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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

## **ANNOUNCEMENT OF 2025 ANNUAL RESULTS**

### **BUSINESS REVIEW**

The board of directors (the “**Board**”) of Shanghai Industrial Holdings Limited (the “**Company**”) is pleased to announce the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025. The Group’s revenue amounted to HK\$20,832 million, representing a decrease of 28.0% over last year. Net profit decreased 28.1% year-on-year to HK\$2,020 million.

In 2025, the global economy faced mounting pressures from different fronts, including tariff friction, geopolitical tensions, and volatility in financial markets, while surging investments in artificial intelligence and accelerated developments in green transformation and low-carbon industries emerged as key drivers for global economic growth. In the meantime, China’s economy maintained steady progress, with continued investments in infrastructure providing stable support for domestic demand.

The Board has recommended a final dividend for the year ended 31 December 2025 of HK50 cents per Share (2024: HK52 cents per Share), and a special dividend of HK20 cents per Share in celebration of the 30th anniversary of the listing of the Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and together with an interim dividend of HK42 cents per Share (2024: HK42 cents per Share) paid during the year, total dividends for the year amounted to HK112 cents per Share (2024: HK94 cents per Share).

### **INFRASTRUCTURE AND ENVIRONMENTAL PROTECTION**

During the year, the infrastructure and environmental protection business recorded a profit of HK\$1,801 million, representing a year-on-year decrease of 31.5% over last year, and accounting for approximately 93.4% of the Group’s Net Business Profit\*, mainly due to a gain on disposal of its relevant equity interest in the Hangzhou Bay Bridge recorded in the previous year. During the year, the Group actively responded to national policy directives, focusing on its main business of water treatment and water utilization. Priorities were also made to expand the Group’s market share through streamlining its business layout and increasing scale and efficiency, thereby consolidating its leading position in China’s water services and environmental protection industries.

## Toll Roads

For the year ended 31 December 2025, the Group's three toll roads recorded year-on-year increase in both overall revenue and traffic volume. During the year, each toll-road project company made steady progress on its major tasks. In preparation for the National Expressway Maintenance and Management Performance Evaluation (hereinafter referred to as the "National Evaluation"), specialized inspection preparation plans were formulated and carried out to focus on targeted remediation efforts to ensure thorough preparation. Simultaneously, the companies proactively implemented flood and typhoon prevention measures to ensure safety during the flood season. To address traffic pressures during major events including holidays and the Import Expo, the companies stepped up their support systems and optimized response plans, thereby safeguarding the effective operation of expressways during holidays and major events.

During the year, the Hu-Yu Expressway (Shanghai Section) introduced a pilot plan for barrier-free toll collection system at two toll stations. Utilizing license plate recognition and pre-transaction gantries, this system enabled vehicles to seamlessly interact with the toll system, effectively shortening vehicle waiting times and significantly alleviating congestions during peak hours. The Xicen East entrance and exit project for this section was duly completed, with the toll station commencing operations in February. The mainline widening and reconstruction project is also progressing according to schedule. In addition, our project company is currently in active communication and coordination with respective government departments for laying down plans for the expansion and renovation of the Jing-Hu Expressway (Shanghai Section) and the Hu-Kun Expressway (Shanghai Section).

The key operating figures of the respective toll roads under the Group for the year are as follows:

Toll Roads	Interest attributable to the Group	Net profit attributable to the Group	Change year-on-year	Toll revenue	Change year-on-year	Traffic flow (vehicle journeys)	Change year-on-year
Jing-Hu Expressway (Shanghai Section)	100%	HK\$360 million	+0.4%	HK\$637 million	+8.0%	44.55 million	+5.6%
Hu-Kun Expressway (Shanghai Section)	100%	HK\$551 million	-0.4%	HK\$925 million	-0.9%	74.82 million	-1.5%
Hu-Yu Expressway (Shanghai Section)	100%	HK\$142 million	-16.2%	HK\$541 million	+6.9%	38.89 million	+6.5%
<b>Total</b>		<b>HK\$1,053 million</b>	<b>-2.63%</b>	<b>HK\$2,103 million</b>	<b>+3.6%</b>	<b>158.26 million</b>	<b>+2.3%</b>

## Water Services/Clean Energy

The water and solid waste businesses under the Group have experienced steady growth, and continued to expand their scale of operations. Moving forward, we will strive to explore high-quality investment opportunities in the environmental protection sector, execute precise strategic plans, and fully implement the Shanghai-Hong Kong linkage strategy, leveraging Hong Kong as a core hub to drive significant breakthroughs in both domestic and international operations.

## *SIIC Environment*

In 2025, SIIC Environment Holdings Ltd. (“**SIIC Environment**”) recorded a revenue of RMB7,073 million, and net profit attributable to shareholders increased by 0.9% year-on-year to RMB610 million. Financial expenses decreased by 13.9% year-on-year. The overall performance of the company remained stable and manageable. During the year, the operating and maintenance income from services concession arrangements, as the core revenue segment, maintained robust growth, providing solid support for overall results. Concurrently, asset-light business continued to expand, with service income achieving a significant year-on-year growth of 49.6%. This expansion served as a key driver for optimizing the business structure amid intense competition in the existing project market. In addition, during the reporting year, SIIC Environment further optimized its financing structure and reduced financial expenses, enhancing the overall stability of its capital structure while simultaneously improving debt repayment capabilities and risk management standards.

During the year, in an effort to increase market share, SIIC Environment actively expanded its project portfolio, and successfully secured the urban sewage treatment plant phase III project in Beiliu City, Guangxi Zhuang Autonomous Region (60,000 tonnes/day), the water purification plant project in Fangzi District, Weifang City (60,000 tonnes/day), and won the bid for the Chenzhou first sewage treatment plant TOT project (120,000 tonnes/day). Eight sewage treatment projects located in Shanghai, Heilongjiang, Sichuan, Jiangxi, Jiangsu, Shandong, and other regions were successively commissioned (totaling 201,000 tonnes/day). Two newly signed commissioned operation projects in Shanghai and Heilongjiang (totaling 107,100 tonnes/day) have commenced operations simultaneously. Equity transactions secured two projects in Dalian, Liaoning Province, with a combined planned treatment capacity of 60,000 tonnes/day, and two projects in Anshan, Liaoning Province (totaling 230,000 tonnes/day) are intended to be signed. One project in Guangxi was granted a concession extension (80,000 tonnes/day).

In 2025, the Chinese government explicitly stated its commitment to the comprehensive green transformation of economic and social development and building a beautiful China. SIIC Environment will precisely seize the favorable policy window for the industry. While steadily advancing the construction and upgrading of its existing projects and solidifying its business foundation, the company will proactively explore and deploy high-quality new projects to continuously expand its business growth momentum. Currently, Shanghai Baoshan Renewable Energy Utilization Center, as a benchmark solid waste treatment project of the company, maintains stable and efficient operations with all indicators reaching industry-leading standards. Meanwhile, the key sewage treatment project, Xicen water purification plant in Qingpu, has officially commenced commercial operations, achieving both production capacity and profitability simultaneously.

Moving forward, SIIC Environment will continue to streamline its business portfolio through further penetrating its core market and expand into adjacent areas. This strategy aims to increase market share steadily, further consolidate and enhance its leading position in the industry, and inject strong momentum into the high-quality development of the industry.

## ***General Water of China***

For the year ended 31 December 2025, General Water of China Co., Ltd. (“**General Water of China**”) recorded revenue of HK\$2,032 million, representing a year-on-year increase of 4.6%. Net profit amounted to HK\$295 million, representing a year-on-year increase of 5.5%.

During the year, General Water of China secured nine new projects with a water treatment capacity totaling approximately 658,000 tonnes/day and a total contract value exceeding RMB2,700 million. These include: (1) the entrusted operation service project for water production of Guyang Water Plant in Guzhen county; (2) Datong sewage equipment upgrade project; (3) the demonstration project for comprehensive resources utilization at No. 1 sewage treatment plant in Huyi; (4) the phase II expansion project of western sewage treatment plant in the Jian’ou city; (5) the technical operation service project for industrial sewage treatment plant in Bengbu High-Tech Zone; (6) the raw water micro-pollution treatment project in Huzhou; (7) the urban water source replacement project in Xiangyang; (8) the entrusted operation project for Shifang industrial sewage treatment plant; and (9) the concession transfer project for the integrated magnetic coagulation equipment in Suifenhe.

General Water of China has demonstrated steady and positive operational development, achieving improvements in both quality and efficiency. It has been recognized as one of “China's Top 10 Influential Enterprises in the Water Industry” for 22 consecutive years.

## ***Canvest Environmental***

The privatization proposal for Canvest Environmental Protection Group Company Limited (“**Canvest Environmental**”) had been completed, and its listing was withdrawn from the Stock Exchange on 2 June 2025. The Company recovered a total of approximately HK\$4,029 million in cash due to the successful privatization, together with the early redemption of exchangeable bonds.

In addition, S.I. Yangtze River Delta Co., Ltd., in which the Company holds a 50% equity interest, sold its entire shares in Shanghai Pharmaceutical (Group) Co., Ltd. (“**Shanghai Pharmaceutical Group**”) and Shanghai SUS Environment Co., Ltd. (“**SUS Environment**”) during the year at a consideration of approximately RMB6,720 million and RMB6,587 million, respectively, cashing out a total of approximately RMB5,200 million. Through these disposals, the Company realized its cumulative attributable profits from Shanghai Pharmaceutical Group and SUS Environment, and recovered its investment capital ahead of schedule. This provides flexibility for the Company's medium-to-long-term strategic planning, facilitates a clearer sector-based division for future development, and creates conditions for optimal asset and capital allocation.

## **NEW ENERGY BUSINESS**

As of the end of 2025, the photovoltaic asset capacity of Shanghai SIIC New Energy Development Company Limited (formerly Shanghai Galaxy Investment Co., Ltd.) and its controlled companies reached 740 MW. The total amount of on-grid electricity sold during the year from their 15 photovoltaic power stations was approximately 863,380,000 kWh, representing a decrease of 10%

from the previous year due to the ongoing impact of restrictions on power generation. The company continued to strengthen its work related to macro policies, industry dynamics, researches on capital markets and project acquisitions to respond to market challenges.

During the year, the State promulgated policies to clarify that the pricing mechanism for new energy grid-connected electricity will transform from the former government-set pricing or “fixed-volume and fixed-price” model to market-based transactions, with prices determined by supply and demand. While this adjustment may impact the new energy industry in the short term, it will promote the healthy development of the power market in the long run. The company will further enhance its power trading capabilities and operational management to proactively respond to market challenges.

## **REAL ESTATE**

In 2025, the real estate business recorded a loss of HK\$632 million, accounting for approximately -32.7% of the Group's Net Business Profit\*. The decrease was mainly due to a decrease in booked sales from property delivery compared with the previous year, provisions for impairment of real estate inventory and a decrease in the fair value of investment properties.

### ***SI Development***

Shanghai Industrial Development Co., Ltd. (“**SI Development**”) focused on “stabilizing operations, reducing inventory, controlling risks, and promoting transformation” during the year to actively respond to industry challenges. The company achieved overall stability in its fundamental operations by further adjusting its business structure, enhancing asset revitalization, and optimizing management efficiency. In respect of the real estate market, SI Development conducted thorough analysis of real estate policies and market conditions where its projects were located, implementing tailored city-specific strategies to effectively activate existing inventory. In the property service sector, guided by the principle of “enhancing quality and efficiency while achieving strategic breakthroughs”, the company consolidated its industry position, and maintained steady growth in revenue and profit, demonstrating strong development momentum.

For the year, SI Development recorded revenue of RMB3,388 million, representing a year-on-year increase of 35.9%. The loss attributable to shareholders was RMB618 million, primarily attributable to provisions for impairment of real estate inventory. During the year, the company continued to strengthen its internal control management in order to address industry challenges. Contract sales of real estate projects exceeded RMB2,908 million with a contracted area of approximately 187,100 square meters. The contracted projects mainly included Sea Palace in Quanzhou, the Metropolis in Suzhou, No. 1 Wusong Road in Baoshan District, Shanghai, etc. Sales of properties delivered during the year amounted to RMB1,331 million, with key projects including Sea Palace in Quanzhou, the Metropolis in Suzhou and Belle Rive in Qingpu, Shanghai. Rental income for the year was approximately RMB363 million. During the year, a total of five projects were under construction, with an area of approximately 373,900 square meters, while one project was completed, covering an area of approximately 19,000 square meters.

## ***SI Urban Development***

Shanghai Industrial Urban Development Group Limited (“**SI Urban Development**”) recorded revenue of HK\$3,668 million in 2025, representing a decrease of 70.5% over last year. Loss attributable to shareholders for the year amounted to HK\$962 million, mainly due to a decrease in booked sales from property delivery compared with the previous year. The gross floor area of properties delivered during the year was approximately 122,000 square meters, and the projects mainly included Ocean One in Shanghai, Summitopia in Tianjin, Ocean Times in Shanghai, Qiyuan in Xi’an, Felicity Mansion in Yantai and Originally in Xi’an. Rental income for the year was approximately HK\$804 million. Contract sales reached RMB1,832 million, covering a gross floor area of approximately 109,000 square meters. The projects mainly included Ocean One in Shanghai, Qiyuan in Xi’an, Ocean Times in Shanghai, Summitopia in Tianjin, Felicity Mansion in Yantai and Urban Cradle in Shanghai. A total of six projects were under construction throughout the year, covering an area of 906,000 square meters.

## **CONSUMER PRODUCTS**

The consumer products business contributed a profit of HK\$756 million for the year, representing an increase of 17.5% over the previous 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 market, and growing cost uncertainties, Nanyang Brothers Tobacco Company, Limited (“**Nanyang Tobacco**”) adhered to its development strategy of “laying a solid foundation, and striving for continuous innovation”. It comprehensively promoted new product development and existing product enhancements to proactively respond to market changes, and achieved steady growth in overall annual sales. The Wing Fat Printing Company, Limited (“**Wing Fat Printing**”) upheld a concept of prudent operations and ensured steady progress across all business segments through strengthening cost control, enhancing capacity utilization, and promoting management efficiency initiatives.

### **Tobacco**

In 2025, in view of mounting pressures resulting from an overall market downturn and stricter regulatory policies, Nanyang Tobacco adopted a proactive market strategy, leveraging on digital transformation and intelligent upgrading as key development paths. The company prioritized the research and development of new products along with process optimization on the basis of ensuring the stable operation of traditional products, while continuing to scale up internal reforms and efficiency enhancement. The company achieved steady growth in overall annual operating performance. This growth momentum was primarily fueled by successful expansion in export markets and effective cost and expense control throughout its entire process.

Against a backdrop of facing pressure in the overall market, the company’s revenue experienced a certain impact. Specifically, the duty-paid markets in Hong Kong and Macau were affected by the Hong Kong government’s sharp increase in tobacco taxes and strict tobacco control policies for two consecutive years, resulting in declines in both sales volume and sales amount. However, the launch of new products in the fourth quarter propelled quarterly sales to a record high for the year, narrowing the year-on-year decline. Although the Mainland market encountered challenges such as

slowing sales, the company still met its annual sales targets, achieving a year-on-year increase. The duty-free markets in China, Hong Kong, Macao and overseas performed well at the beginning of the year, but faced policy related pressures after May. The company was able to stabilize second-half sales through coordinated supply-and-demand initiatives, ultimately exceeding targets and achieving modest year-on-year growth. While the overall export and ship-tobacco markets remained relatively sluggish, the company managed to drive sales growth against this trend through channel integration and shipment control.

Looking forward, Nanyang Tobacco will concentrate on upgrading its core business and achieving innovative breakthroughs. Committed to innovation-driven development, the company will continuously enhance its core business competitiveness by optimizing the product mix, advancing digital transformation, and deploying new production capacity. It will also proactively cultivate future-orientated new quality productive forces.

## **Printing**

Wing Fat Printing recorded a slight year-on-year decrease in revenue for 2025, while achieving significant improvements in annual net profit and overall profitability.

During the year, Wing Fat Printing continued to streamline its revenue structure. The stabilized tobacco-packaging business, continued growth in the medicine-packaging business as well as an accelerated expansion in the sales volume of the e-cigarette business had collectively supported the company's overall operational stability. Nevertheless, the company's moulded-fibre business faced constraints from volume and pricing factors, while weakening demands in wine-packaging market had a certain impact on the company's overall revenue. Due to the rapid growth of emerging businesses, the company still managed to meet its overall revenue budget. Through further cost reduction, improving efficiency, optimizing its business structure, and strengthening strategic partnership with major customers, the company successfully elevated its gross profit margin and made progress in controlling cost, maximizing capacity utilization, and enhancing management efficiency.

Looking ahead to 2026, the macro environment is expected to remain under pressure, with intensified industry competition, persistent cost uncertainties, and the divergent pace of market demand recovery. In this context, Wing Fat Printing will continue to streamline its business structure, implementing refined cost and expense management, and adjusting underperforming assets. The company aims to achieve a relative balance between operating quality and scale within this complex environment, ensuring the fulfillment of its overall operating objectives.

*\*Net profit excluding net corporate expenses*

## **PROSPECTS**

Looking forward to 2026, the global economy is expected to present a complex landscape, characterized by divergent growth patterns, easing inflation and inter-related risks. In the inaugural year of the 15th Five-Year Plan, China's economy aims to strike a new balance between steady growth and structural optimization. Economic growth drivers will become more diversified. While

infrastructure investment and manufacturing remain resilience, the policy focus will shift toward “focusing on boosting domestic demand”, aiming to stimulate consumption potential as a hedge against external trade challenges. Nevertheless, a moderate recovery in prices and stabilization of the real estate market may take time. The Group's management has designated 2026 as the “Year of United Endeavor and Hard Work”. Leveraging the Group's business layout and capital financing advantages, rooted in Shanghai and Hong Kong with international connectivity, we will concentrate on the core areas of environmental health. Our objective is to establish a development framework characterized by “superior products, excellent brand, leading innovation, and modern governance”, aspiring to become a world-class enterprise that generates maximum value for our Shareholders and all stakeholders.

In respect of the infrastructure and environmental protection segment, the Chinese government has explicitly called for the acceleration of a comprehensive green transformation of economic and social development to build a “Beautiful China”. SIIC Environment plans to capitalize on this window of favorable industry policies. While steadily advancing the construction and upgrading of existing projects to strengthen its business foundation, the company will proactively seek out and deploy high-quality new projects to sustain business growth momentum. This will further solidify and enhance its leading position in China's water and environmental protection industry. For toll road operations, the project companies will continue to ensure smooth traffic flow and passage, carefully planning specialized highway improvement projects to enhance road and facility conditions while reducing management and maintenance costs, and continue advancing highway digitalization to boost operational efficiency and yield cost savings. Additionally, the Group's investments in the new energy business segment will continue contributing to its profitability.

For the real estate business, the Central Government introduced various policies in 2025 to stabilize the real estate market by easing restrictions, lowering home purchase costs, and expediting existing property acquisition for public housing. Under the current market conditions, although some cities have shown signs of stabilization, overall market uncertainty remains high, and the market is still in an adjustment phase. Looking forward, policies in the real estate industry are anticipated to remain accommodative. The industry will focus on structural opportunities in “prime cities and quality homes”, gradually establishing a new development model guided by “controlling new supply while revitalizing existing stock”.

In 2026, Nanyang Tobacco will prioritize “laying a solid foundation, enhancing quality and efficiency, and driving innovation and transformation” as the cornerstone of its annual objective. The company will deepen the transformation and upgrading of its core business, promote the advancement of its product offerings towards high-end and specialized categories, and further consolidate and expand the profitability base of its main operations. Concurrently, with a focus on enhancing efficiency, Nanyang Tobacco will systematically implement substantial reforms in production operations and management decision-making. It will actively explore new avenues and cultivate growth drivers for the future.

In the face of a macroeconomic environment expected to remain challenging, Wing Fat Printing will maintain its vision of becoming a “green, low-carbon and technology-driven manufacturing enterprise”. The company will implement initiatives to “revitalize our founding business”, steering its transformation towards the direction of green and intelligence. This approach will facilitate the

optimization of its business structure, refined cost management, and the turnaround of underperforming assets, striving to achieve a relative balance between operational quality and scale.

Finally, on behalf of the Board, I would like to take this opportunity to express our sincere gratitude to our Shareholders and business partners for their continued patronage and support over the years. I also extend our appreciation to our management team and all staff members for their dedication and contributions to the development of our business.

## **Leng Wei Qing**

*Chairlady*

Hong Kong, 30 March 2026

## **FINAL DIVIDEND AND SPECIAL DIVIDEND**

The Board has recommended a final dividend for the year ended 31 December 2025 of HK50 cents per Share (2024: HK52 cents per Share), and a special dividend of HK20 cents per Share in celebration of the 30th anniversary of the listing of the Shares on the Main Board of the Stock Exchange, and together with an interim dividend of HK42 cents per Share (2024: HK42 cents per Share) paid during the year, total dividends for the year amounted to HK112 cents per Share (2024: HK94 cents per Share).

Subject to approval by the Shareholders at the Annual General Meeting, the final dividend and the special dividend will be paid on or about Thursday, 18 June 2026 to Shareholders whose names appear on the register of members of the Company on Friday, 5 June 2026.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Thursday, 21 May 2026 at 3:00 p.m. (the “**Annual General Meeting**”). Notice of the meeting will be despatched to the Shareholders in mid-April 2026 and will be made available at the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.sihl.com.hk](http://www.sihl.com.hk) accordingly.

## **CLOSURE OF REGISTER OF MEMBERS**

### ***Annual General Meeting***

For the purpose of determining Shareholders’ eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed on Wednesday, 13 May 2026 and Thursday, 14 May 2026, both days inclusive, during which period no transfer of shares will be registered. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Tuesday, 12 May 2026.

### ***Final Dividend and Special Dividend***

For the purpose of determining Shareholders' entitlement to the final dividend and the special dividend, the register of members of the Company will be closed on Friday, 5 June 2026, on which no transfer of Shares will be registered. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Thursday, 4 June 2026.

### **REVIEW OF ANNUAL RESULTS**

The Audit Committee has reviewed the Company's consolidated annual results for the year ended 31 December 2025.

### **SCOPE OF WORK OF THE COMPANY'S AUDITOR, ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the results announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the consolidated financial statements of the Group for the year ended 31 December 2025 as approved by the Board on 30 March 2026. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the results announcement.

### **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange for the year ended 31 December 2025, except with the following deviations:

#### ***Rules 3.10, 3.21, 3.25 and 3.27A of the Listing Rules***

Following the passing away of Prof. Woo Chia-Wei, a former Independent Non-Executive Director, the Company was temporarily unable to meet the requirements under:

- (i) Rule 3.10 of the Listing Rules that the Board must include at least three independent non-executive Directors;
- (ii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members;

- (iii) Rule 3.25 of the Listing Rules that the Remuneration Committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive directors; and
- (iv) Rule 3.27A of the Listing Rules that the Nomination Committee must be chaired by the Chairman of the board or an independent non-executive director and comprise a majority of independent non-executive directors.

Following the appointment of Prof. Zhang Qian and Mr. Tang, William Harry Jiasheng on 29 August 2025, the Company has complied with the requirements of Rules 3.10, 3.21, 3.25 and 3.27A of the Listing Rules.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

## **PUBLICATION OF THE ANNUAL REPORT**

The Annual Report 2025 will be despatched to the Shareholders in mid-April 2026 and will be made available at the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.sihl.com.hk](http://www.sihl.com.hk) accordingly.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board of the Company comprises four Executive Directors, namely Ms. Leng Wei Qing, Mr. Zhang Qian, Mr. Yao Jia Yong and Mr. Xu You Li; four Independent Non-Executive Directors, namely, Mr. Leung Pak To, Francis, Mr. Yuen Tin Fan, Francis, Prof. Zhang Qian and Mr. Tang, William Harry Jiasheng.

## ANNUAL RESULTS

The Board of Directors of Shanghai Industrial Holdings Limited (“the Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2025 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Revenue	3	20,831,514	28,917,697
Cost of sales		<b>(14,629,646)</b>	(21,016,595)
Gross profit		<b>6,201,868</b>	7,901,102
Net investment income		<b>833,043</b>	695,979
Other income, gains and losses		<b>451,331</b>	(440,228)
Selling and distribution costs		<b>(969,704)</b>	(858,838)
Administrative and other expenses		<b>(2,295,863)</b>	(2,229,550)
Finance costs		<b>(1,617,424)</b>	(2,025,003)
Share of results of joint ventures		<b>233,410</b>	276,559
Share of results of associates		<b>14,789</b>	233,443
Net gain/(loss) on disposal of interests in associates/joint ventures/subsidiaries and liquidation of a subsidiary		<b>(30,458)</b>	1,348,905
Profit before taxation		<b>2,820,992</b>	4,902,369
Income tax expense	4	<b>(1,049,082)</b>	(1,900,045)
Profit for the year	5	<b>1,771,910</b>	3,002,324
Profit/(loss) for the year attributable to			
- Owners of the Company		<b>2,019,868</b>	2,807,653
- Non-controlling interests		<b>(247,958)</b>	194,671
		<b>1,771,910</b>	3,002,324
		<b>HK\$</b>	<b>HK\$</b>
Earnings per share	7		
- Basic		<b>1.858</b>	2.582
- Diluted		<b>1.858</b>	2.582

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit for the year	<b>1,771,910</b>	3,002,324
<b>Other comprehensive income/(expense)</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations		
- subsidiaries	<b>2,187,456</b>	(1,924,456)
- joint ventures	<b>756,555</b>	(554,175)
- associates	<b>117,368</b>	(131,182)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	<b>(24,898)</b>	(70)
Revaluation of properties upon transfer of property, plant and equipment to investment properties, net of tax	<b>5,159</b>	10,541
Other comprehensive income/(expense) for the year	<b>3,041,640</b>	(2,599,342)
Total comprehensive income for the year	<b>4,813,550</b>	402,982
Total comprehensive income/(expense) for the year attributable to		
- Owners of the Company	<b>3,615,694</b>	1,404,841
- Non-controlling interests	<b>1,197,856</b>	(1,001,859)
	<b>4,813,550</b>	402,982

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2025**

	<i>Note</i>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
<b>Non-Current Assets</b>			
Investment properties		<b>30,264,422</b>	34,681,718
Property, plant and equipment		<b>5,732,706</b>	6,244,781
Right-of-use assets		<b>655,252</b>	728,106
Toll road operating rights		<b>3,323,880</b>	3,740,466
Goodwill		<b>539,816</b>	517,743
Other intangible assets		<b>14,073,442</b>	12,143,540
Interests in joint ventures		<b>11,347,828</b>	10,791,679
Interests in associates		<b>3,467,994</b>	5,829,427
Investments		<b>1,762,865</b>	3,375,350
Receivables under service concession arrangements		<b>19,984,403</b>	22,554,450
Deposits paid on acquisition of non-current assets		<b>601,118</b>	62,817
Deferred tax assets		<b>246,848</b>	173,110
Bank deposits		<b>1,273,942</b>	1,679,438
		<hr/> <b>93,274,516</b> <hr/>	<hr/> 102,522,625 <hr/>
<b>Current Assets</b>			
Inventories		<b>28,932,275</b>	25,260,917
Trade and other receivables	8	<b>10,468,472</b>	11,731,030
Contract assets		<b>29,307</b>	57,035
Investments		<b>193,729</b>	225,532
Receivables under service concession arrangements		<b>978,806</b>	968,486
Prepaid taxation		<b>838,202</b>	797,875
Pledged bank deposits		<b>228,934</b>	211,619
Bank deposits		<b>1,780,135</b>	5,781,414
Cash and cash equivalents		<b>28,241,335</b>	20,841,493
		<hr/> <b>71,691,195</b> <hr/>	<hr/> 65,875,401 <hr/>
Assets classified as held for sale		-	114,667
		<hr/> <b>71,691,195</b> <hr/>	<hr/> 65,990,068 <hr/>

	<i>Note</i>	<b>2025</b> HK\$'000	<b>2024</b> HK\$'000
<b>Current Liabilities</b>			
Trade and other payables	9	13,308,977	16,091,478
Lease liabilities		50,820	51,606
Contract liabilities		2,347,191	1,395,294
Deferred income		504,291	466,506
Taxation payable		2,177,799	2,958,783
Bank and other borrowings		17,207,123	19,205,072
		<b>35,596,201</b>	40,168,739
<b>Net Current Assets</b>		<b>36,094,994</b>	25,821,329
<b>Total Assets less Current Liabilities</b>		<b>129,369,510</b>	128,343,954
<b>Capital and Reserves</b>			
Share capital		13,649,839	13,649,839
Reserves		36,505,704	33,920,666
<b>Equity attributable to owners of the Company</b>		<b>50,155,543</b>	47,570,505
Non-controlling interests		31,574,123	30,722,825
<b>Total Equity</b>		<b>81,729,666</b>	78,293,330
<b>Non-Current Liabilities</b>			
Provision for major overhauls		88,170	78,126
Deferred income		1,357,408	1,757,258
Bank and other borrowings		38,413,985	40,274,021
Deferred tax liabilities		7,567,685	7,705,109
Lease liabilities		212,596	236,110
		<b>47,639,844</b>	50,050,624
<b>Total Equity and Non-Current Liabilities</b>		<b>129,369,510</b>	128,343,954

*Notes:*

**(1) GENERAL**

The financial information relating to the years ended 31 December 2025 and 2024 included in this announcement does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) and will deliver the financial statements for the year ended 31 December 2025 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

**(2) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION**

**(i) Basis of Preparation**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

**(ii) Material Accounting Policy Information**

**Application of New and Amendments to HKFRS Accounting Standards**

***Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year***

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statement. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

***New and amendments to HKFRS Accounting Standards in issue but not yet effective***

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*.

As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now. The amendments are not

expected to have any significant impact on the Group's financial statements.

*Annual Improvements to HKFRS Accounting Standards — Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

### (3) SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker (i.e. the board of directors of the Company) for the purposes of resource allocation and performance assessment, are as follows:

Infrastructure and environmental protection	- investment in toll road/bridge projects and water services/clean energy businesses
Real estate	- property development and investment and hotel operation
Consumer products	- manufacture and sale of cigarettes, packaging materials and printed products
Comprehensive healthcare operations	- manufacture and sales of pharmaceutical and healthcare products, provision of distribution and supply chain solutions services and operation and franchise of a network of retail pharmacies

Infrastructure and environmental protection, real estate, consumer products and comprehensive healthcare operations also represent the Group's reportable segments.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

### For the year ended 31 December 2025

	Infrastructure and environmental protection	Real estate	Consumer products	Comprehensive healthcare operations	Elimination and unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>REVENUE</b>						
Segment revenue - external sales	9,773,062	7,342,488	3,715,964	-	-	20,831,514
Segment operating profit/(loss)	3,347,653	(236,437)	918,523	-	190,936	4,220,675
Finance costs	(692,466)	(867,367)	(2,886)	-	(54,705)	(1,617,424)
Share of results of joint ventures	257,545	(26,479)	-	2,344	-	233,410
Share of results of associates	53,614	(38,825)	-	-	-	14,789
Net gain/(loss) on disposal of interests in associates/joint ventures/a subsidiary	(42,437)	11,979	-	-	-	(30,458)
Segment profit/(loss) before taxation	2,923,909	(1,157,129)	915,637	2,344	136,231	2,820,992
Income tax expense	(434,891)	(427,112)	(142,368)	-	(44,711)	(1,049,082)
Segment profit/(loss) after taxation	2,489,018	(1,584,241)	773,269	2,344	91,520	1,771,910
Less: segment (profit)/loss attributable to non-controlling interests	(687,727)	952,694	(17,009)	-	-	247,958
Segment profit/(loss) after taxation attributable to owners of the Company	1,801,291	(631,547)	756,260	2,344	91,520	2,019,868

### For the year ended 31 December 2024

	Infrastructure and environmental protection	Real estate	Consumer products	Comprehensive healthcare operations	Elimination and unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>REVENUE</b>						
Segment revenue - external sales	10,262,620	15,152,043	3,503,034	-	-	28,917,697
Segment operating profit	3,468,343	713,665	836,496	-	49,961	5,068,465
Finance costs	(844,945)	(959,744)	(4,396)	-	(215,918)	(2,025,003)
Share of results of joint ventures	233,921	(11,595)	-	54,233	-	276,559
Share of results of associates	139,142	94,301	-	-	-	233,443
Gain on disposal of interests in associates/a joint venture/a subsidiary and liquidation of a subsidiary	1,173,681	175,224	-	-	-	1,348,905
Segment profit/(loss) before taxation	4,170,142	11,851	832,100	54,233	(165,957)	4,902,369
Income tax expense	(936,320)	(677,400)	(169,698)	-	(116,627)	(1,900,045)
Segment profit/(loss) after taxation	3,233,822	(665,549)	662,402	54,233	(282,584)	3,002,324
Less: segment (profit)/loss attributable to non-controlling interests	(604,828)	429,191	(19,034)	-	-	(194,671)
Segment profit/(loss) after taxation attributable to owners of the Company	2,628,994	(236,358)	643,368	54,233	(282,584)	2,807,653

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

### At 31 December 2025

	Infrastructure and environmental protection	Real estate	Consumer products	Comprehensive healthcare operations	Elimination and unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	66,621,387	84,565,248	7,366,843	-	6,412,233	164,965,711
Segment liabilities	31,621,493	48,761,278	1,038,945	-	1,814,329	83,236,045

### At 31 December 2024

	Infrastructure and environmental protection	Real estate	Consumer products	Comprehensive healthcare operations	Elimination and unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	68,631,942	85,362,961	7,776,387	11,429	6,729,974	168,512,693
Segment liabilities	34,949,104	49,949,715	1,065,701	-	4,254,843	90,219,363

## (4) INCOME TAX EXPENSE

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Current tax		
- Hong Kong	129,196	125,190
- PRC Land appreciation tax ("PRC LAT")	486,544	414,270
- PRC Enterprise income tax ("PRC EIT") (including PRC withholding tax of HK\$98,867,000 (2024: HK\$88,009,000))	999,797	1,357,421
- Other jurisdictions	1,064	4,824
	<u>1,616,601</u>	<u>1,901,705</u>
(Over-)/under-provision in prior years		
- Hong Kong	(3,868)	(232)
- PRC LAT	(52,511)	(145,615)
- PRC EIT	(34,854)	19,735
	<u>(91,233)</u>	<u>(126,112)</u>
Deferred taxation for the year	<u>(476,286)</u>	<u>124,452</u>
	<u>1,049,082</u>	<u>1,900,045</u>

notes:

- (i) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.
- (ii) Under the law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the Group’s subsidiaries in the PRC are subject to PRC EIT at a rate of 25% for both years, except that (i) seven (2024: seven) PRC subsidiaries are qualified as High New Technology Enterprises and enjoy a preferential tax rate of 15% for the current year (the preferential tax rate is applicable for three years from the date of grant and subject to approval for renewal) and (ii) certain PRC subsidiaries, engaging in public infrastructure projects, are entitled to full exemption from PRC EIT for the first three years and a 50% reduction in PRC EIT for the next three years from the first year of generating operating income.
- (iii) PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including cost of land use rights, borrowing costs and all qualified property development expenditures.
- (iv) Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(5) PROFIT FOR THE YEAR

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit for the year has been arrived at after charging:		
Amortisation of toll road operating rights (included in cost of sales)	<b>821,131</b>	786,667
Amortisation of other intangible assets (included in cost of sales)	<b>920,928</b>	585,289
Depreciation of property, plant and equipment	<b>536,158</b>	566,457
Depreciation of right-of-use assets	<b>82,709</b>	77,707
Impairment loss on interest in a joint venture (included in other income, gains and losses)	-	117,641
Impairment loss on interests in associates (included in other income, gains and losses)	<b>27,120</b>	207,079
Impairment loss on inventories, other than properties (included in cost of sales)	-	39,877
Impairment loss on trade receivables (included in other income, gains and losses)	<b>176,430</b>	70,477
Impairment loss on other receivables (included in administrative and other expenses or other income, gains and losses)	<b>555,408</b>	327,182
Impairment loss on property, plant and equipment (included in other income, gains and losses)	<b>42,075</b>	28,467
Impairment loss on properties held for sale (included in cost of sales)	<b>675,985</b>	149,504
Impairment loss on properties under development held for sale (included in cost of sales)	<b>555,072</b>	757,709
Net decrease in fair value of investment properties (included in other income, gains and losses)	<b>631,865</b>	779,480
Net foreign exchange loss (included in other income, gains and losses)	-	72,601
Provision for major overhauls (included in cost of sales)	<b>14,301</b>	4,947
Research expenditure	<b>96,329</b>	98,756
and after crediting:		
Compensation from settlement of a legal case	<b>12,623</b>	100,028
Government compensation of toll road operating rights (included in other income, gains and losses)	<b>452,925</b>	437,750
Interest income	<b>513,735</b>	694,700
Reversal of impairment loss on inventories, other than properties (included in cost of sales)	<b>8,862</b>	-
Net foreign exchange gain (included in other income, gains and losses)	<b>330,110</b>	-

(6) **DIVIDENDS**

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Dividends recognised as distribution during the year:		
2025 interim dividend of HK42 cents (2024: 2024 interim dividend of HK42 cents) per share	<b>456,629</b>	456,629
2024 final dividend of HK52 cents (2024: 2023 final dividend of HK52 cents) per share	<b>565,350</b>	565,350
	<b><u>1,021,979</u></b>	<u>1,021,979</u>

The final dividend of HK50 cents (2024: HK52 cents) per share and a special dividend of HK20 cents (2024: HKnil cents) per share in respect of the year ended 31 December 2025, amounting to approximately HK\$761.0 million (2024: HK\$565.4 million) in total, has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

(7) **EARNINGS PER SHARE**

The calculations of the basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit for the year attributable to owners of the Company	<b><u>2,019,868</u></b>	<u>2,807,653</u>
Number of shares:	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b><u>1,087,211,600</u></b>	<u>1,087,211,600</u>

The computation of diluted earnings per share for the year ended 31 December 2024 does not assume the exercise of options issued by Canvest Environmental Protection Group Company Limited (“**Canvest Environmental**”), a listed associate of the Group, because the exercise price of the options was higher than the average market price for the corresponding period.

(8) TRADE AND OTHER RECEIVABLES

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade receivables		
- Good and services	<b>8,608,664</b>	7,128,141
- Lease receivables	<b>39,503</b>	10,955
	<b>8,648,167</b>	7,139,096
Less: allowance for credit loss	<b>(574,948)</b>	(376,352)
	<b>8,073,219</b>	6,762,744
Amounts due from related parties	<b>172,025</b>	2,118,244
Other receivables	<b>1,244,180</b>	2,054,866
Prepaid other taxes	<b>859,369</b>	694,818
Consideration receivables	<b>119,679</b>	100,358
Total trade and other receivables	<b>10,468,472</b>	11,731,030

The Group generally allows credit periods ranging from 30 days to 180 days to its trade customers, other than property buyers. For property sales, due to the nature of business, the Group generally grants no credit period to property buyers, unless it is specially approved. The following is an aged analysis of trade receivables, net of allowance for credit loss, presented based on the invoice or contract date, which approximates the respective revenue recognition dates.

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Within 30 days	<b>1,061,404</b>	1,192,689
Within 31 – 60 days	<b>875,591</b>	548,503
Within 61 – 90 days	<b>579,348</b>	504,205
Within 91 – 180 days	<b>1,245,530</b>	1,180,031
Within 181 – 365 days	<b>1,909,926</b>	1,601,723
Over 365 days	<b>2,401,420</b>	1,735,593
	<b>8,073,219</b>	6,762,744

**(9) TRADE AND OTHER PAYABLES**

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade payables	4,663,886	5,728,857
Bills payables	55,189	13,915
Accrued expenditure on properties under development held for sale	2,367,776	3,365,403
Other taxes payables	444,143	540,891
Accrued charges	1,796,613	1,116,028
Other payables	3,981,370	5,326,384
Total trade and other payables	<u>13,308,977</u>	<u>16,091,478</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Within 30 days	1,766,974	3,071,754
Within 31 – 60 days	204,582	272,984
Within 61 – 90 days	91,311	125,802
Within 91 – 180 days	100,012	340,136
Within 181 – 365 days	1,067,412	447,631
Over 365 days	1,433,595	1,470,550
	<u>4,663,886</u>	<u>5,728,857</u>

## FINANCIAL REVIEW

### I. Analysis of Financial Results

#### 1. Revenue

Revenue for the year ended 31 December 2025 amounted to approximately HK\$20,831.51 million, representing a decrease of 28% as compared to last year, which was mainly due to the decrease in properties sales booked upon delivery of properties in the real estate business as compared to last year, and a year-on-year decrease in construction revenue of SIIC Environment. However, the increase in tobacco sales in the consumer products business partially offset the decrease in revenue.

#### 2. Profit Contribution from Each Business

Net profit from the infrastructure and environmental protection business for the year amounted to approximately HK\$1,801.29 million, accounting for 93.4% of Net Business Profit, and representing a year-on-year decrease of 31.5%. The decrease was mainly attributable to the completed disposal of interest in Hangzhou Bay Bridge Company by end of 2024, which resulted in a gain amounting to HK\$862.84 million.

The real estate business recorded a net loss of approximately HK\$631.55 million, accounting for negative 32.7% of Net Business Profit, and representing a year-on-year increase in loss by 167.2% as compared to a net loss of approximately HK\$236.36 million in 2024. The increase was primarily due to a significant decrease in properties sales booked upon delivery of properties during the year, coupled with provision for impairment of inventories for certain real estate projects and decrease in the fair value of certain investment properties. However, the net profit amounting to HK\$165 million from the entrusted construction project by SI Development on the land lot No.89, North Bund for the year partially offset the extent of the loss.

The consumer products business recorded a net profit of HK\$756.26 million for the year, accounting for 39.2% of the Net Business Profit, and representing a year-on-year increase in net profit of 17.5%. The cigarette sales of Nanyang Tobacco increased by 12.6% year-on-year, resulting in a simultaneous increase in profit driven by the increase in sales. Although the sales of Wing Fat Printing decreased by 5.1% year-on-year, the overall gross profit margin rose steadily through deepened cost reduction and efficiency improvement, as well as optimized business structure. The gross profit margin increased by 1.9 percentage points year-on-year, resulting in an increase in net profit over last year.

The comprehensive healthcare operations recorded a net profit of HK\$2.34 million for the year, representing a year-on-year decrease of 95.7%, and accounting for 0.1% of the Net Business Profit. With the disposal of its 40% interest in Shanghai Pharmaceutical Group being completed in September, the Company will no longer share the profit contributed by relevant business.

### 3. Profit before Taxation

#### (1) *Gross profit margin*

The overall gross profit margin for the year increased by 2.5 percentage points as compared to 2024, mainly due to the higher proportion of revenue from the consumer products business for the year, which has a higher gross profit margin.

#### (2) *Other income, gains and losses*

Other income, gains and losses for the year turned from a loss to a profit, primarily due to foreign exchange gain, coupled with net profit from entrusted construction for the year, as well as a decrease in loss from changes in the fair value of investment properties compared to last year.

#### (3) *Net gain/(loss) on disposal of interests in associates/joint ventures/subsidiaries and liquidation of a subsidiary*

Loss on disposal for the year was mainly attributable to the disposal of an associate, Canvest Environmental Protection, whereas gain for last year was mainly attributable to the disposal of interests in associates, Ningbo Hangzhou Bay Bridge Development Co., Ltd. and SIIC Elderly Care Investment Co., Ltd.

### 4. Dividend

The Board of Directors of the Group has proposed to declare a final dividend of HK50 cents (2024: HK52 cents) and a special dividend of HK20 cents (2024: HKnil cents) per share, together with an interim dividend of HK42 cents (2024: HK42 cents) per share, the total dividend amounted to HK112 cents (2024: HK94 cents) per share for 2025. Annual dividend payout ratio is 60.3% (2024: 36.4%).

## II. Financial Position of the Group

### 1. Capital and Equity attributable to owners of the Company

The Company had a total of 1,087,211,600 shares in issue as at 31 December 2025, there is no change compared with 1,087,211,600 shares as at the end of 2024.

Equity attributable to owners of the Company reached HK\$50,155.54 million as at 31 December 2025, it was attributable to the net profit for the year after deducting the dividend actually paid during the year.

## 2. Indebtedness

### (1) Borrowings

As at 31 December 2025, the total borrowings of the Group including bank borrowings and other borrowings amounted to approximately HK\$55,621.11 million (31 December 2024: HK\$59,492.16 million), of which 62.6% (31 December 2024: 65.6%) was unsecured credit facilities. The proportions of US dollars and other currencies, Renminbi and HK dollars of total borrowings were 0.1%, 99.9% and Nil (31 December 2024: 1%, 93% and 6%) respectively.

### (2) Pledge of assets

The following assets were pledged by the Group to banks to secure banking facilities granted by these banks to the Group:

- (a) investment properties with an aggregate carrying value of HK\$13,080,387,000 (31 December 2024: HK\$17,007,157,000);
- (b) property, plant and equipment with an aggregate carrying value of HK\$622,183,000 (31 December 2024: HK\$582,653,000);
- (c) receivables under service concession arrangements/intangible assets with an aggregate carrying value of HK\$17,864,032,000 (31 December 2024: HK\$18,416,934,000);
- (d) properties under development held for sale with an aggregate carrying value of HK\$13,961,767,000 (31 December 2024: HK\$8,338,620,000);
- (e) properties held for sale with an aggregate carrying value of HK\$95,628,000 (31 December 2024: HK\$91,394,000);
- (f) trade receivables with an aggregate carrying value of HK\$515,766,000 (31 December 2024: HK\$410,334,000);
- (g) bank deposits with an aggregate carrying value of HK\$228,934,000 (31 December 2024: HK\$211,619,000); and
- (h) land use rights with an aggregate carrying value of Nil (31 December 2024: HK\$467,000).

(3) *Contingent liabilities*

As at 31 December 2025, the guarantees given to banks by the Group in respect of banking facilities utilised by property buyers, associates and a joint venture amounted to approximately HK\$1,140.86 million, HK\$51.11 million and HK\$1,817.48 million (31 December 2024: HK\$1,232.28 million, HK\$231.02 million and HK\$1,889.17 million) respectively.

3. Commitments

As at 31 December 2025, the Group had capital commitments mainly contracted for business developments and investments in fixed assets of HK\$4,256.93 million (31 December 2024: HK\$3,338.45 million). The Group had sufficient internal resources and/or through loan markets for the finance of its capital expenditures.

4. Bank Balances and Short-term Investments

As at 31 December 2025, bank balances (including pledged bank deposits, bank deposits and cash and cash equivalents) and short-term investments held by the Group amounted to HK\$31,524.35 million (31 December 2024: HK\$28,513.96 million) and HK\$193.73 million (31 December 2024: HK\$225.53 million) respectively. The proportions of US dollars and other currencies, Renminbi and HK dollars of bank balances (including pledged bank deposits, bank deposits and cash and cash equivalents) were 2%, 83% and 15% (31 December 2024: 2%, 86% and 12%) respectively. Short-term investments mainly consisted of investments such as Hong Kong and PRC listed shares.

While having sufficient working capital and a healthy interest coverage ratio, the Group is monitoring the market situation and respective funding requirements on a regular basis for business development, and will seek opportunities to optimize its capital structure should the need arises.