上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED
股份代号: 363.HK

2nd Edition 2026 | Corporate Newsletter

Company News

SIHL (363.HK)'s Subsidiary SIIC Technology Venture Capital Co., Ltd. (STC) Participated in the Formation of a Partnership

On 18 June, Shanghai Jiyun (as a Limited Partner), Nanjing Beilian (as a Limited Partner), Suixing Fund (as a Limited Partner), STC (as a General Partner) and Xianying Synergy (as a General Partner) entered into the Partnership Agreement, pursuant to which the Partnership is formed to invest in environmentally sustainable industries. These include, among others, water services and environmental protection, power and new energy, green and low-carbon initiatives, intelligent industrial upgrading and advanced equipment manufacturing.

The Partnership will focus on technology investments related to environmental sustainability. Through the establishment of the Partnership, the Company will cooperate with other external investors to leverage diverse resources and drive the coordinated development of "Technology + Finance + Industry" model. This initiative will not only enable the achievement of reasonable capital appreciation returns, but also enhances the technological content of the Company's core business by utilising capital instruments, thereby fostering a green industrial ecosystem. The Directors believe that such development complements the Group's key focus areas and innovation needs in the environmental and health industry.

Three Core Businesses

Infrastructure and Environmental Protection

Comprising water services, toll roads and new energy business. SIHL owns three toll roads in Shanghai and two water utility platforms, namely SIIC Environment (807.HK/BHK SG) and General Water of China.

Real Estate

Comprising property development, investment properties and property management. The two real estate operating platforms are SI Development (600748.SSE) and SI Urban Development (563.HK).

Consumer Products

Comprising two leading companies, namely Nanyang Tobacco and Wing Fat Printing, covering tobacco business with "Double Happiness" as its flagship brand, as well as printing/packaging of tobacco and pharmaceutical products and moulded fibre businesses respectively.

WeChat Official Account

Company News

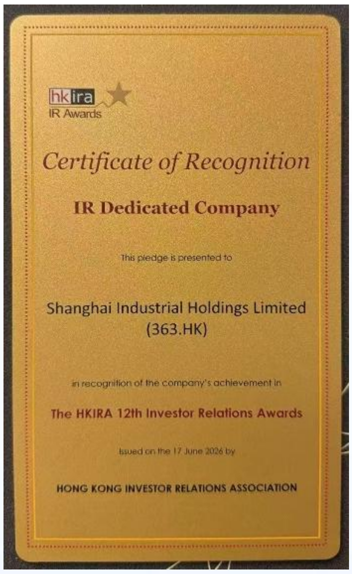
The G50 Hu-Yu Expressway widening and alteration project was officially kicked off

Recently, the G50 Hu-Yu Expressway widening and alteration project, a major infrastructure project in Shanghai, officially commenced construction. Spearheaded by SIIC, the project involves a total investment of over RMB5.3 billion and spans approximately 32.6 kilometers. It will widen the expressway from the existing four or six lanes to eight lanes in both directions, while adding a new Xicen West Entry and Exit, upgrading seven existing interchanges, and redeveloping the Dianshan Lake Service Area and other supporting facilities to enhance cross-regional transport connectivity across the Yangtze River Delta.

The project will adopt a “construction while maintaining traffic operations” approach, ensuring uninterrupted traffic flow while accelerating the improvement of transportation infrastructure in the Yangtze River Delta. It will also fully implement green construction practices by applying low-carbon technologies, including foam concrete backfilling, construction waste recycling and balanced earthwork management, to minimize environmental impacts during construction and promote the development of sustainable transport and high-quality regional integration in the Yangtze River Delta.

SIHL (363.HK) Honoured with the "IR Dedicated Company" at the 12th Annual Investor Relations Awards

On 17 June, in recognition of its outstanding performance in building investor relations, SIHL was awarded the "IR Dedicated Company" accolade at the 12th Annual Investor Relations Awards organized by the esteemed Hong Kong Investor Relations Association (HKIRA). This honor represents the industry's high commendation of the Company's deep dedication to investor relations operations and further reflects its core development philosophy centered on long-term value and steady operations. Annual Investor Relations Awards aim to recognize Hong Kong-listed companies and exceptional individuals for their outstanding performance in the field of investor relations. Winning this award signifies the industry's high recognition of the Company's sustained efforts and remarkable achievements in investor relations management, capital market communications, and the effective delivery of corporate value.



Company News

Looking ahead, SIHL will continue to optimize and refine its investor relations management system. By deepening high-quality and efficient communications with the capital market and various investors, the Company aims to steadily enhance the transparency of its information disclosure and market awareness, continuously solidifying investor confidence and driving the long-term value of the Company.

SIHL (363.HK) Won the "Most Investable Listed Company under the 15th Five-Year Plan" at the 2026 "Golden Kunpeng" China Financial Value Ranking

On 26 May, SIHL was awarded the "Most Investable Listed Company under the 15th Five-Year Plan" at the 8th Global Newspapers Economic Forum and the "Golden Kunpeng" China Financial Value Ranking. Jointly organized by the Global Commercial Newspapers Union and the Hong Kong Commercial Daily, the award recognizes the Company's excellent performance in areas such as corporate governance and asset allocation optimization. The "Golden Kunpeng" awards aim to commend listed companies, financial institutions, and corporate leaders that have demonstrated outstanding performance in the capital market, with a focus on representative benchmark enterprises. Winning this award fully demonstrates the capital market's high recognition of SIHL's long-term investment value, steady operations, and future development potential. Furthermore, it serves as a strong affirmation of the Company's continuous efforts in optimizing its business structure, enhancing governance capabilities, and creating shareholder value.

SIHL (363.HK) Released Leasing and Operation of Student Hostel Connected Transaction

On May 21, Change HK, an indirect non-wholly owned subsidiary of the Company, and the Landlord entered into the Operation Lease, pursuant to which, Change HK has agreed to lease the Property located at 39, 41, 43, 45 and 47 Wai Ching Street, Jordan Road, Yau Ma Tei, Kowloon, Hong Kong from the Landlord and operate the Property as a student hostel pursuant to the "Hostels in the City Scheme" of the HKSAR Government.

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On June 8, SIHL provided supplemental information in relation to the Operation Lease in this announcement. As disclosed in the Announcement, pursuant to HKFRS 16, the Property leased under the Operation Lease will be recognised as right-of-use assets, and the transaction contemplated under the Operation Lease will be recognised by the Company as an acquisition of right-of-use assets. The (unaudited) value of the right-of-use assets to be recognised by the Company under the Operation Lease is expected to be approximately HK$33,862,055, which represents the present value of the lease payments over the initial lease term, discounted using the incremental borrowing rate in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings.

SIHL (363.HK) Announced 2026 Annual General Meeting Approves Key Resolutions

On May 21, SIHL held its 2026 Annual General Meeting. During the meeting, shareholders reviewed and approved key resolutions, including receiving, considering and adopting the audited consolidated financial statements of the Group for the year ended 31 December 2025 together with the reports of the Directors and the auditor of the Company thereon; approving the recommended final dividend of HK50 cents per Share for the year ended 31 December 2025 and a special dividend of HK20 cents per Share; re-electing Ms. Leng Wei Qing, Mr. Yao Jia Yong, and Mr. Leung Pak To, Francis as Directors; authorising the Board to fix the Directors' remuneration; and re-appointing Ernst & Young as auditor of the Company and authorising the Board to fix its remuneration.

In addition, SIHL held its 2026 Special General Meeting on April 23. During the meeting, shareholders reviewed and approved key resolutions, including confirming, ratifying and approving the Financial Services Agreement and the transactions contemplated thereunder; re-electing Prof. Zhang Qian and Mr. Tang, William Harry Jia Sheng as Directors; and authorising the Board to fix the Directors' remuneration.

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SIHL (363.HK) Announced 2025 Environmental, Social, and Governance (ESG) Report

On April 16, SIHL released its Environmental, Social and Governance Report, highlighting the Group's ESG performance for the year 2025. As stated in the report, this covers its principal businesses, including infrastructure facilities (water services and toll roads businesses), real estate, and consumer products (tobacco business and printing business), which are conducted in Mainland China and Hong Kong. The report states that the Board leads the development of strategies for the Group's environmental, social and governance issues as well as managing their performance and reporting.

The Board also regularly reviews sustainability-related issues, and ensures robust and effective groupwide risk management and internal control systems, whilst complying with applicable laws and regulations. The ESG Steering Committee is responsible for guiding the Group's ESG work. The environmental, social and corporate governance planning and information disclosure working team (the "ESG Working Team") comprising the responsible person(s) of various business units facilitates and monitors and reports the progress of sustainable development issues regularly to the management of the Group.

The Group regards environmental protection as a key priority. It has continuously explored opportunities and adopted advanced technologies to minimize energy and resource consumption as well as waste generation arising from its operations, contributing to the green development of society. The Group strictly complies with the laws and regulations applicable to its locations of operating, concerning emissions of waste gas and greenhouse gases, discharges of pollutants into water and land, and hazardous and non-hazardous waste.

The report further states that the Group highly regards green development as an integral part of our operation concept, and the real estate business of the Group adopts the green construction management concept of environmental protection and energy saving as its primary goal. Green construction involves not only construction of temporary drainage systems, temporary roads, and temporary construction facilities on site, but also construction of building structures and the production, processing and installation of building structural raw materials, components and parts. It covers different stages including construction planning, material procurement, on-site construction, and project inspection and completion. The Group hopes to reduce waste and air pollutants and greenhouse gas emissions by improving operational efficiency.

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In addition, the Group actively responds to carbon reduction policies, explores carbon trading mechanisms, and supports the low-carbon transition. The Shenzhen company of the southern division under the water-related business of the Group, has participated in carbon market transactions. By purchasing carbon emission rights, it optimizes allocation of its carbon resources. The urban sewage treatment carbon footprint quantification model developed by the Longjiang division systematically addresses the deficiency in carbon measurement methodologies, further filling gaps in the relevant fields of China and providing technical support for industry standard development.

In order to fulfil the commitment, the Group aims to gradually reduce air pollution and greenhouse gas emissions every year by using diesel fuel with lower sulphur content, purchasing models with less environmental impact when replacing production facilities and conducting regular training on environmental protection for employees.

Meanwhile, the Group will continue to monitor Scope 1 and Scope 2 greenhouse gas emissions to achieve “carbon neutrality” target in Hong Kong and China’s goals of “capping carbon emissions and achieving carbon neutrality”, while identifying opportunities to reduce emissions in our businesses and contribute to the mitigation of climate change.

The Group also initiated its evaluation of Scope 3 greenhouse gas during the Reporting Year. This evaluation calculated and disclosed greenhouse gas emissions in three categories of Scope 3 based on fuel and energy usage data, business travel data and employment data. The Group will continue to improve the management of Scope 3 carbon emission data to enhance the completeness and availability of the data and hence continuously improve the quality of Scope 3 disclosure.

In terms of anti-corruption, with a strong emphasis on corporate integrity and honesty, the Group strictly adheres to laws and regulations relating to bribery, extortion, fraud and money laundering in which it operates. The Group launched anti-corruption training activities in different forms such as thematic counselling seminars, forums, and visits to integrity education bases to enhance the professionalism of directors and employees in practicing integrity. The Group has established and monitored responsibility and accountability systems, to foster an excellent corporate integrity culture.

Company News

In terms of social responsibility, as an established red chip company with a strong presence in the society, the Group has built a rapport with the local communities and fulfil its community responsibilities. In 2025, the Group promoted its social responsibility work mainly through supporting education, helping the poor, promoting knowledge on the use of water and social health. The Group integrates corporate brand development with corporate resources to innovate models for charitable and public welfare activities. Through voluntarily initiating various public welfare activities, the Group demonstrates its commitment to caring for and giving back to society.

Research Report

GF Securities: SIHL (363.HK) Stable Growth in High-Quality Operating Assets and Ample Cash on Hand, Maintains "Buy" Rating

On April 20, GF Securities released a research report stating that SIHL released its 2025 annual report, with the profit attributable to owners of the Company of HKD 2.02 billion, down 28.1 percent year on year. The decline in performance was mainly due to a gain of HKD 863 million from the sale of the Hangzhou Bay Bridge in 2024. Excluding this factor, the profit attributable to owners of the Company in 2025 increased by 3.9 percent year on year. Financial expenses continued to decrease, with 2025 financial expenses at HKD 1.617 billion, down 20 percent year on year. As of the end of 2025, the company's total accounts receivable stood at HKD 12.285 billion, up 6 percent year on year.

GF Securities believes that the stable growth of the company's high-quality operating assets serves as the Company’s cornerstone. The company holds the operating concessions for the Jing-Hu, Hu-Kun, and Hu-Yu Expressways Shanghai sections. In 2025, traffic volume increased by 2.3 percent year on year, and toll revenue rose by 3.6 percent year on year, showing stable growth in core assets. SI Environment achieved the profit attributable to owners of the Company of RMB 610 million, up 0.9 percent year on year in 2025, while General Water of China achieved a net profit of HKD 295 million, up 5.5 percent year on year. The consumer goods segment contributed HKD 756 million in profit, up 17.5 percent year on year. The real estate business recorded a loss of HKD 632 million, primarily due to a decrease in booked sales from property delivery and provisions for impairment of real estate inventories, with future risks remaining controllable.

Research Report

The report also pointed out that SIHL holds HKD 28.2 billion in cash, coupled with an asset-liability ratio of 50.46 percent, which supports stable, long-term dividend payouts. The dividend payout ratio increased significantly to 60 percent, up 24 percentage points year on year, with the current dividend yield reaching 7.9 percent, highlighting its strong dividend value. The current PB-MRQ is only 0.3X, indicating promising potential for recovery. GF Securities believes that as a multi-asset platform, compared to the valuation levels of comparable assets, the company's current value is undervalued. It awards the company a 0.5x PB for 2026, corresponding to a fair value of HKD 23.55 per share. The 'Buy' rating is maintained.

Southwest Securities: SIHL (363.HK) Solid Operations in Core Businesses, Healthy Cash Flow Sustaining High Dividend Payouts

On April 16, Southwest Securities released a research report stating that SIHL achieved a net profit of HKD 2.02 billion for the full year of 2025, and proposed to distribute a final dividend of 50 HK cents per share and a special dividend of 20 HK cents per share. The infrastructure and environmental protection business is the primary source of profit for the company, with stable toll roads, continuously expanding environmental protection scale, and a steadily improving consumer products segment.

Southwest Securities believes that the company has healthy cash flow and maintains a high dividend payout ratio. In 2025, due to the successful privatization of Canvest Environmental Protection, combined with the early redemption of exchangeable bonds, the company recovered a total of approximately HKD 4.029 billion in cash. In addition, in 2025, S.I. Yangtze River Delta Ecological Development Limited, in which the company holds a 50 percent equity interest, disposed of all its shares in Shanghai Pharmaceutical Group and SUS Environment, at considerations of approximately RMB 6.720 billion and RMB 6.587 billion respectively, resulting in a net cash recovery of approximately RMB 5.2 billion in total. Through these disposals, the company recovered its cash flow. Supported by the strong cash flow generation capabilities of its businesses, the company has maintained a fundamentally stable annual dividend payment.

Research Report

The full-year dividend for 2025 was HKD 1.12 per share, representing a dividend payout ratio of 60.28 percent. Based on the closing price on April 16, 2026, the dividend yield reached 7.9 percent. Southwest Securities expects the company's revenue for 2026-2028 to be HKD 21.48 billion, HKD 22.17 billion, and HKD 22.89 billion respectively, with the profit attributable to owners of the Company at HKD 2.13 billion, HKD 2.21 billion, and HKD 2.26 billion respectively, translating to an EPS of HKD 1.96, HKD 2.03, and HKD 2.08. Southwest Securities stated that the company's performance is stable in the medium to long term while maintaining good dividend payouts, and suggests that investors continue to monitor the stock.

Infrastructure and Environmental Protection Business

SI Environment (807.HK) Announced the Poll Results of the Annual General Meeting

On April 29, SI Environment announced that at the annual general meeting (“AGM”) of the Company held on 29 April 2026, all resolutions set forth in the Notice of AGM dated 27 March 2026 were voted by way of a poll and duly passed.

During the meeting, shareholders reviewed and approved ordinary business and special business, including receiving and adopting the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2025; to declare a final dividend of S$0.011 per share, the applicable exchange rate for converting Singapore dollars into Hong Kong dollars based on an rate of S$1.00 to HK$6.1387, the dividend amount and the Company’s default distribution currency are HK$0.0675257 per share; to approve the Directors’ fees amounting to S$255,000 for the financial year ending 31 December 2026, and to re-appoint Messrs Deloitte & Touche LLP as the Auditors and to authorise the Board of Directors of the Company to fix their remuneration.

Regarding the re-election of directors, Mr. Zhou Yuding, Mr. Ji Guanglin and Mr. Yang Xing were re-elected as Executive Directors. Mr. Zhou Yuding remains as the chairman of the Board of Directors and an Executive Director, Mr. Ji Guanglin remains as an Executive Director and Chief Executive Officer, and Mr. Yang Xing remains as an Executive Director of the Company.

Infrastructure and Environmental Protection Business

In terms of the special business, the meeting approved the General Mandate to allot and issue shares, the renewal of Share Purchase Mandate, and the approval and ratification of the Major Transaction and Interested Person Transaction and Continuing Connected Transactions in relation to Financial Services Agreement. All the Directors attended the AGM in person or by electronic means.

SI Environment (807.HK) Announced Responses to Questions Received from the Securities Investors Association (Singapore) in Relation to the Annual General Meeting Held on 29 April 2026

On April 23, SI Environment released the announcement, responding to questions received from the Securities Investors Association (Singapore) in relation to the annual general meeting to be held on 29 April 2026. For the financial year ended 31 December 2025, revenue declined to RMB7.07 billion, while net profit attributable to shareholders increased to RMB610 million.

The decline in construction revenue during the period was mainly driven by project timing and fewer new construction project opportunities in the market. Currently, new project opportunities are slowing down, and the industry has entered a stage of competition for existing assets. Adhering to the strategy of “breakthrough through M&A and improving quality and efficiency”, the Group successfully acquired four water plants in Liaoning Province in early 2026.

In terms of the loss allowance for trade receivables, the Group stated that it has implemented a series of targeted collection measures, including establishing ledgers for the collection of key projects, strengthening communication with governments and project owners, pushing forward debt extension, debt restructuring and debt settlement by asset offset, and linking collection performance to divisional metrics. With enhanced collection efforts, collection performance has improved and operating cash flow has increased significantly during the period. The Group will continue to strengthen collection and assessment to drive DSO on a steady downward trend.

Regarding corporate governance, the Board currently comprises seven members, including four Executive Directors and three Independent Non-Executive Directors (INEDs). The Company states that the current Board size and composition are appropriate and effective.

A Lead Independent Director has been appointed to further safeguard independent judgement. Consistent with the Board succession plan, the Company intends to appoint additional INEDs in due course to progressively increase the proportion of INEDs on the Board.

Real Estate Business

SI Development (600748.SH) Revises Remuneration Management System for Directors and Senior Management

On 4 June, SI Development announced revisions to its Remuneration Management System for Directors and Senior Management, with the aim of further standardizing its remuneration framework and establishing an incentive and restraint mechanism aligned with the Company's operating performance and long-term development objectives. Under the revised system, non-independent directors serving in the Company will be remunerated based on their positions, while those not holding any other executive roles will generally not receive remuneration.

Remuneration for senior management will comprise annual remuneration and medium- to long-term incentives, with performance-based pay accounting for no less than 50% of annual remuneration, alongside the introduction of tenure-based and equity incentive schemes. The Company has also established deferred payment, suspension and claw back mechanisms for performance-based remuneration. In cases involving financial fraud, misappropriation of funds, illegal guarantees or other misconduct, performance-based remuneration and incentive income, whether paid or unpaid, may be reduced, suspended or recovered to strengthen management accountability and risk control.

SI Development (600748.SH) Releases First Quarter 2026 Results

On 30 April, SI Development released its results for the first quarter of 2026. During the period, the Company recorded revenue of approximately RMB497 million, representing a year-on-year decrease of 21.66%. Net loss attributable to shareholders amounted to approximately RMB117 million, compared with a net loss of approximately RMB81.65 million in the corresponding period last year, while net loss after deducting non-recurring items was approximately RMB122 million. Net cash used in operating activities was RMB380 million, an improvement from the outflow of RMB889 million recorded in the same period last year. As of 31 March 2026, the Company's total assets stood at approximately RMB29.52 billion, down 2.01% from the end of 2025, while equity attributable to shareholders amounted to approximately RMB10.33 billion, representing a 1.00% decrease from year-end

Real Estate Business

SIUD (563.HK) Enters into Property Management Services Framework Agreement

On 19 May, SIUD announced that it had entered into a Property Management Services Framework Agreement with Shanghai SIIC Property Management. Pursuant to the agreement, Shanghai SIIC Property Management Group will provide the Group with property management services, including management of common areas, security, cleaning, landscaping, car park management and tenant services, for a term from 19 May 2026 to 31 December 2028. Under the agreement, the annual caps for service fees payable by the Group to Shanghai SIIC Property Management Group are RMB4.38 million for 2026, RMB7.0 million for 2027 and RMB7.0 million for 2028. The Company noted that Shanghai Real Property Management Co. Ltd possesses extensive experience and a proven track record in China's property management sector, and that the cooperation will support the stable operation and long-term development of the Group's property portfolio. As Shanghai Real Property Management Co. Ltd is an associate of the Company's controlling shareholder, SIIC, the transaction constitutes a continuing connected transaction under the Listing Rules and is subject to the reporting, announcement and annual review requirements, while being exempt from the independent shareholders' approval requirement.

SIUD (563.HK) Shareholders Approve All Resolutions at Annual General Meeting

On 19 May, SIUD held its Annual General Meeting, at which all proposed resolutions were duly passed. These included the adoption of the audited consolidated financial statements for the year ended 31 December 2025, the re-election of Mr. Huang Haiping and Mr. Li Zhonghui as executive Directors, the re-election of Mr. Li Ka Fai, David, M.H. as an independent non-executive Director, the re-appointment of Ernst & Young as the Company's auditor, and the granting of general mandates authorizing the Directors purchase the Company’s Shares not exceeding 10% of the aggregate number of the issued Shares and allot and deal with additional Shares not exceeding 20% of the aggregate number of the issued Shares. In addition, a special resolution to amend the existing Articles of Association and adopt a new set of Articles was approved with 99.99% of votes cast in favor. The new Articles permit the holding of hybrid or fully electronic general meetings, support electronic voting and electronic corporate communications, and incorporate the latest Listing Rules requirements, including those relating to treasury shares.

Real Estate Business

Separately, at the special general meeting held on 30 April, the ordinary resolution approving the deposit services and the proposed annual caps under the Financial Services Agreement was passed with 99.99% of votes in favor. Pursuant to the agreement, the Company will continue to receive deposit services from SIIC Finance, with the Board and management authorized to execute the relevant documentation and implement the agreement. As SIIC had a material interest in the transaction, it and its associates, holding approximately 3.367 billion shares (representing approximately 70.44% of the Company's issued share capital), abstained from voting. Independent shareholders holding approximately 1.413 billion shares, representing 29.56% of the Company's issued share capital, were entitled to vote on the resolution.

SIUD (563.HK) Publishes 2025 ESG Report

On 15 April, SIUD published its 2025 Environmental, Social and Governance (ESG) Report. The Company stated that it continues to integrate sustainability into its corporate strategy and daily operations, while strengthening its ESG governance framework comprising the Board of Directors, the Audit Committee and the ESG Working Group.

During the year, the Company conducted climate risk identification and assessment in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, identifying 17 material risks across environmental, social and governance dimensions. It also designated 17 material topics as key priorities for ESG management and disclosure to enhance its sustainable development capabilities and long-term competitiveness.

The Company further strengthened engagement with key stakeholders, including shareholders, employees, customers, business partners and local communities, while integrating the United Nations Sustainable Development Goals (SDGs) into its business management and operational decision-making. Looking ahead, the Company will continue to enhance its ESG risk management and internal control systems, further integrate sustainability into its business strategy, and support its long-term, sustainable growth.

Top 10 Shareholders

#	Name of Shareholders	Number of shares	%
1	Shanghai Industrial Investment (Holdings) Co Ltd.	686,654,748	63.16
2	Vanguard Group Inc	17,400,224	1.60
3	E Fund Management Co Ltd	9,704,000	0.89
4	Blackrock Inc	9,639,630	0.89
5	Dimensional Fund Advisors Lp	8,358,744	0.77
6	SEI Investments Co	1,543,814	0.14
7	American Century Companies Inc	1,258,000	0.12
8	Allianz SE	1,041,000	0.10
9	China Southern Asset Management Co Ltd	729,000	0.07
10	Charles Schwab Corp	665,807	0.06

Sources: Bloomberg (As of 8 July 2026)

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