake in SUS Environment to Expedite Expansion in Solid Waste Industry

Shanghai Industrial Holdings Limited ("SIHL" or the "Company", together with its subsidiaries collectively referred to as the "Group"; HKSE stock code: 363) is pleased to announce that S.I. Yangtze River Delta Ecological Development Company Limited, of which SIHL indirectly holds 50% of shareholding, acquired 30.22% of shareholding in Shanghai SUS Environment Co., Ltd. ("SUS Environment") through a bidding process from Shanghai Panxin Yuran Environmental Protection Investment Center (Limited Partnership) ("Panxin Yuran"). The equity transfer, with the transaction valued at RMB2.9988 billion, was completed in Shanghai on 16 December, 2020.

SUS Environment was established in Qingpu, Shanghai in 2008. It is a comprehensive urban solid waste disposal service provider which integrates investment, construction and operation. Its major business includes waste-to-energy project Build-Operate-Transfer (BOT) and waste-to-energy project construction (EPC). As of September 2020, SUS Environment has accumulatively obtained nearly 60 waste-to-energy PPP projects, with a design capacity of over 80,000 tons of domestic waste per day, ranking among the top five in China.

Following the successful acquisition of 19.48% shareholding in Canvest Environmental Protection, the acquisition of SUS Environment is a great feat for Shanghai Industrial Holdings in the solid waste treatment sector. The Company believes that the acquisition will enhance the Company's strategic development as SUS Environment owns a leading position in the industry. Moreover, the acquisition will further strengthen the Company's position in waste incineration power generation industry and generate synergy with existing infrastructure and environmental protection business to reinforce its core competitiveness.

SIHL owns SIIC Environmental Holdings Ltd. (807.HK/BHK.SG), an integrated water investment service company. SIHL is also a controlling shareholder of Galaxy Investment Co., Ltd. and SIIC Aerospace Galaxy (Shanghai) Co., Ltd. At the same time, SIHL is a substantial shareholder of General Water of China and Canvest Environmental Protection, a leading Chinese enterprise involved in waste incineration and thermal power generation with a market capitalization in excess of HK\$10 billion. SIHL owns five major new environmental infrastructure companies in China, with an asset portfolio of RMB100 billion, making it one of the significant investors in the environmental protection industry. In line with the country's goals for 2035, SIHL will contribute to the efforts of building towards a beautiful China.

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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 at 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 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.

Media Enquiries:

Shanghai Industrial Holdings Ltd.
Corporate Communications Department
Frances Leung / Cecilia Chen
Tel: (852) 2821 3936
Email: ir@sihl.com.hk

Hill+Knowlton Strategies Asia
Ada Leung / Geffron Au Yeung
Tel: (852) 2894 6225 or (852) 2894 6255
Email: sihl@hkstrategies.com