

28 August 2025

Press Release

SIHL Remains High Dividend Policy with a Payout Ratio of 43.8%

Sustained Breakthroughs in The Green and Health Business

With Approximately HK\$4 Billion in cash Recovered from the Successful Privatization of Canvest Environmental

Shanghai Industrial Holdings Limited (“SIHL” or the “Company”, together with its subsidiaries, the “Group”; HKEX stock code: 363) announced its unaudited interim results for the six months ended 30 June 2025. Revenue amounted to HK\$9.476 billion, representing a year-on-year decrease of 8.6%. Profit attributable to owners of the Company was HK\$1.042 billion, down 13.2% year-on-year. The decline in revenue and profit was mainly due to a reduction in sales recognized upon delivery in the real estate business compared to the same period last year, as well as substantial provisions for property inventory write-downs and the decrease in fair value of investment properties. The Board has declared an interim dividend of HK42 cents per share, representing a payout ratio of 43.8%, as a gesture of appreciation for shareholders’ long-term support.

2025 Interim Results Highlights:

	For six months ended 30 June (Unaudited)		
	2025	2024	Change
Revenue (HK\$ million)	9,476	10,369	-8.6%
Profit attributable to owners of the Company (HK\$ million)	1,042	1,201	-13.2%
Earnings per share - Basic (HK\$)	0.958	1.105	-13.3%
Interim dividend per share (HK cents)	42	42	
Payout ratio	43.8%	38%	
	As at 30 June (Unaudited)	As at 31 December (Audited)	
	2025	2024	Change
Total assets (HK\$ million)	165,569	168,513	-1.7%
Equity attributable to owners of the Company (HK\$ million)	49,155	47,571	3.3%
Cash and cash equivalents (HK\$ million)	28,534	28,514	0.1%

Revenue and Profit Contributions by Business:

	For the six months ended 30 June (Unaudited)		
Segment Revenue (HK\$ million)	2025	2024	Change
Infrastructure and Environmental Protection	4,433	4,571	-3.0%
Real Estate	3,143	4,092	-23.2%
Consumer Products	1,901	1,706	11.4%
Total	9,476	10,369	-8.6%
Segment Net Profit (HK\$ million)	2025	2024	Change
Infrastructure and Environmental Protection	933	1,056	-11.6%
Comprehensive Healthcare Operations	141	65	118.4%
Real Estate	-465	-131	N/A
Consumer Products	403	320	26.0%

In the first half of 2025, the Group remained committed to reform and innovation, accelerated the upgrade and transformation of its core businesses, and further optimized its asset and business portfolio. At the same time, it focused on strengthening internal management and enhancing risk controls, with full dedication to driving the Group's high-quality development.

For the six months ended 30 June 2025, the Group recorded unaudited revenue of HK\$9.476 billion, representing a decrease of 8.6% compared with the same period last year. Profit attributable to owners of the Group was HK\$1.042 billion, down 13.2% year-on-year. The decline in revenue and profit was primarily due to a reduction in sales recognized upon delivery in the real estate business compared with the same period last year, as well as substantial provisions for real estate inventory write-downs and the decrease in fair value of investment properties.

During the period, profit from the infrastructure and environmental protection business decreased by 11.6% year-on-year to HK\$933 million, accounting for approximately 92.2% of the Group's Net Business Profit. The toll road business continued to provide the Group with stable cash flow. During the period, the Group actively responded to national policy directives, focused on the core businesses of water treatment and water resources utilization, and worked to expand market share, thereby consolidating its leading position in China's water services and environmental protection industries.

Following the successful privatization of Canvest Environmental Protection Group Company Limited during the period, all 475 million Canvest shares indirectly held by the Group were cancelled at a price of HK\$4.90 per share. In addition, the Group redeemed its exchangeable bonds ahead of maturity, with the principal, interest, and early redemption penalty, total premium amounted to approximately HK\$1.7 billion. In aggregate, the Group recovered approximately HK\$4.0 billion in cash.

The comprehensive healthcare business contributed a profit of HK\$141 million in the first half, representing a substantial year-on-year increase of 118.4% and accounting for approximately 14.0% of the Group's Net Business Profit.

The real estate business recorded a loss of HK\$465 million during the period, representing an increase in loss of approximately 2.56 times compared with the same period last year, and accounting for approximately -46.0% of the Group's Net Business Profit. The loss was mainly attributable to substantial impairment provisions for real estate inventory.

The consumer products business delivered a solid performance, contributing HK\$403 million in profit in the first half, an increase of 26.0% year-on-year and accounting for approximately 39.8% of the Group's Net Business Profit. Nanyang Tobacco has driven continuous improvement in performance through dynamic adjustments to its operating strategies, optimization of product structure, and further development of its distribution channels. Wing Fat Printing leveraged synergies among its three core business segments — cigarette packaging, pharmaceutical packaging, and moulded-fibre — to steadily improve its overall performance.

Business Highlights:

Infrastructure and Environmental Protection

- The Group's three toll roads recorded steady growth in overall traffic volume and toll revenue during the period, mainly driven by increased public travel during the Spring Festival, Ching Ming Festival, and Labour Day holidays. In the first half of the year, total traffic volume rose 2.1% year-on-year, while toll revenue increased 5.1% to HK\$1.019 billion. Profit attributable to the Group amounted to HK\$548 million, an increase of 0.5% year-on-year, continuing to provide the Group with a stable cash flow.
- SIIC Environment (BHK SGX; 807 HKEX) reported revenue of RMB3.177 billion, a 4.4% year-on-year decrease, with profit attributable to shareholders at RMB344 million, up 7.1% year-on-year. The decline in revenue was primarily due to newly secured construction projects not yet commencing, resulting in a significant drop in construction revenue. The increase in profit attributable to shareholders was mainly driven by the continued optimization of the financing structure, which led to a 12.5% year-on-year reduction in finance costs.
- In the first half of the year, SIIC Environment actively expanded its new projects and achieved multiple milestones in the wastewater treatment sector. During the period, it secured the Beiliu City Urban Wastewater Treatment Plant (Phase III) project in Guangxi, with a designed treatment capacity of 60,000 tonnes per day; completed and commenced operations of a wastewater treatment project in Shanghai with a designed treatment capacity of 25,000 tonnes per day. An entrusted operation wastewater treatment plant in Shanghai also commenced operations, with a designed treatment capacity of 100,000 tonnes per day.
- During the period, General Water of China recorded revenue of HK\$980 million, a year-on-year increase of 2.5%. Net profit was HK\$120 million, down 8.0% from the same period last year. During the period, three new projects were secured, involving a combined water treatment capacity of 114,000 tonnes per day and contract amount of RMB2.91 million in total.
- Shanghai SUS Environment Co., Ltd ("SUS Environment"), in which the Group holds a 28.34% stake through a 50% joint venture, achieved a cumulative total daily waste incineration capacity of 43,725 tonnes during the period. In the first half of the year, total waste intake reached 8.6175 million tonnes, a year-on-year increase of 4.3%, while on-grid power generation amounted to 3.093 billion kWh, up 9.1% year-on-year.
- With respect to the new business arena, the photovoltaic asset capacity of Shanghai Galaxy and its subsidiary, Galaxy Energy, reached 740 MW as of 30 June 2025. The total amount of on-grid electricity sold during the period from the 15 photovoltaic power stations was approximately 472 million kWh, a year-on-year decrease of 8.9%. This was primarily driven by the intensification of power curtailment.

Comprehensive Healthcare Operations

- The comprehensive healthcare business recorded a profit of HK\$141 million in the first half of the year, representing a significant increase of 118.4% year-on-year and accounting for 14.0% of the Group's Net Business Profit. The Group's 20%-owned Shanghai Pharmaceutical Group, reported revenue of RMB141.901 billion for the period, up 1.61% year-on-year, while net profit surged 39.5% to RMB834 million.

Real Estate

- SI Development (600748 SSE) recorded revenue of RMB1.232 billion for the period, representing an increase of 19.7% year-on-year, and reported a net loss of RMB754 million. The loss was primarily due to the Mainland property sector remaining in a stage of stabilization, certain project inventories of the company showed signs of significant impairment and relatively low revenue and profit recognized from property sales during the period. Contract sales amounted to RMB290 million during the period, while rental income for the half-year was approximately HK\$197 million.
- SI Urban Development (563 HKSE) recorded revenue of HK\$1.828 billion for the period, down 38.7% year-on-year, mainly due to a decline in revenue recognized from property sales compared with the same period last year. Revenue from rental, property management, and hotel operations continued to provide the Company with a stable income stream. The loss attributable to shareholders for the period was HK\$492 million, primarily due to lower gross profit from property sales. Contract sales during the period amounted to RMB690 million, with 6 projects under construction. Rental income for the half-year was approximately HK\$360 million.

Consumer Products

- In the first half of the year, Nanyang Tobacco recorded revenue of HK\$1.273 billion, representing a year-on-year increase of 16.4%. Net profit rose 20.0% year-on-year to HK\$337 million. Sales volume exceeded 746,000 cases, marking a substantial year-on-year increase of approximately 31.1%. During the period, Nanyang Tobacco deepened its focus on its core business and strengthened product innovation, achieving a steady growth in operating performance.
- In response to the significant increase in tobacco tax in Hong Kong for two consecutive years, Nanyang Tobacco adopted proactive measures, including conducting terminal sales promotion campaigns and implementing refined marketing management, which led to a continued narrowing of the sales volume decline. In compliance with the requirements of relevant national authorities, Nanyang Tobacco completed the QR code project for its specialty products on schedule, ensuring the timely delivery of planned products for release. In addition, to mitigate the adverse impact of customs purchase restrictions and substantial reductions in retail outlets on overall sales in the duty-free markets of Hong Kong, Macau, and Mainland China, Nanyang Tobacco actively optimized its product structure and launched new products, thereby consolidating its Hong Kong duty-free market channels and expanding into overseas duty-free markets.
- Nanyang Tobacco also delivered a strong sales performance in overseas markets. Through stringent channel management and a targeted product distribution strategy, Nanyang Tobacco ensured the optimal presence of its key product specifications and successfully broke through the recovery bottleneck.
- During the period, Wing Fat Printing recorded revenue of HK\$759 million, up 1.1% year-on-year, mainly benefiting from steady growth in its tobacco packaging, pharmaceutical

packaging, and moulded-fibre businesses. Net profit surged 46.7% year-on-year to HK\$69.94 million, primarily driven by business structure optimization and cost-reduction and efficiency-enhancement initiatives at its core factories, which significantly improved overall profitability.

SIHL Chairlady Leng Weiqing stated, “The global economy is showing signs of recovery, with opportunities and challenges co-existing. In the second half of the year, while adhering to a prudent operating philosophy, the Group will remain committed to an innovation-driven development strategy. On the one hand, we will accelerate the transformation and upgrading of our core businesses and deepen the integration of finance and industry; on the other, we will strengthen our comprehensive risk management system and enhance profitability. In the infrastructure and environmental protection business, SIIC Environment will continue to optimize its business layout, expand market share, and consolidate its leading position in China’s water services and environmental protection industries. The toll road business will further improve operational efficiency and maintain stable development. Investments in the comprehensive healthcare and new arenas business — particularly in the pharmaceutical, healthcare, and green energy sectors — will contribute new growth to the Group. In the real estate business, we will closely monitor industry policy developments, revitalize existing assets, and accelerate the sell-through of inventory. With the gradual effects of the central government’s economic-stabilization policies expected to emerge, we anticipate marginal improvement in the property sector. While ensuring prudent operations, we will actively seize opportunities from a market recovery to improve operating results. Nanyang Tobacco will continue to implement its high-quality development strategy, accelerate the application of smart technologies, and ensure steady and sustainable long-term growth. Wing Fat Printing will remain focused on its guiding principle of ‘expanding markets through external synergies and enhancing efficiency through internal cost reduction’ to achieve long-term, steady development. Overall, the Group will accelerate the upgrading of all core businesses, seize opportunities to increase holdings in quality projects, and create greater value for our shareholders.”

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About SIHL

Shanghai Industrial Holdings Limited (“SIHL”, HKEX Stock Code: 363) is the largest overseas conglomerate of Shanghai Industrial Investment (Holdings) Co., Ltd. (“SIIC”). As the flagship of the SIIC Group, SIHL has been successful in leveraging its Shanghai advantage since its listing, in terms of securing the best investment opportunities in mainland China with full support from its parent company. With nearly 30 years of development, SIHL has become a conglomerate with four core businesses: infrastructure and environmental protection (including toll roads, and environmental protection-related businesses such as sewage treatment and solid waste treatment), comprehensive healthcare operations, real estate, and consumer products (including Nanyang Tobacco and Wing Fat Printing). SIHL will continue to enhance its corporate governance and strive to create greater value for its shareholders.

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

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