上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

ANNOUNCEMENT OF 2026 INTERIM RESULTS

(Unaudited)

BUSINESS REVIEW

The Board of Directors of Shanghai Industrial Holdings Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026. For the six months ended 30 June 2026, the Group's unaudited revenue amounted to HK$8,805 million, representing a year-on-year decrease of 7.1%. Net profit attributable to owners of the Company was HK$1,058 million, representing a year-on-year increase of 1.6%, mainly due to a substantial provision for impairment of property inventories made in the real estate segment in the same period last year.

In the first half of 2026, the global economy faced a sluggish recovery, weighed down by geopolitical conflicts, rising energy costs and tariff adjustments, exhibiting a pattern of moderate growth alongside high uncertainty. Despite this complex and volatile external environment, China's economy demonstrated resilience and sustained its positive momentum of steady progress. However, the pace of recovery in the consumer market remained modest, while the real estate sector continued its phase of structural divergence and adjustment.

The year 2026 marks the Group's "Year of United Endeavour and Hard Work". During the period, under the leadership of the Board and the executive team, the Group adhered to the overarching principle of "seeking progress while maintaining stability". United with one mind to overcome difficulties, all staff members ensured the stable operation of our principal businesses while making every effort to expand in the core environmental health track, thereby driving the Group toward high-quality growth.

The Board of Directors has resolved to pay an interim dividend of HK42 cents per Share for 2026 (2025: HK42 cents per Share) to Shareholders whose names appear on the register of members of the Company on Monday, 28 September 2026. The above interim dividend will be paid to Shareholders on or around Wednesday, 14 October 2026.

INFRASTRUCTURE AND ENVIRONMENTAL PROTECTION

The infrastructure and environmental protection business recorded a profit of HK$951 million during the period, representing a year-on-year increase of 1.9%, and accounted for approximately 114.2% of the Group's Net Business Profit*. The toll road business continued to generate stable cash flow for the Group. Capitalizing on market opportunities and favorable policies, the Group deepened its presence in its core water-treatment and water-utilization businesses, while actively expanding its market share. Concurrently, the Group streamlined its industrial layouts, improved operational efficiency and scale economies, thereby reinforcing its market leadership in China's water-service and environmental-protection industries.

Toll Roads

The overall traffic volume and toll revenue of the Group's three toll roads increased year-on-year during the period. Notably, preliminary work for the widening and alteration project of the Hu-Yu Expressway (Shanghai Section) achieved major breakthroughs and the substantive construction phase has officially commenced. Planning and preparatory work for the widening and alteration of the Jing-Hu Expressway (Shanghai Section) and the Hu-Kun Expressway (Shanghai Section) are also progressing on schedule.

In terms of digital development, our toll-road project companies continued to take efforts, with a focus on the following initiatives: (1) improving the integrated digital management and control platform by integrating toll collection, monitoring and maintenance data across the three toll roads to achieve data integration and sharing; (2) establishing an integrated maintenance management platform to optimize processes through digital integration, further strengthening the foundation for intelligent maintenance management; (3) deploying a smart-inspection system combining "drones + smart patrol vehicles" to effectively enhance the efficiency of maintenance and inspections; and (4) advancing the preparatory work for the "mobile+" cardless pass mode.

In the second half of the year, the toll-road project companies will prioritize the construction of the widening and alteration project of the Hu-Yu Expressway (Shanghai Section), and accelerate the submission for approval and implementation of the special plans for the widening and alteration of the Jing-Hu Expressway (Shanghai Section) and the Hu-Kun Expressway (Shanghai Section). They will continue to deepen digital transformation through the establishment of an integrated digital dispatch-and-command system covering the entire expressway network while thoroughly enhancing digital management and control as well as emergency response capabilities. In addition, they will strengthen traffic support-and-assurance measures during major public holidays and significant events, steadily advance project works to improve road and facility conditions, and reinforce the safety production framework by preventing and mitigating risks and potential hazards at source so as to ensure safe and stable operations.

The key operating figures of the respective toll roads under the Group as at 30 June 2026 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$211 million	+13.6%	HK$327 million	+7.2%	21.87 million	+0.1%
Hu-Kun Expressway (Shanghai Section)	100%	HK$299 million	+4.2%	HK$466 million	+1.7%	36.87 million	+0.9%
Hu-Yu Expressway (Shanghai Section)	100%	HK$99 million	+31.4%	HK$277 million	+8.0%	19.34 million	+2.1%
Total		**HK$609 million**	**+11.1%**	**HK$1,070 million**	**+4.9%**	**78.08 million**	**+1.0%**

Water Services / Clean Energy

The Group's water and solid-waste businesses have maintained a steady growth trend. Moving forward, the Group will actively capture high-quality investment opportunities in the environmental-protection sector to further solidify and elevate its competitive edge in the market.

SIIC Environment

In the first half of 2026, SIIC Environment Holdings Ltd. (**"SIIC Environment**") recorded revenue of RMB3,185 million, representing an increase of 0.2% year-on-year, and net profit attributable to shareholders decreased by 5.5% year-on-year to RMB325 million. During the period, SIIC Environment continued to enhance the competitiveness of its core businesses, further consolidate its operational strengths, and steadily advance its merger-and-acquisition layouts. It also optimized its financing and capital structure, driving a year-on-year decrease of 18.4% in finance expenses.

During the reporting period, market expansion progressed steadily under a dual-pronged strategy of "optimizing existing assets and pursuing external expansion": Longjiang Environmental Protection Group Co., Ltd., a controlling subsidiary of SIIC Environment, completed the acquisition of 100% equity interests in Anshan Qingchang Water Services Co., Ltd. and Anshan Qinglang Water Services Co., Ltd. held by Qingdao Qing'an Technology Investment Co., Ltd., for a total consideration of RMB270 million, with a new sewage-treatment capacity of 230,000 tonnes per day. Furthermore, SIIC Environment concurrently completed the handover of the sewage-treatment plant project (30,000 tonnes per day) in the Dalian Lüshun Economic Development Zone and the reclaimed water pipeline construction project (30,000 tonnes per day) in the Lüshun Economic Development Zone, thereby further optimizing its regional business layout.

In terms of project development, the newly commissioned O&M project of the industrial sewage-treatment plant in Shanghai Hangzhou Bay Economic and Technological Development Zone, with a treatment capacity of 12,000 tonnes per day, commenced operations during the period. In addition, the company successfully secured the bid for the sewage-treatment plant project in the Sino-Italy Ningbo Eco-Park, with a treatment capacity of 70,000 tonnes per day. These developments further strengthened the company's market presence in the Yangtze River Delta region and reinforced its competitive advantages in the asset-light businesses. In respect of existing projects, a supplementary agreement was entered into for the O&M project relating to the upgrading and expansion of the sewage-treatment plant in Longmen Town, Anxi County, Quanzhou, increasing its designed treatment capacity from 25,000 tonnes per day to 32,500 tonnes per day. Additionally, the following projects were all completed and commenced operation during the period: the upgrading and expansion project of the sewage-treatment plant in Shanting District, Zaozhuang City (30,000 tonnes per day), the upgrading project of Phase I of the sewage-treatment plant in the Xingang Industrial Park, Jingjiang City (20,000 tonnes per day), and the upgrading project of Phase I of the Huangqiao sewage-treatment plant in Taixing City (25,000 tonnes per day). These projects are expected to continue to underpin the operating performance of SIIC Environment.

Looking ahead, SIIC Environment will leverage policy tailwinds and market opportunities to optimize its national footprint, deepen market penetration and expand its business scale to consolidate its market leadership in the water and environmental-protection sector of China.

General Water of China

For the period ended 30 June 2026, the revenue of General Water of China Co., Ltd. ("**General Water of China**") amounted to HK$1,031 million, representing a year-on-year increase of 5.2%, and net profit amounted to HK$173 million, representing a year-on-year increase of 43.9%.

During the period, the company secured five projects with a daily water-treatment capacity totaling approximately 163,600 tonnes. Key projects include: (1) the entrusted operation and water supply upgrading project for rural drinking water in Bengbu City, Anhui Province, involving a water-supply capacity of approximately 3,600 tonnes per day; (2) Phase II of the Neitian Water Purification Plant in Xiamen City, Fujian Province, with a proposed expansion capacity of 60,000 tonnes per day; and (3) the EPCO project for a new production line at the water treatment plant in the Bengbu Fine Chemical Industrial Cluster, Anhui Province, involving the construction of a new production line with a capacity of 70,000 tonnes per day. Upon completion, the new production line will be integrated into the existing plant, bringing the total capacity to 100,000 tonnes per day.

NEW ENERGY BUSINESS

As at the end of June 2026, the photovoltaic assets capacity held by SIIC New Energy Development Company Limited and its controlled companies reached 740 MW. The total amount of on-grid electricity sold during the period from their 15 photovoltaic power stations was approximately 416,335,600 kWh, representing a year-on-year decrease of 11.9% due to the ongoing impact of restrictions on power generation. The team will continue to strengthen its analysis and insights on macroeconomic policy developments and industry trends, deepen its research on capital markets and project acquisition opportunities, and proactively respond to market challenges.

REAL ESTATE

During the period, the real estate business recorded a loss of HK$411 million, representing a year-on-year loss reduction of approximately 11.6%, accounting for -49.4% of the Group's Net Business Profit*.

SI Development

In the first half of 2026, Shanghai Industrial Development Co., Ltd. ("**SI Development**") closely focused on its strategic priorities of "inventory revitalization, quality enhancement and efficiency gains", and made concerted efforts to advance asset disposals, project development, resolution of historical issues, and business transformation. Performance in the company's real estate development-and-sales segment was constrained by regional market variations, leading to divergent project outcomes and slow destocking of inventory. Meanwhile, the property management services segment delivered a strong performance, earning multiple industry accolades. During the period, SI Development recorded revenue of RMB1,016 million, representing a year-on-year decrease of 17.6%; loss attributable to shareholders amounted to RMB258 million, representing a year-on-year narrowing of loss, mainly due to a substantial provision for impairment of property inventories made in the same period last year. Contract sales of real estate projects amounted to approximately RMB211 million, including the Metropolis in Suzhou and Belle Rive in Qingpu, with a contracted area of approximately 10,370 square meters. Booked sales of properties delivered during the period amounted to RMB100 million, corresponding to a gross floor area of approximately 6,500 square meters, mainly including the Metropolis in Suzhou and Sea Palace in Quanzhou. Rental income for the period was approximately RMB173 million. During the period, four projects were under construction, covering a total area of approximately 373,500 square meters.

SI Urban Development

Shanghai Industrial Urban Development Group Limited ("**SI Urban Development**") recorded revenue of HK$1,272 million for the first half of 2026, representing a year-on-year decrease of 30.4%, primarily due to a decrease in sales from several delivered projects compared to the same period last year. Leasing, property management and hotel operations continued to provide a stable source of revenue for the company. Loss attributable to shareholders for the period narrowed by 15.8% year-on-year to HK$414 million. The contract sales during the period amounted to RMB1,290 million, representing a year-on-year increase of 87.1%, with a gross floor area of approximately 75,000 square meters, and the projects mainly included Ocean Times in Shanghai, Qiyuan in Xi'an, Felicity Mansion in Yantai, Summitopia in Tianjin and Ocean One in Shanghai. During the period, delivered property sales reached HK$738 million, with a gross floor area of approximately 29,000 square meters, and the projects mainly included Ocean Times in Shanghai, Ocean One in Shanghai, Summitopia in Tianjin and Felicity Mansion in Yantai. Rental income for the first half of 2026 amounted to approximately HK$418 million. During the period, a total of five projects were under construction, covering an area of 758,000 square meters.

CONSUMER PRODUCTS

During the period, the consumer products business contributed a profit of HK$293 million, representing a year-on-year decrease of 27.3%, and accounting for approximately 35.2% of the Group's Net Business Profit*. In the first half of 2026, the consumer products business maintained a stable operating momentum amidst a complex and challenging external environment.

Tobacco

Facing the dual challenges of mounting downward pressure in the market and increasingly stringent industry regulation in the first half of the year, Nanyang Brothers Tobacco Company, Limited ("**Nanyang Tobacco**") responded proactively by optimizing its product structure and new-product portfolio, leading to a gradual improvement in operating performance.

By market segment, sales in Hong Kong market remained generally stable through the introduction of new distributed tobacco products without having to launch large-scale promotional activities. The market in Macao achieved significant sales growth thanks to the introduction of new distributed tobacco products. The duty-free market delivered strong performance, with overall sales exceeding those of the same period last year, with new products making a particularly prominent contribution. In the Mainland market, the company successfully rolled out three new replacement products and, despite the challenges arising from China National Tobacco's internal restructuring, completed the production and delivery of planned volume for the first half of the year within an exceptionally tight timeframe. Sales in the export market recorded a significant quarter-on-quarter increase in the second quarter, while the year-on-year decline narrowed substantially as compared with the first quarter.

In the second half of the year, the company will continue to deepen its core operations, accelerate digital transformation, drive management-system reforms, upgrade production capacity and equipment, and strengthen its talent pipeline. Through this multifaceted approach, the company aims to enhance core business competitiveness, actively foster new quality productive forces, and lay a solid foundation for steady operations and long-term sustainable growth.

Printing

During the period, The Wing Fat Printing Company, Limited ("**Wing Fat Printing**") proactively adapted to changing external dynamics, maintaining stable and resilient performance. The company recorded revenue of HK$671 million during the period, representing a decrease of 11.6% compared with the same period last year. Net profit amounted to HK$43.60 million, representing a decrease of 37.7% compared with the same period last year. The decline in profit remained relatively manageable, primarily attributable to the growth in the medicine-packaging business, the stabilization of core client orders following prior pressure, expansion into new business lines, ongoing cost control measures, and proactive optimization of the business mix.

The e-cigarette-related business within the company's printing and packaging business segment achieved relatively rapid growth during the period, partially offsetting broader downward pressure on the overall division. Driven by increased order volumes from core clients, the medicine-packaging business recorded double-digit growth, continuing as the primary driver of revenue growth for the period. Meanwhile, the moulded-fibre business experienced temporary fluctuations in revenue due to such factors as price reductions imposed by core clients, and chip shortages. In response to these headwinds, strict cost-reduction and efficiency-enhancement measures effectively safeguarded overall profitability levels.

Looking ahead to the second half of the year, macroeconomic uncertainties and volatile industry demand persist. The printing and packaging sector is expected to face compounding pressures, including surging raw material prices, client-side price cuts, and exchange-rate and interest-rate risks. Despite these headwinds, the company remains committed to advancing its four-pillar growth strategy of "green development, digitalization, internationalization and brand building". Key operational priorities include optimizing the customer mix and stabilizing orders in the moulded-fibre business, alongside deepening its presence in the medicine-packaging and other high-value-added businesses to further enhance revenue quality. Furthermore, the company will accelerate digital transformation, strengthen cost control and optimize operational efficiency to reinforce overall profitability and risk resilience, ensuring steady growth and high-quality development.

**Net profit excluding net corporate expenses.*

PROSPECTS

Looking ahead to the second half of 2026, both the global and Chinese economies are expected to continue to face multiple challenges, with the macroeconomic outlook remaining uncertain. In response, the Group's management will continue to maintain its prudent operating philosophy and remain focused on the theme of "Unity and Endeavour". Leveraging the Group's strengths in industrial deployment and capital operations, underpinned by our dual presence in Shanghai and Hong Kong with international connectivity, the Group will focus on environmental health as its core strategic growth driver, comprehensively enhance its competitiveness, and strive to deliver sustainable long-term value to our shareholders and all stakeholders.

In the infrastructure and environmental protection segment, SIIC Environment will capitalize on the policy opportunities emerging from the "15th Five-Year Plan" and favorable market opportunities to actively pursue high-potential projects and strategic merger-and-acquisition opportunities, thereby expanding its market share and consolidating its leading position in China's water and environmental-protection industry. For toll road operations, the project companies will continue to systematically advance expansion and reconstruction works and project engineering, improve the condition of roads and related facilities, and ensure safe and smooth operations.

For the real estate business, in the second half of the year, the Group will closely monitor policy developments and market trends, and flexibly refine its operating strategies. We will accelerate our efforts to revitalize existing assets, speed up inventory destocking and receivables collection, and further improve capital turnover efficiency. Against the new norm of a real estate market characterized by an ongoing bottoming-out and structural differentiation, the Group will maintain strategic resolve and, while safeguarding sound and stable operations, actively seize structural opportunities arising from core cities and demand for housing upgrades, thereby enhancing the quality and efficiency of its business operations.

Nanyang Tobacco will continue to strengthen its core businesses, accelerate digital transformation, deepen management system reforms, upgrade production capacity and equipment, and strengthen its talent pipeline. Through a multifaceted approach, it will strive to enhance the competitiveness of its core operations, and actively cultivate new quality productive forces to lay a solid foundation for the company's sound operations and long-term sustainable growth.

Wing Fat Printing will steadily advance its four-pronged strategy of "green development, digitalization, internationalization and brand building". The company will focus on optimizing its customer portfolio in the moulded-fibre business and strengthening order stability management, while establishing a stronger presence in the medicine-packaging and other high-value-added businesses to increase revenue quality. The company will also accelerate its digital transformation and upgrading, reinforce cost control and operational efficiency, and continue to strengthen its overall profitability and resilience against risks in order to drive its business towards steady and high-quality development.

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all Shareholders and business partners for their long-standing support and care over the years, as well as to the management team and all staff members for their dedication and contributions.

Leng Wei Qing
Chairlady

Hong Kong, 27 August 2026

INTERIM DIVIDEND

The Board of Directors has resolved to pay an interim dividend of HK42 cents per Share for 2026 (2025: HK42 cents per Share) to Shareholders whose names appear on the register of members of the Company on Monday, 28 September 2026. The above interim dividend will be paid to Shareholders on or around Wednesday, 14 October 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed on Monday, 28 September 2026, on which no transfer of shares will be effected. 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 Friday, 25 September 2026.

REVIEW OF INTERIM RESULTS

The audit committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2026.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2026, the Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code ("**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules.

On specific enquiries made, all the Directors of the Company have confirmed that, throughout the six months ended 30 June 2026, they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

PUBLICATION OF THE INTERIM REPORT

The 2026 interim report will be despatched to Shareholders in mid-September 2026 and will be made available at the HKExnews website of the Stock Exchange at *www.hkexnews.hk* and the website of the Company at *www.sihl.com.hk* accordingly.

BOARD OF DIRECTORS

As at the date of this announcement, the Board 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.

INTERIM RESULTS

Below are the unaudited interim results of the Group for the six months ended 30 June 2026 extracted from the unaudited condensed consolidated financial statements as set out in its 2026 interim report:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended	
	Notes	**30.6.2026**	30.6.2025
		HK$'000	HK$'000
		(unaudited)	(unaudited)
Revenue	*3*	**8,805,470**	9,476,025
Cost of sales		**(5,755,627)**	(6,964,059)
Gross profit		**3,049,843**	2,511,966
Net investment income		**246,690**	391,911
Other income, gains and losses		**186,802**	144,628
Selling and distribution costs		**(492,653)**	(417,712)
Administrative and other expenses		**(1,114,435)**	(944,038)
Finance costs		**(704,574)**	(875,075)
Share of results of joint ventures		**89,247**	339,903
Share of results of associates		**(15,909)**	55,881
Net loss on disposal of interests in subsidiaries/associates		**(1,000)**	(42,570)
Profit before taxation		**1,244,011**	1,164,894
Income tax expense	*4*	**(329,353)**	(376,725)
Profit for the period	*5*	**914,658**	788,169
Profit for the period attributable to			
- Owners of the Company		**1,057,979**	1,041,797
- Non-controlling interests		**(143,321)**	(253,628)
		914,658	788,169
Earnings per share	*7*		
		HK$	HK$
- Basic		**0.973**	0.958
- Diluted		**0.973**	0.958

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**914,658**	788,169
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations		
- subsidiaries	**1,978,928**	1,336,976
- joint ventures	**411,445**	315,484
- associates	**125,632**	102,642
Items that will not be reclassified subsequently to profit or loss		
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	**(125,522)**	185,057
Other comprehensive income for the period	**2,390,483**	1,940,159
Total comprehensive income for the period	**3,305,141**	2,728,328
Total comprehensive income for the period attributable to		
- Owners of the Company	**2,254,372**	2,149,733
- Non-controlling interests	**1,050,769**	578,595
	3,305,141	2,728,328

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2026

	Note	**30.6.2026**	31.12.2025
		HK$'000	HK$'000
		(unaudited)	(audited)
Non-Current Assets			
Investment properties		**30,931,435**	30,264,422
Property, plant and equipment		**5,743,216**	5,732,706
Right-of-use assets		**669,223**	655,252
Toll road operating rights		**3,139,235**	3,323,880
Goodwill		**535,052**	539,816
Other intangible assets		**16,926,274**	14,073,442
Interests in joint ventures		**11,848,519**	11,347,828
Interests in associates		**3,577,718**	3,467,994
Investments		**1,655,722**	1,762,865
Receivables under service concession arrangements		**18,101,830**	19,984,403
Deposits paid on acquisition of non-current assets		**615,986**	601,118
Deferred tax assets		**278,154**	246,848
Bank deposits		**612,504**	1,273,942
		94,634,868	93,274,516
Current Assets			
Inventories		**33,344,322**	28,932,275
Trade and other receivables	*8*	**12,149,199**	10,468,472
Contract assets		**3,971**	29,307
Investments		**164,829**	193,729
Receivables under service concession arrangements		**894,209**	978,806
Prepaid taxation		**951,652**	838,202
Pledged bank deposits		**269,185**	228,934
Bank deposits		**3,604,823**	1,780,135
Cash and cash equivalents		**24,611,928**	28,241,335
		75,994,118	71,691,195

	Note	30.6.2026	31.12.2025
		HK$'000	HK$'000
		(unaudited)	(audited)
Current Liabilities			
Trade and other payables	*9*	**12,847,314**	13,308,977
Lease liabilities		**53,217**	50,820
Contract liabilities		**2,990,880**	2,347,191
Deferred income		**557,621**	504,291
Taxation payable		**2,121,840**	2,177,799
Bank and other borrowings		**19,663,589**	17,207,123
		38,234,461	35,596,201
Net Current Assets		**37,759,657**	36,094,994
Total Assets less Current Liabilities		**132,394,525**	129,369,510
Capital and Reserves			
Share capital		**13,649,839**	13,649,839
Reserves		**38,024,082**	36,505,704
Equity attributable to owners of the Company		**51,673,921**	50,155,543
Non-controlling interests		**32,558,090**	31,574,123
Total Equity		**84,232,011**	81,729,666
Non-Current Liabilities			
Provision for major overhauls		**89,573**	88,170
Deferred income		**1,142,667**	1,357,408
Bank and other borrowings		**39,259,764**	38,413,985
Deferred tax liabilities		**7,456,708**	7,567,685
Lease liabilities		**213,802**	212,596
		48,162,514	47,639,844
Total Equity and Non-Current Liabilities		**132,394,525**	129,369,510

Notes:

(1) REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2026 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), by Ernst & Young, whose report on review of condensed consolidated financial statements is included in the interim report to be sent to shareholders.

(2) BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(i) Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with Section 406 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

(ii) Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

(3) SEGMENT INFORMATION

Segment revenue and results

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

Six months ended 30 June 2026 (unaudited)

	Infrastructure and environmental protection	Real estate	Consumer products	Elimination and unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE					
Segment revenue - external sales	4,699,061	2,429,203	1,677,206	-	8,805,470
Segment operating profit/(loss)	1,793,764	(428,027)	357,891	152,619	1,876,247
Finance costs	(290,634)	(412,630)	(1,110)	(200)	(704,574)
Share of results of joint ventures	100,265	(16,216)	-	5,198	89,247
Share of results of associates	22,975	(38,884)	-	-	(15,909)
Net loss on disposal of interest in a subsidiary	(1,000)	-	-	-	(1,000)
Segment profit/(loss) before taxation	1,625,370	(895,757)	356,781	157,617	1,244,011
Income tax (expense)/credit	(332,206)	(7,667)	(57,248)	67,768	(329,353)
Segment profit/(loss) after taxation	1,293,164	(903,424)	299,533	225,385	914,658
Less: segment (profit)/loss attributable to non-controlling interests	(342,376)	491,930	(6,233)	-	143,321
Segment profit/(loss) after taxation attributable to owners of the Company	950,788	(411,494)	293,300	225,385	1,057,979

Six months ended 30 June 2025 (unaudited)

	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
REVENUE						
Segment revenue - external sales	4,432,900	3,142,524	1,900,601	-	-	9,476,025
Segment operating profit/(loss)	1,754,042	(683,402)	485,204	-	130,911	1,686,755
Finance costs	(376,173)	(451,738)	(1,212)	-	(45,952)	(875,075)
Share of results of joint ventures	188,257	10,169	-	141,477	-	339,903
Share of results of associates	58,374	(2,493)	-	-	-	55,881
Net loss on disposal of interests in associates/a subsidiary	(42,570)	-	-	-	-	(42,570)
Segment profit/(loss) before taxation	1,581,930	(1,127,464)	483,992	141,477	84,959	1,164,894
Income tax (expense)/credit	(264,459)	16,271	(72,703)	-	(55,834)	(376,725)
Segment profit/(loss) after taxation	1,317,471	(1,111,193)	411,289	141,477	29,125	788,169
Less: segment (profit)/loss attributable to non-controlling interests	(384,159)	645,761	(7,974)	-	-	253,628
Segment profit/(loss) after taxation attributable to owners of the Company	933,312	(465,432)	403,315	141,477	29,125	1,041,797

Segment assets and liabilities

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

At 30 June 2026 (unaudited)

	Infrastructure and environmental protection	**Real estate**	**Consumer products**	**Elimination and unallocated**	**Consolidated**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Segment assets	**67,906,386**	**89,469,660**	**6,579,019**	**6,673,921**	**170,628,986**
Segment liabilities	**32,175,909**	**51,648,525**	**957,926**	**1,614,615**	**86,396,975**

At 31 December 2025 (audited)

	Infrastructure and environmental protection	Real estate	Consumer products	Elimination and unallocated	Consolidated
	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

(4) INCOME TAX EXPENSE

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
- Hong Kong	**46,940**	52,164
- PRC Land Appreciation Tax ("**LAT**")	**9,129**	50,039
- PRC Enterprise income tax ("**EIT**") (including PRC withholding tax of HK$155,251,000 (six months ended 30 June 2025: HK$99,132,000))	**615,983**	511,363
	672,052	613,566
Under/(over) provision in prior periods		
- Hong Kong	**-**	759
- PRC LAT	**-**	44,139
- PRC EIT	**15,154**	(76,331)
	15,154	(31,433)
Deferred taxation for the current period	**(357,853)**	(205,408)
	329,353	376,725

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the law of 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 periods, except that (i) certain PRC subsidiaries are qualified as High New Technology Enterprises and enjoy a preferential tax rate of 15% for both periods (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.

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.

(5) PROFIT FOR THE PERIOD

	Six months ended 30.6.2026 HK$'000 (unaudited)	Six months ended 30.6.2025 HK$'000 (unaudited)
Profit for the period has been arrived at after charging/ (crediting) the following items:		
Amortisation of other intangible assets (included in cost of sales)	**459,782**	412,663
Amortisation of toll road operating rights (included in cost of sales)	**377,554**	377,815
Depreciation of property, plant and equipment	**297,004**	286,542
Depreciation of right-of-use assets	**30,935**	52,711
Dividend income from investments (included in net investment income)	**(31,894)**	(51,690)
Government compensation of toll road operating rights (included in other income, gains and losses)	**(228,544)**	(212,244)
Impairment loss on trade and other receivables (included in administrative and other expenses or other income, gains and losses)	**163,642**	122,567
Decrease/(increase) in fair value of financial assets at fair value through profit or loss (included in net investment income)	**23,793**	(60,722)
Interest expenses for lease liabilities	**4,957**	4,341
Interest income (included in net investment income)	**(171,858)**	(278,418)
Net decrease in fair value of investment properties (included in other income, gains and losses)	**414,524**	454,542
Net foreign exchange gain (included in other income, gains and losses)	**(235,685)**	(54,340)
Net gain on disposal of property, plant and equipment (included in other income, gains and losses)	**(35)**	(7,421)

(6) DIVIDENDS

	Six months ended 30.6.2026 HK$'000 (unaudited)	Six months ended 30.6.2025 HK$'000 (unaudited)
2025 final dividend paid of HK50 cents (six months ended 30 June 2025: 2024 final dividend paid of HK52 cents) per share	**543,606**	565,350
2025 special dividend paid of HK20 cents (six months ended 30 June 2025: Nil) per share	**217,442**	-
	761,048	565,350

Subsequent to the end of the current interim period, the directors of the Company have determined that a 2026 interim cash dividend of HK42 cents (2025 interim: HK42 cents) per share will be paid to the shareholders of the Company whose names appear on the Company's register of members on 28 September 2026.

(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:

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	**1,057,979**	1,041,797
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,087,211,600**	1,087,211,600

(8) TRADE AND OTHER RECEIVABLES

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.

	30.6.2026	31.12.2025
	HK$'000	HK$'000
	(unaudited)	(audited)
Within 30 days	**1,411,635**	1,061,404
Within 31 – 60 days	**579,873**	875,591
Within 61 – 90 days	**565,618**	579,348
Within 91 – 180 days	**1,242,357**	1,245,530
Within 181 – 365 days	**2,563,591**	1,909,926
Over 365 days	**3,345,328**	2,401,420
	9,708,402	8,073,219

(9) TRADE AND OTHER PAYABLES

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

	30.6.2026	31.12.2025
	HK$'000	HK$'000
	(unaudited)	(audited)
Within 30 days	**832,062**	1,766,974
Within 31 – 60 days	**462,050**	204,582
Within 61 – 90 days	**149,705**	91,311
Within 91 – 180 days	**155,008**	100,012
Within 181 – 365 days	**732,224**	1,067,412
Over 365 days	**1,780,575**	1,433,595
	4,111,624	4,663,886

FINANCIAL REVIEW

I. Analysis of Financial Results

1. Revenue

For the six months ended 30 June 2026, revenue amounted to approximately HK$8,805.47 million, representing a year-on-year decrease of 7.1%. The decrease was primarily attributable to the decrease in properties sales booked upon delivery of properties in the real estate business as compared with the same period last year, as well as a decrease in tobacco sales in the consumer products business.

2. Profit Contribution from Each Business

Net profit from the infrastructure and environmental protection business amounted to approximately HK$950.79 million for the period, accounting for 114.2% of Net Business Profit, representing a year-on-year increase of 1.9%. The increase was mainly attributable to a 7.6% rise in profit contribution from toll roads and bridges businesses, benefitting from a year-on-year appreciation of Renminbi by 6.1%. This was partially offset by a 8.1% year-on-year decline in profit contribution from water services and clean energy businesses, primarily because starting from the period, the Group no longer shared the profit from SUS Environment following the completion of disposal of its equity interests in SUS Environment at the end of last year.

The real estate business recorded a loss of approximately HK$411.49 million, accounting for negative 49.4% of Net Business Profit, and representing a year-on-year decrease of 11.6% in loss as compared with a loss of approximately HK$465.43 million in the same period of 2025. This was primarily due to substantial provision for impairment of inventories for certain real estate projects was made in the same period last year. However, the reduction in loss was partially offset by a decrease in properties sales booked upon delivery of properties in the real estate business during the period.

The consumer products business recorded a net profit of approximately HK$293.30 million for the period, accounting for 35.2% of Net Business Profit, and representing a year-on-year decrease of 27.3% in net profit. Sales revenue of Nanyang Tobacco decreased by 12.5% year-on-year, primarily due to dual challenges of persistent market headwinds and increasingly stringent industry regulations. The decrease in sales revenue resulted in a corresponding decline by 25.8% in net profit attributable to the equity holders. Wing Fat Printing recorded a year-on-year decrease of 11.6% in sales revenue, mainly attributable to the declines in both prices and sales volume, which put pressure on its profit margin. Gross profit margin decreased from 29.6% to 24.2% during the period, causing a corresponding year-on-year decrease of 37.7% in net profit attributable to the equity holders.

3. Profit before Taxation

(1) Gross profit margin

The overall gross profit margin for the period increased by 8.1 percentage points as compared with the first half of 2025, mainly due to the substantial provision for impairment of inventories made by the real estate business in the same period last year.

(2) Other income, gains and losses

Other income, gains and losses increased, mainly due to the decrease in loss arising from the change in fair value of investment properties during the period as compared with the same period last year.

(3) Net loss on disposal of interests in subsidiaries/associates

The loss for the period was mainly attributable to the deregistration of a subsidiary by SIIC Environment, while the loss in the same period last year was mainly attributable to the disposal of an associate, Canvest Environmental Protection.

4. Dividend

The Board of Directors of the Group has resolved to declare an interim dividend of HK42 cents per share, which is the same as 2025 interim dividend of HK42 cents per share. The interim dividend payout ratio is 43.2% (2025 interim: 43.8%).

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 30 June 2026. There is no change compared with 1,087,211,600 shares as at the end of 2025.

Equity attributable to owners of the Company reached HK$51,673.92 million as at 30 June 2026, it was attributable to the net profit for the first half of the year after deducting the dividend actually paid during the period.

2. Indebtedness

(1) Borrowings

As at 30 June 2026, the total borrowings of the Group including bank borrowings and other borrowings amounted to approximately HK$58,923.35 million (31 December 2025: HK$55,621.11 million), of which 47.2% (31 December 2025: 62.6%) was unsecured credit facilities. The proportions of US dollars and other currencies and Renminbi of total borrowings were Nil and 100% (31 December 2025: 0.1% and 99.9%) 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$13,555,776,000 (31 December 2025: HK$13,080,387,000);
(b) property, plant and equipment with an aggregate carrying value of HK$641,486,000 (31 December 2025: HK$622,183,000);
(c) receivables under service concession arrangements/intangible assets with an aggregate carrying value of HK$18,197,505,000 (31 December 2025: HK$17,864,032,000);
(d) properties under development held for sale with an aggregate carrying value of HK$15,035,781,000 (31 December 2025: HK$13,961,767,000);
(e) properties held for sale with an aggregate carrying value of HK$99,242,000 (31 December 2025: HK$95,628,000);
(f) trade receivables with an aggregate carrying value of HK$645,457,000 (31 December 2025: HK$515,766,000); and
(g) bank deposits with an aggregate carrying value of HK$269,185,000 (31 December 2025: HK$228,934,000).

(3) Contingent liabilities

As at 30 June 2026, 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$1,285.88 million, HK$452.13 million and HK$nil (31 December 2025: HK$1,140.86 million, HK$440.87 million and HK$1,817.48 million) respectively.

3. Commitments

As at 30 June 2026, the Group had capital commitments mainly contracted for business developments and investments in fixed assets of HK$7,194.62 million (31 December 2025: HK$4,256.93 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 30 June 2026, bank balances (including pledged bank deposits, bank deposits and cash and cash equivalents) and short-term investments held by the Group amounted to HK$29,098.44 million (31 December 2025: HK$31,524.35 million) and HK$164.83 million (31 December 2025: HK$193.73 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 2025: 2%, 83% and 15%) 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.