

Press Release

**SIHL Focuses on Environmental Health Sector with
Asset Optimisation**

**Proposed a Special Dividend of HK20 cents Per Share to Celebrate the 30th
Anniversary of Listing**

Full-Year Dividend Reaches HK\$1.12 with Payout Ratio Rising Significantly to 60.3%

Shanghai Industrial Holdings Limited (“SIHL” or the “Company”, together with its subsidiaries, the “Group”; HKEX stock code: 363.HK) announced its audited annual results for the year ended 31 December 2025. Revenue amounted to HK\$20.832 billion, representing a year-on-year decrease of 28.0%. Profit attributable to owners of the Company was HK\$2.02 billion, down 28.1% year-on-year. The Board has recommended a final dividend of HK50 cents per share, and proposed a special dividend of HK20 cents per share to celebrate the 30th anniversary of listing. Together with the interim dividend of HK42 cents per share, the total dividend for the year amounted to HK\$1.12 per share, with payout ratio raised significantly to 60.3%, in recognition of shareholders’ long-standing support.

2025 Annual Results Highlights:

	For the twelve months ended 31 December (Audited)		
	2025	2024	Change
Revenue (HK\$ million)	20,832	28,918	-28.0%
Profit attributable to owners of the Company (HK\$ million)	2,020	2,808	-28.1%
Earnings per share - Basic (HK\$)	1.858	2.582	-28.0%
Final dividend per share (HK cents)	50	52	
Special dividend per share (HK cents)	20	-	
Interim dividend per share (HK cents)	42	42	
Annual dividend per share (HK cents)	112	94	
Payout ratio	60.3%	36.4%	

	As at 31 December 2025 (Audited)	As at 31 December 2024 (Audited)	
Total assets (HK\$ million)	164,966	168,513	-2.1%
Equity attributable to owners of the Company (HK\$ million)	50,156	47,571	+5.4%
Cash and cash equivalents (HK\$ million)	31,524	28,514	+10.6%
Net Debt Ratio [^]	48.04%	65.12%	

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

Revenue and Profit Contributions by Business:

	For the twelve months ended 31 December (Audited)		
Segment Revenue (HK\$ million)	2025	2024	Change
Infrastructure and Environmental Protection	9,773	10,263	-4.8%
Real Estate	7,343	15,152	-51.5%
Consumer Products	3,716	3,503	+6.1%
Segment Net Profit (HK\$ million)	2025	2024	Change
Infrastructure and Environmental Protection	1,801	2,629	-31.5%
Real Estate	-632	-236	+167.2%
Consumer Products	756	643	+17.5%
Comprehensive Healthcare Operations	2	54	-95.7%

In 2025, the global economic environment faced multiple challenges, including tariff friction, financial market volatility, and heightened geopolitical tensions. Against this backdrop, China's economy demonstrated strong resilience under pressure, maintaining overall steady and positive momentum, while continued infrastructure investment provided solid support for domestic demand growth. Amid a complex operating environment, the Group's management team adhered to the development principle of "seeking progress while maintaining stability and upholding core businesses while fostering innovation", continuously refining its business portfolio and actively advancing the synergistic, high-quality development of "technology + finance + industry". The Group's core businesses maintained steady development, while the infrastructure and environmental protection and consumer products segments continued to contribute to the Group's profitability. At the same time, through disciplined and targeted capital operations, the Group enhanced capital efficiency, laying a solid foundation for its medium- to long-term strategic development.

During the year, the Group recorded revenue of HK\$20.832 billion, representing a year-on-year decrease of 28.0%. Profit attributable to owners of the Company was HK\$2.02 billion, down 28.1% year-on-year. The change in results was mainly attributable to the gain on disposal of the Group's relevant equity interest in the Hangzhou Bay Bridge recorded in the previous years, coupled with a year-on-year decrease in booked sales from property delivery, provisions for impairment of real estate inventories, and a decrease in the fair value of investment properties. The Board has recommended a final dividend of HK50 cents per share, and proposed a special dividend of HK20 cents per share to celebrate the 30th anniversary of its listing. Together with the interim dividend of

HK42 cents per share, the total dividend for the year amounted to HK\$1.12 per share, with payout ratio raised significantly to 60.3%, in recognition of shareholders' long-standing support.

During the year, the Group's various businesses developed steadily. The profit from the infrastructure and environmental protection business decreased by 31.5% year-on-year to HK\$1.801 billion, accounting for approximately 93.4% of the Group's Net Business Profit. During the year, in response to national green development policy directives, the Group concentrated its efforts on the development of its water-treatment and water resource utilization core businesses. Action was also taken to expand its market share and optimise its business deployment, with a view to further consolidating its leading position in China's water-service and environmental-protection industries.

During the year, the Group further optimized its business layout and sharpened its focus on core businesses. S.I. Yangtze River Delta Ecological Development Limited, in which the Company holds a 50% equity interest, disposed of all its shareholdings in Shanghai Pharmaceutical Group and SUS Environment for considerations of approximately RMB6.720 billion and RMB6.587 billion, respectively, generating aggregate net cash proceeds of approximately RMB5.2 billion. These disposals enabled the Company to realise the accumulated gains from its investments in Shanghai Pharmaceutical Group and SUS Environment, while also accelerating the recovery of a substantial amount of invested capital. This not only enhanced the Group's capital utilization efficiency but also provided greater flexibility for its medium- to long-term strategic planning, laying a solid foundation for future asset optimization and capital allocation and supporting the Group's focus on its core business areas.

In addition, the privatization proposal for Canvest Environmental had been completed, which was delisted from the Hong Kong Stock Exchange on 2 June 2025. Together with the early redemption of the exchangeable bonds, the Company recovered approximately HK\$4.029 billion in cash, further strengthening its cash flow.

The real estate business recorded a loss of HK\$632 million in 2025, accounting for approximately -32.7% of the Group's Net Business Profit. The loss was mainly attributable to a decrease in booked sales from property delivery in the real estate business compared with last year, as well as provisions for impairment of real estate inventory and the decrease in fair value of investment properties. Against the backdrop of deep adjustment in the property sector, the Group remained committed to its strategy of taking Shanghai as its core and deepening its presence in the Yangtze River Delta. The Group actively explored and promoted the smooth transition of its real estate business to a new development model.

The consumer products business contributed a profit of HK\$756 million for the year, an increase of 17.5% year-on-year and accounting for approximately 39.2% of the Group's Net Business Profit. In 2025, despite sustained macroeconomic pressures, intensified competition in the consumer products markets, and growing cost uncertainties, Nanyang Brothers Tobacco Company, Limited ("Nanyang Tobacco") and The Wing Fat Printing Company, Limited ("Wing Fat Printing") achieved steady development by optimizing market strategies and improving cost efficiency, becoming an important driver of the Group's profit growth.

Business Highlights:

Infrastructure and Environmental Protection

- The Group's three toll roads recorded year-on-year growth in overall traffic volume and toll revenue during the year. Total traffic volume rose 2.3% year-on-year, while toll revenue increased 3.6% to HK\$2.103 billion. During the year, the Hu-Yu Expressway (Shanghai Section)

launched pilot projects of barrier-free toll collection system at two toll stations, which effectively shortened vehicle waiting times and significantly alleviated congestion during peak hours. The construction of the Xicen East entrance and exit was successfully completed, and the mainline widening and reconstruction project progressed steadily as planned.

- SIIC Environment (BHK SGX; 807 HKEX) recorded revenue of RMB7.073 billion for the year, with profit attributable to shareholders of RMB610 million, up 0.9% year-on-year. During the year, financial expenses decreased by 13.9% year-on-year, and net cash generated from operating activities increased significantly from RMB565 million in 2024 to RMB1.663 billion. As at 31 December 2025, cash and cash equivalents increased by RMB530 million to RMB3.448 billion. During the year, SIIC Environment secured three new wastewater treatment projects with a total designed daily capacity of 240,000 tonnes. Eight wastewater treatment projects in Shanghai, Heilongjiang and other regions have been commissioned successively. Xicen water purification plant in Qingpu, the benchmark project for sewage treatment, officially commenced commercial operations during the year, achieving the simultaneous realization of capacity ramp-up and operating benefits.
- General Water of China recorded revenue of HK\$2.032 billion for the year, a year-on-year increase of 4.6%, and net profit of HK\$295 million, up 5.5% year-on-year. During the year, nine new projects were secured, with a total contract value exceeding RMB2.7 billion and a combined water treatment capacity of 658,000 tonnes per day, further consolidating its business scale. In 2025, General Water of China retained its place among the “Top Ten Most Influential Enterprises in China’s Water Industry” for the 22nd consecutive year, maintaining a steady and positive development trend.
- The total installed capacity of photovoltaic assets held by SIIC New Energy (formerly Shanghai Galaxy) and its subsidiaries reached 740 MW as at year-end. The 15 photovoltaic power projects generated total on-grid electricity of 863 million kWh for the year, decreased by 10% year-on-year, due to ongoing restrictions on power generation. Considering the trend towards market-oriented reform of new energy tariffs, the Group continued to strengthen its power trading capabilities and operational management to proactively address the challenges arising from market-based competition in the industry.

Real Estate

- SI Development (600748 SSE) recorded revenue of RMB3.388 billion for the year, representing an increase of 35.9% year-on-year, and reported a net loss attributable to shareholders of RMB618 million, mainly due to provisions for impairment of real estate inventories. Contract sales amounted to more than RMB2.908 billion, with contracted area of approximately 187,100 square meters. Major contracted projects included Sea Palace in Quanzhou, Metropolis in Suzhou, etc. Rental income for the year was approximately RMB363 million. During the year, project development and delivery progressed steadily, with five projects under construction and one project completed.
- SI Urban Development (563 HKEX) recorded revenue of HK\$3.668 billion during the year, down 70.5% year-on-year. The loss attributable to shareholders was HK\$962 million, mainly due to a year-on-year decrease in booked sales from property delivery. Total contracted sales amounted to RMB1.832 billion, with major projects including Ocean One in Shanghai, Qiyuan in Xi'an, etc. Rental income for the year was approximately HK\$804 million.

Consumer Products

- Nanyang Tobacco recorded full-year revenue of HK\$2.457 billion, up 12.6% year-on-year and net profit of HK\$650 million, up 16.1% year-on-year. Nanyang Tobacco adhered to a proactive market strategy, with digital transformation and intelligent upgrades as key development paths. It comprehensively advanced new product R&D as well as process optimization and upgrading, while deepening cost and expense control, delivering strong sales performance for the full year. All sales channels delivered solid performance. Despite the impact of substantial tobacco tax increases imposed by the Hong Kong government over two consecutive years, along with stringent tobacco control policies, the duty-paid market in Hong Kong and Macau recorded its highest quarterly sales of the year in the fourth quarter, driven by new product launches. Amid challenges including slower sell-through, the mainland market successfully achieved its annual sales targets and recorded growth. Through better supply-demand coordination, the duty-free markets in Mainland China, Hong Kong and Macau, together with overseas duty-free markets, saw sales stabilise in the second half of the year, exceed budget and record slight year-on-year growth. The export and ship-tobacco markets achieved growth against the market trend through channel integration and shipment control.
- Wing Fat Printing recorded revenue of HK\$1.504 billion, representing a year-on-year decrease of 5.05%, while net profit amounted to HK\$109.59 million, up 15.1% year-on-year. During the year, Wing Fat Printing further optimized its revenue structure. The tobacco-packaging business stabilized; the medicine-packaging business maintained growth; and the e-cigarette packaging business rapidly scaled up. Together, the three segments supported the company's steady operational development. The company's overall gross profit margin improved steadily, and notable progress was made in cost control, capacity utilization and management efficiency.

SIHL Chairlady Leng Weiqing stated, "Looking ahead to 2026, the global economy is expected to present a complex landscape characterized by divergent growth, easing inflation and intertwined risks. As the opening year of the 15th Five-Year Plan, and what the Group has defined as its 'Year of Concerted Endeavor', the Group will continue to leverage its industrial footprint rooted in Shanghai and Hong Kong and connected to international markets, together with its strengths in capital operations. Focusing on its core environmental health business, the Group will strive to build a development framework featuring "Superior product, Uppermost brand, Remarkable innovation, Modernized governance," as it advances decisively toward becoming a world-class enterprise and maximising value for shareholders and all stakeholders.

Each business segment will align closely with the Group's overall strategy, making targeted efforts and advancing steadily. In the infrastructure and environmental protection segment, the government has clearly called for accelerating comprehensive green transformation in economic and social development. SIIC Environment will seize favorable policy opportunities, advancing the orderly construction and upgrading of existing projects while exploring high-quality new project opportunities to continuously strengthen its growth momentum and further consolidate its leading position in China's water and environmental-protection industries. The toll road segment will continue to advance expressway digitalization as well as expansion and upgrading plans, while actively capturing industry development opportunities.

In the real estate segment, industry policies are expected to remain accommodative, with the market focusing on structural opportunities arising from "quality cities + quality homes". The Group

will adhere to the principle of “controlling increments and revitalizing existing assets”, while continuing to deepen its business restructuring through the expansion of asset-light services such as property management, elderly care and leasing, thereby gradually establishing a new development model for its real estate business and enhancing competitiveness.

In the consumer products segment, Nanyang Tobacco will take “Consolidating the foundation, improving quality and efficiency, and driving innovation and transformation” as its annual focus. It will deepen the transformation and upgrading of its core business, promote a shift in its product mix toward premiumization and differentiation, continuously reinforce the competitiveness of its core products and foster new quality productive forces. Wing Fat Printing will uphold its vision of becoming a green, low-carbon, tech-driven manufacturing enterprise, implement its “Revitalization of Legacy Business” initiative, and pursue its transformation toward green and smart operations.

The Group will remain committed to high-quality development and strive to deliver new breakthroughs across all its businesses. Through solid operating performance and a sustainable development model, the Group will spare no effort in creating long-term value for shareholders.”

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About SIHL

Shanghai Industrial Holdings Limited (“SIHL”, HKEX Stock Code: 363.HK) 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 three core businesses: infrastructure and environmental protection (including toll roads, and environmental protection-related businesses such as sewage treatment and solid waste treatment), 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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