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 2024 ANNUAL RESULTS

BUSINESS REVIEW

The board of directors (the "**Board**") of Shanghai Industrial Holdings Limited (the "**Company**") is pleased to announce the audited annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024. The Group's audited revenue amounted to HK$28,918 million, representing a decrease of 11.6% over last year. Audited net profit decreased 18.0% year-on-year to HK$2,808 million.

In 2024, the global economic environment was confronted by challenges and uncertainties with rising geopolitical tensions and growing complexities and variables in the development of the global economy and trade landscape. Despite this, the economies of mainland China and Hong Kong have demonstrated remarkable resilience and vitality. Under the leadership of the Board and the executive team, and concerted efforts from staff at all levels, the Group has adhered to the development philosophy of "seeking progress while maintaining stability and upholding core businesses while fostering innovation". In addition, the Group has responded to changes in the market, tackling challenges from all fronts. With its stringent internal control and constant observation of ESG social responsibilities, the Group has made a strong commitment to achieve quality development and to ensure stable performance and growth of its core businesses.

The Board has recommended a final dividend for the year ended 31 December 2024 of HK52 cents per Share (2023: HK52 cents per Share), and together with an interim dividend of HK42 cents per Share (2023: HK42 cents per Share) paid during the year, total dividends for the year amounted to HK94 cents per Share (2023: HK94 cents per Share). The dividend payout ratio for the year is 36.4%.

INFRASTRUCTURE AND ENVIRONMENTAL PROTECTION

During the year, the infrastructure and environmental protection business recorded a profit of HK$2,629 million, representing a year-on-year increase of 13.3%, mainly due to the partial disposal of its relevant equity interest in the Hangzhou Bay Bridge during the issuance process of a public infrastructure investment fund ("**REIT**") for the Hangzhou Bay Bridge, and accounted for approximately 85.1% of the Group's Net Business Profit*. During the year, closely following the national strategies, the Group continued to capitalize on national policies and market opportunities, while focusing on its main business of water treatment and water utilization. The Group has also striven to expand its market share through increasing scale and efficiency, with a view to consolidating its leading position in China's water services and environmental protection industries.

Toll Roads/Bridge

During the year, the overall traffic flow and toll revenue of the Group's three toll roads and the Hangzhou Bay Bridge increased steadily. Since the smooth transition of pandemic-control measures in 2023, the overall revenue and traffic flow continued to increase during the year.

Our toll-road project companies continued to streamline operations, improve urban traffic through the application of technology, and further strengthen the overall improvement of the road environment. Personnel training and equipment maintenance were also enhanced, and collection contests were modified to further increase traffic flow capacity, effectively contributing to the easing of traffic pressure. In addition, meticulous plans were introduced to ensure steady traffic flow during major festivals and events, including the Spring Festival travel season, Tomb-Sweeping Day, Labour Day, National Day, and major events such as the Two Sessions and the 7th Import Expo. On these occasions, systematic support plans were deployed to ease traffic flow. Thorough inspections were carried out for potential hazards and to centralize rectification works, while roads, bridges, and ancillary facilities were rectified in advance to ensure safe, stable, smooth and orderly traffic flow.

During the year, Jing-Hu Expressway (Shanghai Section) continued to benefit from the effects of the "1+2+3" intelligent quality enhancement project. Trial runs for quasi-free flow tolling model at the Jiangqiao toll station were implemented, significantly helping to improve traffic efficiency during peak hours. Meticulous maintenance management of bridges, roads, and ancillary facilities on the Hu-Yu Expressway (Shanghai Section) was carried out continuously, while the widening and alteration projects of the road sections were implemented according to schedule. The overall construction work to add the Xicen East entrance and exit to the road has completed 85%. This is expected to allow smooth traffic flow upon the completion and operation of the Huawei Qingpu R&D Center. Hu-Kun Expressway (Shanghai Section) continued to implement deployment work which is expected to enhance the transportation capacity of the city. During the year, the pilot project for intelligent station points was implemented while pilot projects on pre-transactions at the exit and the quasi-free flow at the entrance of the main-route toll station of the new bridge were completed. The trial runs for the self-service card-issuing pilot machines were also completed. The completion of these facilities have further enhanced the traffic capacity of the toll station and brought about an increasingly favorable traffic experiences for motorists. The Hangzhou Bay Bridge and the "two districts and one island" were generally running in a safe and orderly manner. The safety requirements for the bridge structure were under control while the network toll collection system operated smoothly.

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	Toll revenue	Change	Traffic flow (vehicle journey)	Change
Jing-Hu Expressway (Shanghai Section)	100%	HK$359 million	-18.9%	HK$590 million	+1.6%	42.19 million	+3.0%
Hu-Kun Expressway (Shanghai Section)	100%	HK$553 million	+4.5%	HK$933 million	+1.0%	75.98 million	+2.8%
Hu-Yu Expressway (Shanghai Section)	100%	HK$169 million	-35.3%	HK$506 million	-2.9%	36.52 million	-3.6%
Total		**HK$1,081 million**	**-12.3%**	**HK$2,029 million**	**+0.2%**	**154.69 million**	**+1.3%**

In addition, with the approval by the National Development and Reform Commission, the REIT was issued by the major shareholder of the Hangzhou Bay Bridge, with full support from all shareholders. In respect of this, Shanghai Jiyun Infrastructure Construction Co., Ltd. ("**Shanghai Jiyun**") sold its 23.0584% equity interest in the Hangzhou Bay Bridge for a final transaction price (after deducting necessary expenses) of RMB1,863,859,064.12. Part of the proceeds were used to subscribe and pay for the allotted 158,284,000 REIT units, accounting for approximately 15.8284% of the total fund units. The resulting net cash inflow was recovered in cash, which helped the Group realize its investment returns. Through subscribing for the REIT units, the liquidity and marketability of such underlying assets under the REIT have been improved, and this will allow the Group to increase its investment return over time by securing capital gains on disposal of its fund units in the securities market and/or to receiving cash returns via cash distributions.

The approval for the REIT was obtained from the China Securities Regulatory Commission and the offering was successfully completed by the end of 2024. With the completion of the fundraising and settlement of the REIT, the new fund was successfully listed on 26 December 2024, carrying the fund code 508036. The fund achieved the highest times of over-subscription offline, the largest scale of offline subscription, and the highest premium rate among public funds on highways of the past two years. Upon the successful issuance of the REIT, Shanghai Jiyun no longer holds any equity interest in the Hangzhou Bay Bridge. Instead, it holds the fund units in the REIT. All equity interests of the Hangzhou Bay Bridge have been transferred to Ping An Securities Co., Ltd. The fund units held by the Group were measured at fair value and their movement will be recorded in financial assets under other comprehensive income.

Water Services/Clean Energy

The water and solid waste businesses under the Group have experienced rapid growth, with their scale gradually expanding. We will continue to actively look for high-quality investment projects in the environmental protection area.

SIIC Environment

In 2024, SIIC Environment Holdings Ltd. ("**SIIC Environment**") recorded an increase in revenue of 0.3% year-on-year to RMB7,596 million, and net profit attributable to shareholders increased by 0.2% year-on-year to RMB605 million. The slight increase in revenue and net profit was mainly driven by the steady increase in operational income (including financial income from service concession arrangements) and a significant reduction in financial expenses compared to the previous year. Despite a decline in construction income (including financial income from service concession arrangements during the construction period) due to a reduction in construction scale, the overall operational efficiency maintained a favorable growth trend. During the reporting year, SIIC Environment continued to promote the optimization of its financing structure and actively implemented management measures on exchange rate risks, hence effectively averting potential financial risks arising from fluctuations in the RMB exchange rate.

As at 31 December 2024, four new projects of SIIC Environment were added in Hubei Province, Shandong Province, Guangxi Zhuang Autonomous Region and Hunan Province, with a total designed daily capacity of 445,000 tonnes, which included the O&M sewage-treatment plant project in the Weicheng district, Weifang city, with a planned daily treatment capacity of 50,000 tonnes, the O&M sewage treatment plant phase II project in Daguansha of Beihai city, with a planned daily treatment capacity of 35,000 tonnes, the sewage-treatment plant phase III project in Hanxi, with a planned daily treatment capacity of 200,000 tonnes and the Chenzhou 2nd and 4th sewage-treatment franchising project, with a planned daily treatment capacity of 160,000 tonnes. In addition, two projects with a total designed daily capacity of 75,000 tonnes secured upgrading and expansion during the year, and four expansion projects with a total designed daily capacity of 190,000 tonnes were completed and commenced commercial operation.

In 2024, the China's economy continued to recover, with the annual GDP up 5% year-on-year. China continued to promote its "dual carbon" goals, as emphasized by the Central Economic Work Conference, which highlighted the coordinated efforts of carbon reduction, pollution control, greenery expansion and growth while accelerating the comprehensive green transformation of economic and social development, and protecting blue skies, blue water, and clean earth. Favorable policies for the environmental protection industry have continued to be introduced. Additionally, the introduction of debt alleviation policies will significantly mitigate the accounts receivable collection issues in the environmental protection industry, improve corporate cash flow, and bring important development opportunities to the industry. Against this backdrop, SIIC Environment is committed to driving corporate development through innovation, integrating new-generation information technology with water operations, strengthening the construction of smart water services, continuously improving project construction and operation levels, achieving quality improvement, cost reduction and efficiency enhancement, and pursuing a sustainable high-quality development path. Xicen water purification plant in Qingpu, the benchmark project for sewage treatment of SIIC Environment, has been put into commercial operation in January 2025. Equipped with advanced water treatment technology, it is one of the underground sewage treatment plants with the highest effluent standards in China. While it is assured that the effluent quality meets discharge standards, the project also demonstrates continuous improvement in the level of resource utilization.

SIIC Environment will align with the direction of green, low-carbon, and high-quality development, capitalize on the industry development opportunities brought by national policies, and promote the steady growth of its core businesses. The company is actively developing the benchmark projects under the "One Mountain and One Water" initiative, which achieved synergistic effects in pollution reduction and carbon emission cuts, and contributed to the realization of "carbon peaking and carbon neutrality" goals. In addition, the company will continue to explore market opportunities, respond to the "Belt and Road" initiative, step up its efforts to expand into emerging markets, including countries in Southeast Asia, and continue promoting technological innovations to enhance corporate development, solidifying the competitive edge of the company.

General Water of China

For the year ended 31 December 2024, General Water of China Co., Ltd. ("**General Water of China**") operated a total of 19 water-supply plants and 18 sewage treatment plants with a combined daily capacity of 4,348,100 tonnes. The daily capacity of water generation is 3,237,300 tonnes and the daily capacity of sewage treatment is 1,110,800 tonnes. The company operates two reservoirs with a total storage capacity of 182,000,000 tonnes and a pipe network of 8,713.57 kilometers. During the year, the company recorded a revenue of HK$1,942 million, representing a year-on-year decrease of 6.5%. Net profit amounted to HK$279 million, representing a year-on-year increase of 5.2%.

During the year, General Water of China secured seven new projects with a total investment value of approximately RMB957 million and a daily water treatment capacity of approximately 521,000 tonnes. These new projects include: (1) the TOT project of No. 1 sewage treatment plant in Huyi District of Xi'an; (2) the technical improvement of reclaimed water treatment project in Shaxi, Huzhou; (3) the O&M commissioning project of an industrial sewage treatment plant in Bengbu High-Tech Zone Electroplating Industrial Park; (4) the phase II O&M project of a sewage treatment plant in Hedong, Xiangtan City; (5) the water plant project in Huaishang, Bengbu; (6) the reclaimed water-treatment project of the sewage treatment plant in Laoting Economic Development Zone; and (7) the capacity expansion, upgrading and alteration project of Jiangyuan plant.

In March 2024, General Water of China put into commercial operation the PPP project for clean emission technology alteration for the sewage treatment plant in the new district of eastern Huzhou. In the same month, the company signed its first TOT investment and co-operation project for the Huyi district sewage treatment plant, representing its first development project successfully implemented in Huyi District, Xi'an, Shaanxi Province, and marking a new milestone for the company in the fulfillment of the national strategy of ecological protection and high-quality development in the Yellow River Basin. In June, the Wuhuashan Reservoir in Suifenhe was affected by continuous heavy rainfall, leading to the opening of the reservoir for the first time this year to release flood water for the safe passage of the flood season. The operation successfully blocked and stored the flood water and gave rise to an increase in power generation year-on-year. The reclaimed water and waste water zero discharge resource utilization project of Xinjiang Xinye Energy Chemical Co., Ltd. smoothly entered the commissioning phase. With a total investment of RMB165 million, the construction of the project commenced in June. It effectively addresses the challenges of industrial sewage treatment and recycled water reuse within the plant area, thus achieving energy saving, emission reduction and resource recycling.

In November 2024, General Water of China was successfully listed in the "Top 50 Environmental Enterprises in China by Revenue" (formerly known as "Top 50 Environmental Enterprises in China") for the 7th consecutive year. Zhonghuan Construction Company, an enterprise under General Water of China, was awarded AAA rating in terms of corporate creditworthiness, signifying a full advancement in its development within the environmental protection and water services sectors.

Canvest Environmental

In 2024, the total revenue from continuing operations of Canvest Environmental Protection Group Company Limited ("**Canvest Environmental**") dropped by 15.4% year-on-year to HK$4,198 million, mainly due to the significant decrease in construction revenue generated from project construction as most of the company's waste-to-energy projects have been put into operation. Its net profit for the entire year decreased by 13.8% to HK$880 million as compared to the previous year, mainly attributable to a decline in construction revenue during the year. Net profit fell less than revenue, reflecting the fact that project operating revenue and environmental hygiene service income with higher gross profit margins have offset part of the decrease in construction revenue.

As at 31 December 2024, Canvest Environmental secured a total of 35 waste-to-energy projects spanning 12 provinces and 25 cities with a total daily municipal solid waste processing capacity of 52,540 tonnes. Among such projects, a total of 32 waste-to-energy projects have commenced operation, with a daily municipal solid waste processing capacity of 42,490 tonnes. During the year, 17,015,646 tonnes of waste were innocuously treated, representing a year-on-year increase of 2.4%, and 6,533,172,000 kWh of green energy were generated, representing a year-on-year increase of 5.1%.

On 22 July 2024, Canvest Environmental and an offeror jointly announced that, subject to satisfaction of certain conditions precedent, the offeror would propose the privatization of the company to the shareholders of Canvest Environmental by way of a general offer, at a cancellation price of HK$4.90 per share. The privatization proposal will be subject to approval by the independent shareholders at the Cayman Islands Court Meeting and the extraordinary general meeting of the company.

SUS Environment

As at the end of 2024, the operation projects of waste incineration controlled by Shanghai SUS Environment Co., Ltd. ("**SUS Environment**") cumulatively had a total daily capacity of 42,225 tonnes. The completed amount of total waste entering the plants for the year was 16,234,500 tonnes, representing a year-on-year increase of 9.7%. The amount of on-grid electricity sold was 5,637,659,700 kWh, representing a year-on-year increase of 11.9%.

In terms of domestic market development, three waste-incineration projects were secured by the company in 2024, with a total daily capacity of 3,900 tonnes. For the equipment-sales sector, the company was awarded nine new equipment-turnkey projects and four equipment-supply projects, with a total daily capacity of 5,050 tonnes; the company accelerated the construction progress of its nine waste-to-energy projects under construction, with a total daily capacity of 6,050 tonnes. In terms of overseas market development, four household waste-incineration projects were implemented, with a total daily capacity of 6,500 tonnes. In terms of new business, the total steam supply for the whole year was 410,000 tonnes, the heating supply capacity was 1,176,000 GJ, and the total amount of newly signed contracts for gas/heating supply amounted to RMB161,360,000. The company will adhere to its “one axis and two wings” strategy. On the basis of continuously consolidating and expanding its existing core businesses, the company will actively cultivate and explore new businesses and develop international markets.

COMPREHENSIVE HEALTHCARE OPERATIONS

Comprehensive healthcare operations business recorded a profit of HK$54.23 million for the year, accounting for approximately 1.8% of the Group’s Net Business Profit*. During the year, Shanghai Pharmaceutical (Group) Co., Ltd. (“**Shanghai Pharmaceutical**”) recorded revenue of RMB274,693 million, representing a year-on-year increase of 5.5%. The net profit amounted to RMB870 million, representing a year-on-year decrease of 11.98%, primarily due to the year-on-year decrease of RMB254 million in the net gain from the asset disposal of non-listed business (expropriation of real estate by the government). Shanghai Pharmaceutical Group currently holds 19.348% of the A shares of Shanghai Pharmaceuticals Holding Co., Ltd., a company dually listed in Shanghai and Hong Kong, and is the single largest shareholder of its A shares. During the year, the income from non-listed business was mainly derived from real estate expropriation projects.

NEW BUSINESS ARENA

As at the end of 2024, the photovoltaic asset capacity of Shanghai Galaxy Investment Co., Ltd. and SIIC Aerospace Galaxy Energy (Shanghai) Co., Ltd., its subsidiary, reached 740 MW. The total amount of on-grid electricity sold during the year from their 15 photovoltaic power stations was approximately 961,600,300 kWh. Affected by the severe sandy and dusty weather conditions causing reduction in solar radiation, the volume of on-grid electricity sold decreased by 11.04% over last year, mainly due to: (1) extreme weather conditions and increased rainfall in the northwest region leading to reduced radiation; (2) the drastic increase in the installation of photovoltaic and wind power facilities across various provinces, prompting the restriction of power generation to ensure the safety of the grid system; (3) the increase in unplanned power outage losses due to main transformer failures at individual power stations. The photovoltaic team continued to strengthen its works related to macro policies, industry developments, researches on capital markets and acquisitions of projects.

During the year, the State has promulgated policies to actively develop non-fossil energy, increase the proportion of non-fossil energy consumption and accelerate the construction of new power systems, vigorously develop green low-carbon buildings, construct green transportation infrastructure, etc. The relevant policies and guidance will accelerate the comprehensive green transformation of economic and social development, which will be conducive to the development of the industry.

REAL ESTATE

In 2024, the real estate business recorded a loss of HK$236 million, representing a turnaround from profit to loss compared with last year, and accounting for approximately -7.7% of the Group's Net Business Profit*. The decrease was mainly due to the significant decrease in the booked revenue from property delivery of Shanghai Industrial Development Co., Ltd. ("**SI Development**") and a significant profit contribution resulted from the booked revenue from property delivery of the Shanghai Bay project in which the Company holds a 49% equity interest recorded in the previous year.

SI Development

SI Development upheld its principle of seeking progress while maintaining stability and has been committed to the goal of integrating financing with operations and pursuing innovative development. Continuously based on its strategic footprint in key regions such as the Yangtze River Delta Economic Zone with Shanghai as the core, the company pooled competitive resources, strengthened its internal management and explored external developments. In the real estate market, the year 2024 was crucial for the transformation and development of the market in China. In view of the continuous downturn of the overall industry, the central Government and local governments of all levels have continuously introduced a series of supportive policies aimed at ensuring the stable and healthy development of the real estate market. Nonetheless, due to a number of domestic and international factors, the recovery was slow since it takes time for the restoration of confidence. Under such circumstances, the company has taken initiatives to respond to market conditions. On one hand, taking financial control as the key, the company took multiple measures to overcome the situation, reducing costs and enhancing efficiency to strengthen and protect the fundamentals of its operating results, as well as endeavoring to promote the de-stocking of inventory. On the other hand, efforts were made to focus on resource utilization and risk mitigation so as to lay a strong foundation for the stable and healthy development of the company.

For the year under review, SI Development recorded revenue of RMB2,494 million, representing a year-on-year decrease of 74.7%, mainly due to a significant decrease in the booked revenue from property delivery during the year and a relatively large amount of one-off gain recorded last year. Net loss amounted to RMB291 million, representing a turnaround from profit to loss year-on-year. During the year, the company continued to strengthen its internal control management in order to address industry challenges. Contract sales of real estate projects for the year exceeded RMB715 million with a gross floor area of approximately 41,000 square meters. The contracted projects included parking spaces in Shanghai Bay (Phase 4 and Phase 5) in Qingpu, Shanghai, Belle Rive in Qingpu, Shanghai, Sea Palace in Quanzhou and the commercial buildings and club houses of Territory Shanghai in Jing'an, Shanghai. Property sales booked during the year amounted to RMB532 million. Properties delivered mainly included Belle Rive in Qingpu, Shanghai and Territory Shanghai in Jing'an, Shanghai. Rental income for the year was approximately HK$366 million. During the year, a total of six projects were under construction, consisting of a combined area of approximately 91,800 square meters, and one project was completed, covering an area of approximately 19,500 square meters.

During the year, SI Development implemented rectifications for significant risk matters, and thoroughly reviewed the existing corporate governance structure, in order to strengthen its corporate governance. SIIC Longchuang Smart Energy Technology Company Limited ("**SIIC Longchuang**"), a former subsidiary of SI Development, was petitioned by a creditor for bankruptcy during the year. This matter has been adjudicated by the court, and an administrator has been appointed. The management rights of SIIC Longchuang were transferred to the administrator on 31 December 2024, and SI Development will no longer consolidate the accounts of SIIC Longchuang.

SI Urban Development

Shanghai Industrial Urban Development Group Limited ("**SI Urban Development**") recorded revenue of HK$12,440 million in 2024, representing an increase of 56.4% over the previous year. Loss attributable to shareholders for the year amounted to HK$331 million mainly due to the decrease in projects with higher gross profit margins among those delivered during the year compared with last year, the reduction of sales unit prices in response to market conditions and the recognition of certain impairment losses on property projects during the year. Profit attributable to shareholders for the previous year amounted to HK$495 million. The gross floor area of the delivered projects during the year was approximately 381,000 square meters, and the projects mainly included Originally in Xi'an, Summitopia in Tianjin, Ocean One in Shanghai, Cloud Vision in Shanghai and Felicity Mansion in Yantai, etc. The rental income for the year was approximately HK$794 million. The contract sales reached RMB3,933 million, with a gross floor area of approximately 184,000 square meters. The projects mainly included Summitopia in Tianjin, Originally in Xi'an, Ocean One in Shanghai, Qiyuan in Xi'an, and Felicity Mansion in Yantai. A total of nine projects were under construction during the year, covering an area of 1,933,000 square meters.

CONSUMER PRODUCTS

The consumer products business made a profit contribution of HK$643 million to the Group, representing an increase of 71.8% over the previous year and accounting for approximately 20.8% of the Group's Net Business Profit*. In 2024, the macroeconomic environment was complex and ever-changing, while opportunities and challenges co-existed in the consumer products market, demonstrating a trend of moderate recovery as a whole. During the year, Nanyang Brothers Tobacco Company, Limited ("**Nanyang Tobacco**") firmly implemented the development policy of "laying a solid foundation, striving for continuous innovation". In addition, the company closely monitored market changes, proactively managed shipment schedules, made timely adjustments, and continued to expand both domestic and international markets. These efforts yielded sustainable results, and the general sales market steadily improved, which resulted in a steady year-on-year rebound in both the sales volume and sales revenue. Meanwhile, during the year. The Wing Fat Printing Company, Limited ("**Wing Fat Printing**") adhered to a philosophy of steady operation, and its annual performance has shown steady improvement, thanks to multiple positive factors such as improved asset operating efficiency, a good recovery in tobacco packaging business, and internal tapping of potential and increasing efficiency.

Tobacco

In 2024, as the global tobacco control environment became increasingly stringent, and the tobacco control policies in the industry continued to tighten, the competition for traditional tobacco products in both international and domestic markets tended to be more intensified. During the year, Nanyang Tobacco has made a strong commitment to technological innovation, while striving to achieve breakthroughs by focusing on developing innovative products that are green and healthy, tar-reducing and harm-reducing, and novel and fashionable. In response to the new market environment, the company has embarked on changes to develop new product specifications to meet market demands while infusing new concepts into existing product specifications to ensure that traditional tobacco brands remain fresh as ever. The company has steadily promoted the construction of digital platforms, and enhanced its core competitiveness through smart manufacturing. By leveraging technological innovation and capacity upgrades, Nanyang Tobacco has continuously improved production quality, efficiency, and cost control capabilities.

In 2024, the sales volume in Hong Kong's domestic duty-paid market decreased compared to the previous year due to the Hong Kong government's further increase in tobacco tax. However, the duty-free and export markets were generally able to maintain the sales levels recorded in the second half of last year. In addition, as Hong Kong and mainland China gradually resumed full customs clearance in February last year, the visitors flow rate has not yet returned to pre-pandemic levels. Furthermore, the export market for the previous year still needed time to de-stock the inventory accumulated among distributors. Nanyang Tobacco recorded a revenue of HK$2,182 million for the year, representing a year-on-year increase of 20.2%; net profit amounted to HK$560 million, representing a year-on-year increase of 86.0%.

The duty-paid market in Hong Kong and Macau recorded a year-on-year decline of 23.7% in sales, mainly due to the significant increase in tobacco tax in the Hong Kong market for two consecutive years. Sales from Mainland market showed a slight year-on-year decline of 2.5% during the year. Relevant national departments have imposed higher compliance requirements on the Mainland market, leading to a shift in promotion and marketing strategies and increased challenges in marketing efforts. In the duty-free markets in the Mainland, Hong Kong and Macau and overseas, a year-on-year decline by 20.5% in sales was recorded during the year**.** In the face of fewer domestic outbound tourists than expected, tightened customs policies and downsizing of shops in the core channel of “Mainland Duty Free”, Nanyang Tobacco has gradually changed its marketing strategy after discussions with duty-free companies, while focusing on mid-to-high-end products and phasing out low-end products to adapt to significant changes in the duty-free market. In the export and ship-tobacco markets, a year-on-year increase by 89.7% in sales was recorded during the year. The inventory pressure caused by the pandemic has gradually been released, leading to a relatively significant rebound in sales.

Nanyang Tobacco is committed to developing its production projects in Malaysia, actively expanding its international markets and implementing the operation of overseas production bases to increase the scale of its operations in overseas business. The Malaysia project, which commenced production last year, has achieved mass production in 2024, with a year-on-year increase in annual sales of 344.9%.

During the year, Nanyang Tobacco, in compliance with the requirements of the relevant national authority, has followed the unified application of cigarette QR codes. This initiative not only enabled product traceability and anti-counterfeiting but also optimized the company's intelligent warehouse control and real-time monitoring. It improved precision management across raw material procurement, production planning, warehouse management, and logistics transportation, thus achieving efficient and integrated production line management. Additionally, Nanyang Tobacco launched a new production line project for lipstick cigarette packaging during the year. Through technological product innovation as well as support and upgrades in production capacity, the company continued to improve production quality, efficiency, and cost-effectiveness.

Printing

Wing Fat Printing recorded a turnover of HK$1,584 million for 2024, representing an increase by 2.3% over the previous year. The increase was mainly attributable to the better growth contribution from the tobacco packaging business. The company achieved a net profit of HK$95.18 million for the year, representing a year-on-year increase of 12.1%, mainly benefiting from enhancing overall gross profit resulting from optimized business structure, significant cost reduction and efficiency improvement in core factories, and improved outcomes of asset management. In addition, the continuously strong US dollars also contributed to the improvement in overall gross profit margins during the year.

Amid a complex and everchanging macroeconomic environment, Wing Fat Printing treasures the valuable orders from its core customers and is committed to comprehensively enhancing product delivery capabilities and quality service assurance. In addition to increasing its revenue, the core enterprises have focused on improving quality and efficiency, as well as the conversion of R&D innovation, efficiency and benefits. For the year under review, the company has promoted organizational adjustments and personnel optimization, along with cooperative work for cross-regional business integration and development among subsidiaries in a top-down manner.

Looking forward, Wing Fat Printing will continue to seize the opportunity of the State's vigorous promotion of consumption, promote development through organizational optimization and operation system reform, and improve performance by focusing on market development and strengthening the management of loss-making enterprises. The company will continue to consolidate its strong asset structure and operational efficiency, safeguard the bottom line of risk control and make unremitting efforts to write a new chapter for the century-old Wing Fat Printing.

**Net profit excluding net corporate expenses.*

PROSPECTS

Looking forward to 2025, the global economy is expected to continue to face great uncertainties and geopolitical impacts. Nevertheless, it is believed that opportunities and challenges always co-exist. The resilience of China’s economy and policy support from the Government are expected to bring new development opportunities to all industries. Under the circumstances, the management of the Group will continue to implement established strategies, strengthen risk controls and adhere to reform and innovation while consolidating and enhancing its existing businesses. The Group will also focus on meticulous controls, streamline systems and further enhance management efficiency and precision. The management will also make considerable efforts to integrate the Group's resources and to improve its profitability, with a determination to achieve intelligent transformation and to drive the enterprise to a higher level of growth to maximize shareholders' value.

For the infrastructure and environmental protection segments, it is anticipated that the Chinese Government will continue to proactively promote the "dual carbon" goals of achieving "carbon peaking and carbon neutrality". Increasing environmental policies are expected to be introduced to support green infrastructure and sustainable development, thereby expanding the industry's growth potential. SIIC Environment will continue to seek new opportunities in the field of environmental protection, promote the integration of financing activities and business operations, continue to focus on core economic zones and urban clusters, and increase investments in reclaimed water and industrial sewage treatment, while constructing additional high-standard and modern environmental protection projects to maintain its leading position among the first-tier players in China's water and environmental protection industry. The toll roads business segment will continue to enhance its operational efficiencies, advance the construction of safe and standardized systems, and accelerate the digital transformation of transportation infrastructure. Additionally, through investments in comprehensive healthcare operations and new business arenas, the Group's investments in pharmaceuticals and healthcare, environmental protection and green energy segments are expected to make new contributions to the Group.

In the real estate business, the central Government introduced multiple policies in 2024 to promote the stabilization and recovery of the real estate market. Under the current market conditions, although some cities have shown signs of stabilization, the uncertainty in the overall market remains high, and the market is still in a period of adjustment. Looking forward to 2025, the policies of the real estate industry are expected to remain accommodative. We will closely monitor the implementation of the Government's industry policies and changes in market trends, promptly adjust our business strategies, optimize strategic layouts, revitalize existing assets, innovate financing methods and channels, accelerate cash collection, and enhance operational efficiency. At the same time, we will further strengthen overall risk control, cautiously address operational risks, and promote the healthy, stable and high-quality development of our real estate businesses. With the increasing awareness of national health and the further strengthening of tobacco-control policies, Nanyang Tobacco may face growing challenges in the future. The company will diligently implement the development strategy of "laying a solid foundation while striving for continuous innovation", devote itself to technological innovation while striving to achieve breakthroughs by focusing on developing innovative products that are green and healthy, tar-reducing and harm-reducing, and novel and fashionable.

In response to the new market environment, Nanyang Tobacco will accelerate the launch of mid-to-high-end new products and the expansion of overseas duty-free channels, aiming to break through in the market. Simultaneously, the company will infuse new concepts into existing product specifications to ensure that traditional tobacco brands remain fresh as ever. Furthermore, Nanyang Tobacco will promote the construction of digital platforms, strengthen the application of digital technologies within the enterprise, and enhance core competitiveness through intelligent manufacturing. By leveraging technological innovation and production capacity upgrades, the company will continuously improve its production quality, efficiency, and cost-control capabilities.

Amidst a highly uncertain, complex and changing macroeconomic environment, Wing Fat Printing will focus on providing meticulous service to its existing core customers, and cultivating and exploring new business opportunities in niche areas, including catering to the new QR code requirement of tobacco packaging customers and providing anti-counterfeiting and traceability packaging technology support to potential customers in the emerging biopharmaceutical market. The company strives to consolidate the stickiness of its existing customers through service upgrades and technological innovation and takes the lead to seize opportunities in emerging markets.

Finally, on behalf of the Board, I wish to thank our Shareholders and business partners for their continued patronage and steadfast support to the Group over the years and extend my sincere gratitude to our management team and staff members for their dedication and contributions in the development of our business.

Leng Wei Qing
Chairlady

Hong Kong, 27 March 2025

FINAL DIVIDEND

The Board has recommended a final dividend for the year ended 31 December 2024 of HK52 cents per Share (2023: HK52 cents per Share), and together with an interim dividend of HK42 cents per Share (2023: HK42 cents per Share) paid during the year, total dividends for the year amounted to HK94 cents per Share (2023: HK94 cents per Share).

Subject to approval by the Shareholders at the Annual General Meeting, the final dividend will be paid on or about Wednesday, 18 June 2025 to Shareholders whose names appear on the register of members of the Company on Friday, 6 June 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the Conference Room of the Company, 26th Floor, Harcourt House, Wanchai, Hong Kong on Tuesday, 27 May 2025 at 3:00 p.m. (the "**Annual General Meeting**"). Notice of the meeting will be despatched to the Shareholders in mid-April 2025 and will be made available at the HKExnews website of The Hong Kong Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at *www.hkexnews.hk* and the website of the Company at *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 Monday, 19 May 2025 and Tuesday, 20 May 2025, 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 Friday, 16 May 2025.

Final Dividend

For the purpose of determining Shareholders' entitlement to the final dividend, the register of members of the Company will be closed on Friday, 6 June 2025, 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, 5 June 2025.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the Company's consolidated annual results for the year ended 31 December 2024.

SCOPE OF WORK OF THE COMPANY'S AUDITOR, MESSRS. DELOITTE TOUCHE TOHMATSU

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 2024 as set out in the results announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 27 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu 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 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, SI Urban Development, a subsidiary of the Company, bought back a total of 9,368,000 of its own ordinary shares on the Stock Exchange for a total consideration of HK$3,317,670, and all of which were cancelled on 26 March 2024.

Save as disclosed above, during the year ended 31 December 2024, 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 2024 will be despatched to the Shareholders in mid-April 2025 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 of the Company comprises four Executive Directors, namely Ms. Leng Wei Qing, Mr. Zhang Qian, Mr. Yao Jia Yong and Mr. Xu You Li; two Independent Non-Executive Directors, namely, Mr. Leung Pak To, Francis and Mr. Yuen Tin Fan, Francis.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024**	2023
		HK$'000	HK$'000
Revenue	*3*	**28,917,697**	32,697,955
Cost of sales		**(21,016,595)**	(19,908,262)
Gross profit		**7,901,102**	12,789,693
Net investment income		**695,979**	680,427
Other income, gains and losses		**(440,228)**	(318,668)
Selling and distribution costs		**(858,838)**	(978,084)
Administrative and other expenses		**(2,229,550)**	(2,132,501)
Finance costs		**(2,025,003)**	(2,332,342)
Share of results of joint ventures		**276,559**	339,999
Share of results of associates		**233,443**	437,061
Gain on disposal of interests in associates/a joint venture/subsidiaries and liquidation of a subsidiary		**1,348,905**	254,982
Profit before taxation		**4,902,369**	8,740,567
Income tax expense	*4*	**(1,900,045)**	(4,214,900)
Profit for the year	*5*	**3,002,324**	4,525,667
Profit for the year attributable to			
- Owners of the Company		**2,807,653**	3,423,695
- Non-controlling interests		**194,671**	1,101,972
		3,002,324	4,525,667
		HK$	HK$
Earnings per share	*7*		
- Basic		**2.582**	3.149
- Diluted		**2.582**	3.149

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	HK$'000	HK$'000
Profit for the year	**3,002,324**	4,525,667
Other comprehensive expense		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
- subsidiaries	**(1,924,456)**	(1,990,691)
- joint ventures	**(554,175)**	(426,214)
- associates	**(131,182)**	(208,724)
Items that will not be reclassified to profit or loss		
Fair value change on equity instruments at fair value through other comprehensive income held by subsidiaries, net of tax	**(70)**	(13,961)
Revaluation of properties upon transfer of property, plant and equipment to investment properties, net of tax	**10,541**	-
Other comprehensive expense for the year	**(2,599,342)**	(2,639,590)
Total comprehensive income for the year	**402,982**	1,886,077
Total comprehensive income for the year attributable to		
- Owners of the Company	**1,404,841**	2,073,174
- Non-controlling interests	**(1,001,859)**	(187,097)
	402,982	1,886,077

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	Note	**2024**	2023
		HK$'000	HK$'000
Non-Current Assets			
Investment properties		**34,681,718**	35,713,121
Property, plant and equipment		**6,244,781**	6,966,765
Right-of-use assets		**728,106**	606,173
Toll road operating rights		**3,740,466**	4,668,682
Goodwill		**517,743**	533,783
Other intangible assets		**12,143,540**	9,620,636
Interests in joint ventures		**10,791,679**	11,361,857
Interests in associates		**5,829,427**	7,152,903
Investments		**3,375,350**	2,079,155
Receivables under service concession arrangements		**22,554,450**	24,789,341
Deposits paid on acquisition of non-current assets		**62,817**	454,286
Deferred tax assets		**173,110**	197,800
Bank deposits		**1,679,438**	-
		102,522,625	104,144,502
Current Assets			
Inventories		**25,260,917**	33,908,088
Trade and other receivables	*8*	**11,731,030**	11,229,393
Contract assets		**57,035**	83,487
Investments		**225,532**	242,527
Receivables under service concession arrangements		**968,486**	986,928
Prepaid taxation		**797,875**	685,336
Pledged bank deposits		**211,619**	183,023
Bank deposits		**5,781,414**	2,382,773
Cash and cash equivalents		**20,841,493**	25,225,026
		65,875,401	74,926,581
Assets classified as held for sale		**114,667**	240,529
		65,990,068	75,167,110

	Note	2024	2023
		HK$'000	HK$'000
Current Liabilities			
Trade and other payables	*9*	**16,091,478**	19,057,555
Lease liabilities		**51,606**	53,860
Contract liabilities		**1,395,294**	8,482,575
Deferred income		**466,506**	455,386
Taxation payable		**2,958,783**	4,828,751
Bank and other borrowings		**19,205,072**	14,546,529
		40,168,739	47,424,656
Net Current Assets		**25,821,329**	27,742,454
Total Assets less Current Liabilities		**128,343,954**	131,886,956
Capital and Reserves			
Share capital		**13,649,839**	13,649,839
Reserves		**33,920,666**	32,953,201
Equity attributable to owners of the Company		**47,570,505**	46,603,040
Non-controlling interests		**30,722,825**	30,857,063
Total Equity		**78,293,330**	77,460,103
Non-Current Liabilities			
Provision for major overhauls		**78,126**	80,567
Deferred income		**1,757,258**	2,287,488
Bank and other borrowings		**40,274,021**	44,116,832
Deferred tax liabilities		**7,705,109**	7,830,565
Lease liabilities		**236,110**	111,401
		50,050,624	54,426,853
Total Equity and Non-Current Liabilities		**128,343,954**	131,886,956

Notes:

(1) GENERAL

The financial information relating to the years ended 31 December 2024 and 2023 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 2023 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 2024 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 of Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards 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 of 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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated 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 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
REVENUE						
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**

For the year ended 31 December 2023

	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	10,398,628	19,096,395	3,202,932	-	-	32,697,955
Segment operating profit	3,958,227	5,516,630	473,711	-	92,299	10,040,867
Finance costs	(922,439)	(1,267,802)	(2,057)	-	(140,044)	(2,332,342)
Share of results of joint ventures	273,402	(13,115)	-	79,712	-	339,999
Share of results of associates	461,834	(24,773)	-	-	-	437,061
Gain on disposal of subsidiaries	-	254,982	-	-	-	254,982
Segment profit (loss) before taxation	3,771,024	4,465,922	471,654	79,712	(47,745)	8,740,567
Income tax expense	(767,350)	(3,223,082)	(81,930)	-	(142,538)	(4,214,900)
Segment profit (loss) after taxation	3,003,674	1,242,840	389,724	79,712	(190,283)	4,525,667
Less: segment profit attributable to non-controlling interests	(682,847)	(403,954)	(15,171)	-	-	(1,101,972)
Segment profit (loss) after taxation attributable to owners of the Company	2,320,827	838,886	374,553	79,712	(190,283)	3,423,695

Segment assets and liabilities

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

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**

At 31 December 2023

	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	68,619,610	96,906,323	7,520,941	38,420	6,226,318	179,311,612
Segment liabilities	34,716,528	59,927,298	837,815	-	6,369,868	101,851,509

(4) INCOME TAX EXPENSE

	2024	2023
	HK$'000	HK$'000
Current tax		
- Hong Kong	**125,190**	67,573
- PRC Land appreciation tax ("**PRC LAT**")	**414,270**	1,895,116
- PRC Enterprise income tax ("**PRC EIT**") (including PRC withholding tax of HK$88,009,000 (2023: HK$113,257,000))	**1,357,421**	2,290,351
- Other jurisdictions	**4,824**	4,917
	1,901,705	4,257,957
(Over)underprovision in prior years		
- Hong Kong	**(232)**	55
- PRC LAT	**(145,615)**	-
- PRC EIT	**19,735**	(50,179)
	(126,112)	(50,124)
Deferred taxation for the year	**124,452**	7,067
	1,900,045	4,214,900

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 (2023: 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

	2024	2023
	HK$'000	HK$'000
Profit for the year has been arrived at after charging:		
Amortisation of toll road operating rights (included in cost of sales)	**786,667**	742,142
Amortisation of other intangible assets (included in cost of sales)	**585,289**	383,878
Depreciation of property, plant and equipment	**566,457**	498,784
Depreciation of right-of-use assets	**77,707**	66,870
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)	**207,079**	166,406
Impairment loss on inventories, other than properties (included in cost of sales)	**39,877**	32,389
Impairment loss on trade receivables (included in other income, gains and losses)	**70,477**	1,780
Impairment loss on other receivables (included in other income, gains and losses)	**327,182**	8,252
Impairment loss on property, plant and equipment (included in other income, gains and losses)	**28,467**	6,645
Impairment loss on properties held for sale (included in cost of sales or other income, gains and losses)	**149,504**	1,040,789
Impairment loss on properties under development held for sale (included in cost of sales or other income, gains and losses)	**757,709**	184,187
Net decrease in fair value of investment properties (included in other income, gains and losses)	**779,480**	-
Net foreign exchange loss (included in other income, gains and losses)	**72,601**	88,366
Research expenditure	**98,756**	105,858
and after crediting:		
Government compensation of toll road operating rights (included in other income, gains and losses)	**437,750**	405,533
Interest income	**694,700**	695,671
Net gain on disposal/written off of property, plant and equipment (included in other income, gains and losses)	**1,251**	3
Net increase in fair value of investment properties (included in other income, gains and losses)	**-**	101,360

(6) DIVIDENDS

	2024	2023
	HK$'000	HK$'000
Dividends recognised as distribution during the year:		
2024 interim dividend of HK42 cents (2023: 2023 interim dividend of HK42 cents) per share	**456,629**	456,629
2023 final dividend of HK52 cents (2023: 2022 final dividend of HK50 cents) per share	**565,350**	543,606
	1,021,979	1,000,235

The final dividend of HK52 cents per share in respect of the year ended 31 December 2024 (2023: HK52 cents), amounting to approximately HK$565.4 million (2023: 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:

	2024	2023
	HK$'000	HK$'000
Profit for the year attributable to owners of the Company	**2,807,653**	3,423,695

	2024	2023
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

The computation of diluted earnings per share 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

	2024	2023
	HK$'000	HK$'000
Trade receivables		
- Good and services	**7,128,141**	5,765,009
- Lease receivables	**10,955**	14,223
	7,139,096	5,779,232
Less: allowance for credit loss	**(376,352)**	(515,373)
	6,762,744	5,263,859
Amounts due from related parties	**2,118,244**	2,916,759
Other receivables	**2,054,866**	2,326,260
Prepaid other taxes	**694,818**	722,515
Consideration receivable	**100,358**	-
Total trade and other receivables	**11,731,030**	11,229,393

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.

	2024	2023
	HK$'000	HK$'000
Within 30 days	**1,192,689**	1,462,762
Within 31 – 60 days	**548,503**	571,207
Within 61 – 90 days	**504,205**	467,673
Within 91 – 180 days	**1,180,031**	866,332
Within 181 – 365 days	**1,601,723**	880,579
Over 365 days	**1,735,593**	1,015,306
	6,762,744	5,263,859

(9) TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	HK$'000
Trade payables	**5,728,857**	5,992,936
Bills payables	**13,915**	10,954
Accrued expenditure on properties under development held for sale	**3,365,403**	4,009,281
Other taxes payables	**540,891**	925,606
Accrued charges	**1,116,028**	1,394,799
Other payables	**5,326,384**	6,723,979
Total trade and other payables	**16,091,478**	19,057,555

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

	2024	2023
	HK$'000	HK$'000
Within 30 days	**3,071,754**	2,616,162
Within 31 – 60 days	**272,984**	195,799
Within 61 – 90 days	**125,802**	100,338
Within 91 – 180 days	**340,136**	212,867
Within 181 – 365 days	**447,631**	1,058,338
Over 365 days	**1,470,550**	1,809,432
	5,728,857	5,992,936

FINANCIAL REVIEW

I. Analysis of Financial Results

1. Revenue

Revenue for the year ended 31 December 2024 amounted to approximately HK$28,917.70 million, representing a decrease of 11.6% as compared to last year, which was mainly due to the decrease in booked revenue upon delivery of properties of the real estate business as compared to last year, which was partially offset by the gradual recovery in tobacco sales of the consumer products business after the outbreak of the pandemic.

2. Profit Contribution from Each Business

Net profit from the infrastructure and environmental protection business for the year amounted to approximately HK$2,628.99 million, accounting for 85.1% of Net Business Profit, and representing a year-on-year increase of 13.3%. The increase was mainly attributable to the net gain from the disposal of interest in Hangzhou Bay Bridge Company of HK$862.84 million, which was partially offset by lower year-on-year profit contribution from the water services and clean energy business.

The real estate business recorded a loss of approximately HK$236.36 million, accounting for a negative 7.7% of the Net Business Profit, and representing a turnaround from a profit of HK$838.89 million in 2023 to a loss. During the year, the significant decrease in properties sales booked upon delivery of properties of SI Development leading to a significant decrease in sales revenue, resulting in a turnaround from the profit of last year to a loss, coupled with the profit from the gain on disposal of the project company related to the land lot No.89, North Bund recorded last year. The Shanghai Bay project, in which the Company held a direct interest of 49%, was booked last year and its share of the project's profit amounted to HK462.61 million. During the year, SIHL shares about HK$200 million loss from the significant fair value loss of investment properties of SI Urban Development.

The consumer products business recorded a net profit of HK$643.37 million for the year, accounting for 20.8% of the Net Business Profit, and representing a significant year-on-year increase of 71.8%. The cigarette sales of Nanyang Tobacco increased by 20.2% year-on-year, which was mainly due to the gradual recovery of cigarette sales after the outbreak of the pandemic, resulting in both sales and profit increased simultaneously. Sales of Wing Fat Printing increased by 2.3% year-on-year due to the rebound in sales of the tobacco packaging business. Driven by sales of Nanyang Tobacco, sales of the printed packaging and can packaging business recovered significantly. The overall gross profit margin increased by 2.1 percentage points year-on-year due to the recovery in sales of the tobacco packaging business and its increased proportion in the business structure, resulting in corresponding increase in net profit.

The comprehensive healthcare operations recorded a net profit of HK$54.23 million for the year, accounting for 1.8% of the Net Business Profit, and representing a year-on-year decrease of 32.0%, which was attributable to the decrease in profit attributable as a result of a year-on-year reduction in profit due to the net gain from the asset disposal of non-listed business (expropriation of real estate by the government) of Shanghai Pharmaceutical Group last year.

3. Profit before Taxation

(1) Gross profit margin

Compared to 2023, the overall gross profit margin for the year decreased by 11.8 percentage points, mainly due to increase in the proportion of revenue from property projects with relatively lower gross profit margins booked from the real estate business than last year.

(2) *Other income, gains and losses*

Other income, gains and losses for the year recorded a net loss mainly due to the impairment of certain real estate projects during the year.

(3) *Gain on disposal of interests in associates/a joint venture/subsidiaries and liquidation of a subsidiary*

Gain on disposal for the year was mainly attributable to the disposal of associates Ningbo Hangzhou Bay Bridge Development Co., Ltd. and SIIC Elderly Care Investment Co., Ltd., where as gain for last year was mainly attributable to the disposal of the project company related to the land lot No.89, North Bund.

4. Dividend

The Board of Directors of the Group has proposed to declare a final dividend of HK52 cents (2023: HK52 cents) per share, together with an interim dividend of HK42 cents (2023: HK42 cents) per share, the total dividend amounted to HK94 cents (2023: HK94 cents) per share for 2024. Annual dividend payout ratio is 36.4% (2023: 30%).

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 2024, there is no change compared with 1,087,211,600 shares as at the end of 2023.

Equity attributable to owners of the Company reached HK$47,570.51 million as at 31 December 2024, and 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 2024, the total borrowings of the Group including bank borrowings and other borrowings amounted to approximately HK$59,492.16 million (31 December 2023: HK$58,686.93 million), of which 65.6% (31 December 2023: 77.5%) was unsecured credit facilities. The proportions of US dollars and other currencies, Renminbi and HK dollars of total borrowings were 1%, 93% and 6% (31 December 2023: 6%, 84% and 10%) 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$17,007,157,000 (31 December 2023: HK$10,459,444,000);
(b) property, plant and equipment with an aggregate carrying value of HK$582,653,000 (31 December 2023: HK$636,424,000);
(c) receivables under service concession arrangements/intangible assets with an aggregate carrying value of HK$18,416,934,000 (31 December 2023: HK$16,437,625,000);
(d) properties under development held for sale with an aggregate carrying value of HK$8,338,620,000 (31 December 2023: HK$12,924,145,000);
(e) properties held for sale with an aggregate carrying value of HK$91,394,000 (31 December 2023: HK$129,973,000);
(f) trade receivables with an aggregate carrying value of HK$410,334,000 (31 December 2023: HK$187,245,000);
(g) bank deposits with an aggregate carrying value of HK$211,619,000 (31 December 2023: HK$183,023,000);
(h) equity interests of subsidiaries with an aggregate carrying value of HK$nil (31 December 2023: HK$286,029,000); and
(i) land use rights with an aggregate carrying value of HK$467,000 (31 December 2023: HK$610,000).

(3) Contingent liabilities

As at 31 December 2024, the guarantees given to banks by the Group in respect of banking facilities utilised by property buyers, associates and joint ventures amounted to approximately HK$1,232.28 million, HK$231.02 million and HK$1,889.17 million (31 December 2023: HK$3,841.43 million, HK$468.54 million and HK$1,898.68 million) respectively.

3. Commitments

As at 31 December 2024, the Group had capital commitments mainly contracted for business developments and investments in fixed assets of HK$3,338.45 million (31 December 2023: HK$8,219.73 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 2024, bank balances (including pledged bank deposits and bank deposits) and short-term investments held by the Group amounted to HK$28,513.96 million (31 December 2023: HK$27,790.82 million) and HK$225.53 million (31 December 2023: HK$242.53 million) respectively. The proportions of US dollars and other currencies, Renminbi and HK dollars of bank balances (including pledged bank deposits and bank deposits) were 2%, 86% and 12% (31

December 2023: 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.