珠江船務企業(股份)有限公司
Chu Kong Shipping Enterprises (Group) Co., Ltd.
（Incorporate in Hong Kong with limited liability）
(Stock Code：00560)

ANNOUNCEMENT OF 2023 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of the Company (the "**Board**"), I hereby present the annual results of Chu Kong Shipping Enterprises (Group) Company Limited (the "**Company**") and its subsidiaries (the "**Group**") for the year ended 31 December 2023 to the shareholders. The Group recorded a consolidated revenue of HK$2,553,835,000 (2022: HK$2,899,545,000), representing a decrease of 11.9% as compared with last year, profit attributable to the shareholders of the Company amounted to HK$114,069,000 (2022: HK$93,490,000), representing an increase of 22.0% as compared with last year.

REVIEW

In 2023, the Group has strived to seize the opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**"), remained focused on its primary responsibilities and continued to cultivate the core business, to actively create greater shareholder value for investors. After Guangdong, Hong Kong and Macao resumed normal traveller clearance in an orderly manner, the Group pursued progress while ensuring stability, resumed and expanded the waterway passenger transportation market, and innovated to promote the "Waterway Economy" of the Greater Bay Area, thereby effectively enhancing interconnectivity within the Greater Bay Area. By extending the business chain and exploring market opportunities, the Group has vigorously developed its modern logistics industries including terminal logistics, warehousing logistics, integrated logistics, cross-border e-commerce and air freight logistics. While the Group has continued to expand the local Hong Kong market, it has identified new business opportunities, explored new tracks, developed new forms of business, and actively sought new drivers for profit growth.

Innovating business model, upgrading logistics industry. In 2023, the Group delved into the potential of the Modular Integrated Construction ("**MIC**") transportation and construction logistics market, successfully winning bids for a number of construction projects. The start of operations for the land transport of cross-border e-commerce business in February added new impetus for the Group to expand new markets and explore new customers. Moreover, the Group innovatively initiated the same-vessel shipping model for combining domestic and foreign trade container shipments to promote high-quality, integrated development of domestic and foreign trade businesses. During the year, the Group also overcame the adverse impact of weakened overseas demand, smoothly developed the cross-border railway transportation business, successfully undertook the freight cargo businesses of drones from well-known technology companies, and actively prepared for the construction of a logistics network in Vietnam.

Utilising the advantages of resources, optimising layout of passenger transportation. The Group’s multiple cross-border waterway passenger transportation routes across Guangdong-Hong Kong and Hong Kong-Macao have resumed in an orderly manner following the resumption of normal traveller clearance. Three new routes, including "Shenzhen Airport Ferry Terminal-China Ferry Terminal", "Guangzhou Pazhou-China Ferry Terminal" and "Guangzhou Pazhou-Hong Kong International Airport" have been launched. The Group has coordinated and optimised the operating management of an integrated platform of cross-border passenger transportation, and continued to deepen cooperation with airlines and travel agency industries, as well as enhanced the marketing functions on new media platforms including “Tongcheng” and “Tiktok” to achieve favourable situation. The passenger volume has steadily increased and business benefits has been improved progressively. Continuing to expand its project layout and business outreach around the Hong Kong International Airport, the Group has made every effort to ensure the smooth operation of baggage handling and apron vehicle sharing services. Simultaneously, the Group has continued to actively bid for other relevant high-quality strategic projects to further strengthen its competitive advantage.

Leveraging synergy effect, strengthening local business. The Group’s sightseeing cruise "Oriental Pearl" has launched several specialty themed voyages to vigorously promote the development of Hong Kong’s high-end “Harbour Cruise” waterway economy and successfully establish a new benchmark for water cultural tourism. By successfully winning the bid for the HKSAR Government’s bunkering project and reaching a cooperation project as the lubricating oil supply agency, the diversity and profitability of the Group’s fuel supply business have been enhanced strongly. The local ferry business achieved steady growth in passenger volume over the year, providing the Group with a stable source of business revenue and significantly enhancing synergy effects.

While successfully promoting several key projects, the Group has actively implemented the new development philosophy of “innovation, coordination, green, openness, and sharing”. By continuing to expand its terminal navigation business network and innovatively activating the “Waterway Economy” in the Greater Bay Area, the transportation services for the public have been utilised and the travel demands of the Greater Bay Area have been enriched. By contributing to the emergence of a new green economy business model, the Group has empowered the principal terminal navigation businesses to achieve breakthrough developments through technological innovation and committed to achieving synergistic development that benefits the environment, society, and the economy. During the year, pursuant to the outstanding performance in Environmental, Social and Governance (“**ESG**”) management, the Group was successfully included in the “ESG Pioneer 100 Index for Listed Stated-Owned Enterprise (2023)” list.

OUTLOOK

In 2024, with the national avocation for the evolution of new quality productive forces to achieve high-quality development in the real economy, the Group has been provided an important support in creating new engines of development and constructing new competitive advantages. Along with full utilisation of the comparative advantages of the Greater Bay Area cities, continuous optimisation of the functional layout of the regions, continuous improvement of talent exchange channels, and gradual appearance of the effects of integration and development, the Group will obtain a bigger scope and a better platform in its future development process. The Group will firmly grasp the strategic opportunities brought by the national policies to construct a development platform to expand new horizons for business growth, enhance the momentum of development to cultivate new competitive edges in project development, and drive the high-quality advancement of the enterprise.

Firstly, the Group will build the terminal development platform and realise joint coordination development among the terminal cluster. The Group will strive to strengthen the integration of terminal logistics resources and actively build a modern terminal logistics industry system, to form a new landscape of terminal logistics characterised by reasonable allocation and coordinated development. With the goal of establishing scalable terminal platforms, the Group will plan its layout comprehensively and adjust its strategies dynamically with flexibility. The Group will precisely allocate incremental terminal resources, and proactively develop core terminals that have the capability to lead and provide supportive capacity. Through the dislocation development of regional terminals, driven by core terminals and coordinated with other regional terminals, a regional terminal consortium will be formed to enhance the overall strength and market competitiveness of the Group's terminal cluster.

Secondly, the Group will build the integrated logistics development platform to promote industry chain towards high-end level. By establishing a new pattern of synergistic development among terminal nodes in Mainland China, with Chu Kong Transhipment & Logistics Company Limited ("**CKTL**") serving as the link, the Group will construct an integrated logistics platform with formidable overall strength and competitive prowess. With a focus on building warehousing logistics centres with high self-operation proportion and outstanding efficiency, the Group will actively expand value-added businesses, strive to achieve new breakthroughs in the high-end logistics industry chain in order to become a leading regional supply chain service provider. In addition, focusing on the vast infrastructure logistics market in Hong Kong and Macao and closely monitoring potential construction projects in Hong Kong, the Group will strive to establish a dominant market position in the field of infrastructure logistics.

Thirdly, the Group will build the development platform for waterway passenger transportation to promote synergistic effects of new business models. The Group will optimise and adjust the resources of waterway passenger transportation in the Greater Bay Area, with an emphasis on developing core cross-border routes from Guangzhou Pazhou to urban Hong Kong and its airport, thereby enhancing the operational efficiency of these routes. The Group will also strive to participate in the construction of Hong Kong "Airport City", and actively bid for the Hong Kong International Airport's strategic high-quality projects. The Group will strengthen the local ferry business by better utilising the business platform of Sun Ferry. In addition, by better developing the water-based tourism market and utilising resources as well as the brand of "Oriental Pearl", the Group will further deepen the multi-level and diversified water-based market. Furthermore, the Group will endeavour to carry out the oil supply in marine work projects of HKSAR Government, expand the fleet for lubricant vessels, expand oils and its related business, and establish the new "one-stop" and "end-to-end" oil supply chain business model.

Fourthly, the Group will strengthen the development momentum of the "Belt and Road" initiative and provide new avenues for business expansion. The Group will continue to promote the implementation of the "Going Out" strategy, and strive to accomplish a series of projects with promising prospects and strategic complementarity. To better exert the market "outpost" effect of overseas business nodes and networks, the Group will seek more business collaborations and foreign investment opportunities in ASEAN markets, including Singapore, Malaysia, Thailand and Vietnam.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my heartfelt thanks to all of our investors and partners who have shown tremendous support to the Group, as well as to our management and staff who have worked hard to strive toward better results for the Group. We will "**Formulate Strategies for High-quality Development, Embark on a New Chapter of Journey**", strive to create value for shareholders, and make further contributions to the prosperity of Guangdong-Hong Kong-Macao economy.

Liu Guanghui
Chairman

Hong Kong, 25 March 2024

ANNUAL RESULTS

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2023, together with the comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
Revenue	*4*	**2,553,835**	2,899,545
Cost of sales/services rendered		**(2,268,367)**	(2,644,655)
Gross profit		**285,468**	254,890
Other income		**158,958**	226,918
Other gains/(losses), net	*8*	**1,699**	(22,943)
General and administrative expenses		**(316,013)**	(296,478)
Operating profit		**130,112**	162,387
Finance income		**15,726**	11,934
Finance cost		**(23,251)**	(24,121)
Share of profits less losses of :			
- Joint ventures		**11,586**	(9,619)
- Associates		**20,283**	(9,506)
Profit before income tax	*7*	**154,456**	131,075
Income tax expense	*9*	**(31,825)**	(23,050)
Profit for the year		**122,631**	108,025
Attributable to:			
Equity holders of the Company		**114,069**	93,490
Non-controlling interests		**8,562**	14,535
		122,631	108,025
Earnings per share (HK cents)	*11*		
Basic and diluted		**10.17**	8.34

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	HK$'000	*HK$'000*
Profit for the year	**122,631**	108,025
Other comprehensive income for the year:		
Item that will not be reclassified to profit or loss		
Unlisted equity security at fair value through other comprehensive income – changes in fair value, net off HK$nil tax effect	**-**	1,249
Items that have been reclassified or may be reclassified subsequently to profit or loss		
Currency translation differences, net off HK$nil tax effect:		
- Subsidiaries	**(33,205)**	(110,561)
- Joint ventures and associates	**(4,984)**	(32,177)
Other comprehensive income for the year	**(38,189)**	(141,489)
Total comprehensive income for the year	**84,442**	(33,464)
Attributable to:		
Equity holders of the Company	**87,039**	(39,503)
Non-controlling interests	**(2,597)**	6,039
	84,442	(33,464)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,983,891**	2,068,788
Investment properties		**44,510**	46,348
Land use rights		**325,374**	340,137
Intangible assets		**232,296**	234,603
Investments in joint ventures		**302,488**	306,885
Investments in associates		**122,468**	98,388
Deferred income tax assets		**1,306**	8,102
Other non-current assets		**16,851**	15,974
		3,029,184	3,119,225
Current assets			
Inventories and spare parts		**21,225**	22,301
Trade and other receivables	*5*	**457,099**	364,681
Bank deposits and cash and cash equivalents		**1,038,838**	1,063,573
		1,517,162	1,450,555
Total assets		**4,546,346**	4,569,780
EQUITY			
Share capital		**1,415,118**	1,415,118
Reserves		**1,771,788**	1,753,379
		3,186,906	3,168,497
Non-controlling interests		**311,136**	326,810
Total equity		**3,498,042**	3,495,307

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
AS AT 31 DECEMBER 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**91,295**	92,687
Deferred income		**-**	1,799
Lease liabilities		**50,487**	43,656
Long term borrowings		**118,125**	148,701
Other payables		**10,174**	-
		270,081	286,843
Current liabilities			
Trade payables, accruals and other payables	*6*	**486,937**	469,542
Amounts due to the non-controlling interests		**40,360**	43,518
Income tax payables		**15,064**	7,808
Lease liabilities		**18,460**	29,108
Short-term borrowings		**200,000**	220,000
Current portion of long-term borrowings		**17,402**	17,654
		778,223	787,630
Total liabilities		**1,048,304**	1,074,473
Total equity and liabilities		**4,546,346**	4,569,780
Net current assets		**738,939**	662,925
Total assets less current liabilities		**3,768,123**	3,782,150

NOTES:

1. Statement of compliance

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results 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 2022 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 2023 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 the 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).

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and consequently no assurance has been expressed by KPMG on the preliminary announcement.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3. Principal accounting policies

(i) Changes in accounting policies

The HKICPA has issued the following new and amended HKFRSs that are first effective for the current account period of the Group:

- HKFRS 17, *Insurance contracts*

- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*

- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rule*

None of these development have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Principal accounting policies *(Continued)*

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In July 2023, the HKICPA published Accounting implications of the abolition of the mandatory provident fund ("**MPF**")-long service payment ("**LSP**") offsetting mechanism in Hong Kong that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. This change in accounting policy did not have any material impact on the opening balance of equity at 1 January 2022 and 2023, and the cash flows and earnings per share amounts for the years ended 31 December 2022 and 2023. It also did not have a material impact on the company-level statement of financial position as at 31 December 2022 and 2023.

3. Principal accounting policies *(Continued)*

(iii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of new and amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*	1 January 2024
Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*	1 January 2024
Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*	1 January 2024
Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements*	1 January 2024
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. Revenue and segment information

Revenue consists of revenues from cargo transportation, cargo handling and storage, passenger transportation, fuel supply, and corporate and other businesses.

	2023 HK$'000	2022 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Cargo transportation	**1,424,817**	2,008,334
Cargo handling and storage	**411,306**	469,920
Passenger transportation	**341,668**	263,193
Fuel supply	**351,464**	134,306
Corporate and other businesses	**24,580**	23,792
	2,553,835	2,899,545

The chief operating decision-maker has been identified as the executive directors of the Company, who reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors of the Company consider the business from service perspectives and assess the performance of the Group and its joint ventures and associates which are organised into five main businesses:

(i) Cargo transportation – Shipping agency, river trade cargo direct shipment and transhipment and container handling and trucking

(ii) Cargo handling and storage – Wharf cargo and container handling, cargo consolidation and godown storage

(iii) Passenger transportation – Passenger transportation agency services, travel agency operation and passenger carrier service and provision of ferry services and charter hire of vessels services

(iv) Fuel supply – Oil trading and marine bunkering service

(v) Corporate and other businesses – Investment holding and other businesses

The executive directors of the Company assess the performance of the operating segments based on their segment profit before income tax expense, which is measured in a manner consistent with that in the consolidated financial statements.

Sales between segments are carried out on terms equivalent to those that prevail with third parties. The revenue from external parties reported to the executive directors of the Company is measured in a manner consistent with that in the consolidated statement of profit or loss.

4. Revenue and segment information *(Continued)*

	Cargo Transportation	Cargo handling and storage	Passenger transportation	Fuel supply	Corporate and other businesses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2023						
Total revenue	**1,501,020**	**598,222**	**341,668**	**494,761**	**75,073**	**3,010,744**
Inter-segment revenue	**(76,203)**	**(186,916)**	**-**	**(143,297)**	**(50,493)**	**(456,909)**
Revenue (from external customers)	**1,424,817**	**411,306**	**341,668**	**351,464**	**24,580**	**2,553,835**
Timing of revenue recognition						
At a point in time	**-**	**-**	**252,920**	**351,464**	**127**	**604,511**
Over time	**1,424,817**	**411,306**	**88,748**	**-**	**24,453**	**1,949,324**
	1,424,817	**411,306**	**341,668**	**351,464**	**24,580**	**2,553,835**
Segment profit before income tax expense	**11,922**	**73,316**	**51,060**	**7,732**	**10,426**	**154,456**
Income tax expense	**(1,354)**	**(23,008)**	**(1,065)**	**(151)**	**(6,247)**	**(31,825)**
Segment profit after income tax expense	**10,568**	**50,308**	**49,995**	**7,581**	**4,179**	**122,631**
Segment profit before income tax expense includes:						
Finance income	**286**	**4,265**	**1,469**	**7**	**9,699**	**15,726**
Finance cost	**(373)**	**(15,578)**	**(4,212)**	**(12)**	**(3,076)**	**(23,251)**
Depreciation and amortisation	**(11,540)**	**(110,444)**	**(32,587)**	**(2,427)**	**(3,405)**	**(160,403)**
Share of profits less losses of:						
Joint ventures	**1,869**	**5,035**	**4,682**	**-**	**-**	**11,586**
Associates	**-**	**4,471**	**15,812**	**-**	**-**	**20,283**

4. Revenue and segment information *(Continued)*

	Cargo Transportation	Cargo handling and storage	Passenger transportation	Fuel supply	Corporate and other businesses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2022						
Total revenue	2,209,716	694,831	263,193	306,533	60,815	3,535,088
Inter-segment revenue	(201,382)	(224,911)	-	(172,227)	(37,023)	(635,543)
Revenue (from external customers)	2,008,334	469,920	263,193	134,306	23,792	2,899,545
Timing of revenue recognition						
At a point in time	-	-	207,910	134,306	-	342,216
Over time	2,008,334	469,920	55,283	-	23,792	2,557,329
	2,008,334	469,920	263,193	134,306	23,792	2,899,545
Segment profit / (loss) before income tax (expense)/credit	19,100	113,084	(30,926)	127	29,690	131,075
Income tax (expense) / credit	(3,071)	(23,025)	(1,553)	41	4,558	(23,050)
Segment profit / (loss) after income tax expense	16,029	90,059	(32,479)	168	34,248	108,025
Segment profit / (loss) before income tax expense includes:						
Finance income	307	52	482	9	11,084	11,934
Finance cost	(673)	(20,868)	(1,046)	(7)	(1,527)	(24,121)
Depreciation and amortisation	(8,453)	(124,126)	(33,528)	(2,441)	(4,640)	(173,188)
Share of profits less losses of:						
Joint ventures	3,156	6,014	(18,789)	-	-	(9,619)
Associates	-	3,142	(12,648)	-	-	(9,506)

4. Revenue and segment information *(Continued)*

	Cargo Transportation HK$'000	Cargo handling and storage HK$'000	Passenger transportation HK$'000	Fuel supply HK$'000	Corporate and other businesses HK$'000	Inter segment elimination HK$'000	Total HK$'000
As at 31 December 2023							
Total segment assets	**666,131**	**2,587,393**	**883,041**	**174,860**	**1,865,736**	**(1,630,815)**	**4,546,346**
Total segment assets include:							
Joint ventures	**45,187**	**111,259**	**146,042**	**-**	**-**	**-**	**302,488**
Associates	**-**	**48,880**	**73,588**	**-**	**-**	**-**	**122,468**
Additions to non-current assets (excluding deferred income tax assets)	**12,154**	**50,451**	**2,561**	**11,306**	**536**	**-**	**77,008**
Total segment liabilities	**(514,858)**	**(692,405)**	**(273,896)**	**(88,646)**	**(1,109,241)**	**1,630,742**	**(1,048,304)**

4. Revenue and segment information *(Continued)*

	Cargo Transportation HK$'000	Cargo handling and storage HK$'000	Passenger transportation HK$'000	Fuel supply HK$'000	Corporate and other businesses HK$'000	Inter segment elimination HK$'000	Total HK$'000
As at 31 December 2022							
Total segment assets	646,959	2,677,598	849,047	146,154	1,897,072	(1,647,050)	4,569,780
Total segment assets include:							
Joint ventures	43,547	120,097	143,241	-	-	-	306,885
Associates	-	45,083	53,305	-	-	-	98,388
Additions to non-current assets (excluding deferred income tax assets)	10,111	80,304	3,314	18,754	11,686	-	124,169
Total segment liabilities	(489,010)	(778,212)	(279,438)	(67,688)	(1,107,175)	1,647,050	(1,074,473)

4. Revenue and segment information *(Continued)*

The Group's revenue is substantially derived from operations carried out in Mainland China and Hong Kong and customers are located in Mainland China and Hong Kong. Geographical segment information is not presented as the directors of Company consider that the nature of the provision of cargo and passenger transportation services, which are carried out in Mainland China and Hong Kong, preclude a meaningful allocation of operating profit to specific geographical segments.

The analysis of the Group's non-current assets by geographical location is as follows:

	2023	2022
	HK$'000	HK$'000
Non-current assets excluding investments in joint ventures and associates, other financial asset and deferred income tax assets		
Hong Kong	**1,390,619**	1,409,568
Mainland China	**1,195,452**	1,280,308
	2,586,071	2,689,876
Joint ventures and associates		
Hong Kong	**59,228**	42,446
Singapore	**22,874**	21,872
Mainland China	**342,854**	340,955
	424,956	405,273
Other non-current assets	**16,851**	15,974
Deferred income tax assets	**1,306**	8,102
	3,029,184	3,119,225

5. Trade and other receivables

The normal credit periods granted by the Group to customers on open account range from seven days to three months from the date of invoice. The ageing analysis of trade receivables by invoice date is as follows:

	2023	2022
	HK$'000	HK$'000
Within 3 months	**244,638**	179,417
4 to 6 months	**25,018**	12,031
7 to 12 months	**2,104**	11,161
Over 12 months	**28,515**	24,047
	300,275	226,656
Less: loss allowance recognised	**(8,434)**	(8,081)
	291,841	218,575

6. Trade payables, accruals and other payables

The ageing analysis of trade payables by invoice date is as follows:

	2023	2022
	HK$'000	HK$'000
Within 3 months	**258,911**	208,301
4 to 6 months	**20,979**	22,682
7 to 12 months	**8,361**	7,119
Over 12 months	**2,710**	9,509
	290,961	247,611

7. Profit before tax

Profit before tax is arrived at after charging:

	2023	2022
	HK$'000	HK$'000
Amortisation of land use rights	**10,913**	11,448
Depreciation of property, plant and equipment	**146,517**	158,633
Depreciation of investment properties	**1,179**	1,196
Amortisation of intangible assets	**1,794**	1,911
Lease payments for short-term leases		
- vessels and barges	**134,455**	152,584
- buildings	**9,748**	4,020
Staff costs (including directors' emoluments)	**584,655**	569,975

8. Other gains/(losses), net

	2023	2022
	HK$'000	HK$'000
Exchange losses, net	**(1,118)**	(11,149)
Gain on disposals of property, plant and equipment	**1,011**	584
Gain on disposal of interest in joint ventures	**2,227**	-
Provision for impairment of trade receivables, net	**(380)**	(6,462)
Provision for impairment of other receivables	**(41)**	(5,916)
	1,699	(22,943)

9. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the year. The People's Republic of China ("**PRC**") corporate income tax has been calculated on the estimated assessable profit for the year at the income tax rate of the PRC entities of 25% (2022: 25%). Macao profits tax has been provided at the rate of 12% (2022: 12%) on the estimated assessable profit for the year.

	2023	2022
	HK$'000	HK$'000
Current income tax		
- Hong Kong profits tax	**8,348**	9,732
- PRC corporate income tax	**16,766**	21,366
- Under provision in prior years	**1,550**	14
Deferred income tax expense	**5,161**	(8,062)
	31,825	23,050

10. Dividends

On 25 March 2024, the board of directors resolve to propose a final dividend of HK5 cents per ordinary share (2022: HK4 cents per ordinary share and a special dividend of HK2 cents per ordinary share) for the year ended 31 December 2023. These proposed dividends are not reflected as a dividend payable in the financial statements. During the year, the total dividends paid by the Company, including the final dividend and the special dividend for the year 2022, amounting to HK$67,270,000 (2022: HK$22,423,000).

	2023	2022
	HK$'000	HK$'000
Final, proposed, of HK5 cents (2022: HK4 cents) per ordinary share	**56,058**	44,847
Special, proposed, of nil (2022: HK2 cents) per ordinary share	**-**	22,423

11. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Profit attributable to equity holders of the Company (HK$'000)	**114,069**	93,490
Weighted average number of ordinary shares in issue ('000)	**1,121,167**	1,121,167
Basic earnings per share (HK cents)	**10.17**	8.34

Diluted earnings per share for the years ended 31 December 2023 and 2022 are the same with basic earnings per share as there were no dilutive potential ordinary shares in issue.

12. Non-adjusting post reporting period events

After the end of the reporting period, the directors of the Company proposed a final dividend, the details of which are disclosed in note 10.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2023, the Group recorded a consolidated revenue of HK$2,553,835,000 representing a decrease of 11.9% over the same period last year. Benefiting from the gradual normalisation of passenger transportation business as well as quality and efficiency improvements due to internal management optimisation, gross profit for the year amounted to HK$285,468,000, representing an increase of 12.0% over the same period last year. Profit attributable to the shareholders of the Company amounted to HK$114,069,000, representing an increase of 22.0% over the same period last year.

In 2023, despite facing multiple risks from the external environment and persistent pressures from a global economic downturn, the economy of the PRC exhibited sufficient resilience, sustaining a trend of recovery and improvement throughout the year. With the effective implementation of policies to stabilise growth, positive changes emerged across various upstream and downstream industry supply chains and the demand in the PRC’s logistics market stabilised and rebounded gradually. Compared with the same period last year, the Group’s cargoes transportation business progressed well, with continuous improvement in the cargoes transportation volume. Following the normalisation of traveller clearance resumption after the COVID-19 epidemic, routes resumed in an orderly manner; the cross-border waterway passenger transportation business has been greatly improved with a great rebound in the number of passengers.

Regarding the cargoes transportation business, the Group achieved steady progress by firmly grasping the strategic development opportunities presented by national and regional initiatives. During the year, the container transportation volume reached 1,321,000 TEU, representing a year-on-year increase of 2.8%, while break bulk cargoes transportation volume reached 1,143,000 tons, representing a year-on-year increase of 68.6%. As for the cargoes handling business, the container handling volume reached 1,095,000 TEU, representing a year-on-year decrease of 3.2%, while the break bulk cargoes handling volume reached 8,966,000 tons, representing a year-on-year decrease of 12.2%, and the container hauling and trucking volume amounted to 184,000 TEU, representing a year-on-year decrease of 8.0%.

Regarding the passenger transportation business, benefiting from the normalisation of traveller clearance, the Group's performance improved. The cross-border waterway passenger routes of the Group resumed in an orderly manner since 8 January 2023, and three new routes, including “Shenzhen Airport Ferry Terminal-Hong Kong China Ferry Terminal”, “Guangzhou Pazhou-Hong Kong China Ferry Terminal” and “Guangzhou Pazhou – Hong Kong International Airport” have also been launched. The local ferry business has seized the development opportunity brought by the resumption of normal traveller clearance, resulting in a rebound in the number of passengers. During the year, the total number of passengers for agency services was 1,476,000, representing a year-on-year increase of 1,062.2%. The number of passengers for terminal services was 953,000, representing a year-on-year increase of 650.4%. The number of passengers for local ferry service was 12,269,000, representing a year-on-year increase of 8.2%.

I. TERMINAL NAVIGATION LOGISTICS BUSINESS

1. Cargo Transportation Business

Business Operation Indicators

Performance statistics of our major business operation indicators are as follows:

Indicators	For the year ended 31 December **2023**	2022	Change
Container transportation volume (TEU)	**1,321,000**	1,285,000	2.8%
Break bulk cargoes transportation volume (revenue tons)	**1,143,000**	678,000	68.6%
Volume of container hauling and trucking on land (TEU)	**184,000**	200,000	-8.0%

Subsidiaries

During the year, in the light of a global slowdown in multi-sector trade and persistently low freight prices, CKTL has been confronted with challenges stemming from the resumption of cross-border vehicle operations between Mainland China, Hong Kong, and Macao, as well as a sharp decline in the transportation volume of anti-epidemic and essential livelihood supplies. Despite these challenges, CKTL has managed to maintain a stable foundation in inland container transportation and achieved breakthroughs in construction logistics and integrated logistics by strengthening cooperation with terminals and successfully venturing into e-commerce local delivery services, resulting in commendable outcomes. The volume of container transportation for the year recorded 1,321,000 TEU, representing a year-on-year increase of 2.8%. The volume of break bulk cargoes transportation for the year recorded 1,143,000 tons, representing a year-on-year increase of 68.6%. The volume of container hauling and trucking on land for the year recorded 184,000 TEU, representing a year-on-year decrease of 8.0%.

***Subsidiaries** (Continued)*

Through actively responding to market changes, CKTL promptly adjusted its business strategy and began vigorously transitioning towards becoming an integrated logistics operator. For the construction logistics aspect, CKTL capitalised on the emerging trend of MIC, and on the basis of successfully bidding for the transportation of MIC components for campus refurbishment projects, has expanded its logistics services to include several small-medium transitional housing projects. Additionally, by leveraging its long-term accumulated project experience and customer resources, CKTL has successfully won the bid for a sand supply for certain phases of the Hong Kong International Airport construction project. In terms of cargo terminals and navigation cooperation, CKTL strengthened the collaboration with the Group's construction of the integrated operation platform for ports and barges as well as composite ports business model to give full play to the synergy effect and improve quality and efficiency. In terms of e-commerce business, the Group has strengthened the integrated business model of "barges + terminals and warehouse services + local delivery" and continues to explore the potential of e-commerce logistics business. In the future, CKTL will continue to focus on construction logistics and specialise in storage logistics. The company will fully utilise terminal resources in Hong Kong to diversify and expand new sources of goods, proactively innovate in various business areas, as well as enhance its capacity for revenue and profit generation.

2. Cargo Handling and Storage Business

Business Operation Indicators

Performance statistics of our major business operation indicators are as follows:

	For the year ended 31 December		
Indicators	**2023**	2022	Change
Container handling volume (TEU)	**1,095,000**	1,131,000	-3.2%
Break bulk cargoes handling volume (revenue tons)	**8,966,000**	10,209,000	-12.2%

Subsidiaries

During the year, the overall container handling volume experienced a slight decline. However, subsidiaries continued to optimise their business models. The synergy effect became apparent with the implementation of the integrated operation platform for ports and barges as well as the intelligent trailer system. By strengthening cost control and enhancing efficiency, the Group made concerted efforts to maintain smooth and orderly production and operations. During the year, the container handling volume was 1,095,000 TEU, representing a year-on-year decrease of 3.2%, while the break bulk cargoes handling volume during the year was 8,966,000 tons, representing a year-on-year decrease of 12.2%.

Subsidiaries (Continued)

Major business operation indicators by region are as follows:

	For the year ended 31 December					
	Container handling volume (TEU)		Change	Break bulk cargoes handling volume （revenue tons）		Change
Region	**2023**	**2022**		**2023**	**2022**	
Zhaoqing	**201,000**	186,000	8.1%	**6,282,000**	6,518,000	-3.6%
Foshan	**275,000**	267,000	3.0%	**38,000**	166,000	-77.1%
Qingyuan	**123,000**	117,000	5.1%	**473,000**	238,000	98.7%
Zhuhai	**196,000**	206,000	-4.9%	**149,000**	1,622,000	-90.8%
Zhongshan	**38,000**	31,000	22.6%	**1,292,000**	472,000	173.7%
Hong Kong	**262,000**	324,000	-19.1%	**732,000**	1,193,000	-38.6%

By adhering to the development route of “regional coordination, management integration, and synergistic development” the Zhaoqing region's container handling volume has achieved counter-cyclical growth, with overall development showing continuous improvement. During the year, the container handling volume recorded 201,000 TEU, representing a year-on-year growth of 8.1%. The overall break bulk cargoes handling volume recorded 6,282,000 tons, decreased by 3.6% year-on-year. During the year, each port in the Zhaoqing region accurately identified its own development position, enhanced communication and linkage among themselves, and implemented various measures to expand new sources of goods. Each port also innovated a new logistics model and launched the whole process waterway transportation service of “External to Internal + Waterway to Waterway”. Over the year, a total of 122,000 TEU container handling volume for foreign trade was handled, with market shares increasing to nearly 70% of the total market of Zhaoqing city, progressively consolidating the foreign trade leading position over there. In which, Zhaoqing New Port successfully obtained the business qualification for importing homologous goods of medicine and food for non-pharmaceutical enterprises, and Sihui Port successfully obtained the “Attached Certificate for Dangerous Goods Operation at Ports”, launched a container handling business for Class 9 Dangerous Goods, and also completed the direct export shipment of “Sihui-Yantian” for the first batch of lithium batteries.

***Subsidiaries** (Continued)*

Gaoming Port in Foshan region achieved a container handling volume of 275,000 TEU, representing a year-on-year increase of 3.0%, and a break bulk cargoes handling volume of 38,000 tons, representing a year-on-year decrease of 77.1%. During the year, affected by adverse factors including weakened domestic and overseas demand, fluctuating shipping prices, intensifying competition among surrounding ports etc., the break bulk cargoes handling volume decreased compared to last year. Gaoming Port strived to seek breakthroughs under these challenging circumstances, including exploring the development potential of the integrated operation platform for ports and barges, launching "Daily Feeder" services, exerting advantages of platform aggregation, optimising operational processes, extending the integrated logistics service chain, enhancing the level of informatisation, continuously improving production efficiency and reducing operational costs. In addition, Gaoming Port kept abreast of market changes and proactively adjusted its goods portfolio, which led to apparent effects in the specialised business of "renewable resources" and established an influential import port brand of "renewable resources" in the Greater Bay Area. Meanwhile, Gaoming Port seized the future strategic opportunities presented by the construction of Guangzhou's second airport, stuck to the logistics channel of "Air-Terminal", and actively fostered the burgeoning business model of cross-border e-commerce. During the year, Gaoming Port successfully obtained the qualification as a "Cross-Border E-Commerce Park" from the PRC Government of Foshan Municipality and officially launched its cross-border land transportation business. In the future, it will continue to optimise its land transportation capabilities to develop a more comprehensive logistics service platform.

During the year, the container handling volume at Qingyuan Port in Qingyuan region recorded 123,000 TEU, representing a year-on-year increase of 5.1%. The break bulk cargoes handling volume was 473,000 tons, representing a year-on-year increase of 98.7%. Qingyuan Port launched a new handling business for bagged cement, which led to a significant increase in the break bulk cargoes handling volume.

The overall container handling volume in the Zhuhai region recorded 196,000 TEU, representing a year-on-year decrease of 4.9%; break bulk cargoes handling volume recorded 149,000 tons. Doumen Port actively explored the market potential of foreign trade enterprises in Doumen District and its surrounding areas, successfully attracting sources of goods from major regional customers. Overcoming various difficulties brought on by the economic situation, Civet Port completed services for 7,853 sand and gravel ship voyages, as well as 10,861 trips for the specialised Hong Kong-Macao cross-border e-commerce vehicle business. In the future, Civet Port will continue to promote further cooperation with Hongwan Terminal, deepen the business cooperation between Hong Kong, Zhuhai and Macao by fully utilising the resources and strength of both sides, to develop Hongwan Terminal area into a foreign trade cargo distribution base for the Greater Bay Area.

Subsidiaries *(Continued)*

Zhongshan Huangpu Port in Zhongshan region newly launched an export service for foreign trade break bulk cement and innovatively introduced "Railway + Highway + Waterway" multimodal transportation projects to meet customer needs. Benefiting from the recovery of the sand and gravel business volume and the development of the scrap steel business, the break bulk cargoes business experienced substantial growth.

The terminals in the Hong Kong region recorded 262,000 TEU of container handling volume, representing a year-on-year decrease of 19.1%. The break bulk cargoes handling volume recorded 732,000 tons, representing a year-on-year decrease of 38.6%. During the year, by seizing the opportunity from Hong Kong's international airline hub, CKTL transformed and upgraded its freight cargo business to provide destination customs clearance and delivery services, consistently expanded the customer base for its freight cargo warehouse, resulting in a 31% year-over-year increase in air freight handling volume. By expanding the climate-controlled and bonded storage area at Tuen Mun warehouses and successfully putting them into operation to store high-value items such as perfumes, cosmetics, as well as duty-free alcohol, the climate-controlled warehouse is currently at full capacity. High-rise shelving has been added to certain areas of the warehouses to expand its storage capacity and efforts to actively seek new sources of goods led to the successful introduction of projects involving internationally renowned apparel brands.

Joint Ventures and Associates

For the break bulk cargoes handling business, on the foundation of stabilising the cargoes volume of its existing bulk grain-and-food commodities customers, Sanbu Port continued to develop break bulk cargo businesses and customer groups for sand and gravel commodities, optimised and adjusted the structure of its tractor business, and implemented competitive strategies to differentiate itself from surrounding terminals, resulting in sustained substantial growth in its break bulk cargoes handling business. In terms of the container handling business, Sanbu Port intensified its cargo acquisition efforts through joint marketing and business expansion with shipping companies. In collaboration with domestic trade shipowners, Sanbu Port proactively organised promotional events for ceramic customers and established several specialised cargo source collaborations, resulting in growth in both cargoes volume and revenue. Heshan Port recorded a break bulk cargoes handling volume of 1,291,000 tons, representing a year-on-year increase of 265.7%.   Beicun Port in Foshan region successfully launched e-commerce business and has become a new e-commerce export terminal.

II. PASSENGER TRANSPORTATION BUSINESS

Business Operation Indicators

Performance statistics of our major business operation indicators are as follows:

	For the year ended 31 December Number of Passengers (in thousands)		
Indicators	**2023**	2022	Change
Number of passengers for agency services	**1,476**	127	1,062.2%
Number of passengers for terminal services	**953**	127	650.4%
Number of passengers for local ferry transportation	**12,269**	11,339	8.2%

Subsidiaries

Benefiting from the adjustments to the epidemic prevention policy, the Group's cross-border waterway passenger transportation has resumed since 8 January 2023. Following a series of preparation for the resumption of ferry routes, normal operation for six urban routes and five airport routes has been achieved. The volume of cross-border passenger traffic rose significantly compared to the same period last year. The total number of passengers for agency services was 1,476,000, representing a year-on-year increase of 1,062.2%, while the number of passengers for terminal services was 953,000, representing a year-on-year increase of 650.4%.

During the year, Chu Kong Passenger Transport Company Limited ("**CKPT**") concentrated on its superior resources and put great emphasis on airport core projects. It continued to deepen the service areas of the Hong Kong International Airport by actively seeking new project opportunities, participating in bidding for high-quality projects and stepping up efforts to develop the business of the Hong Kong International Airport. CKPT promoted the integration of the passenger transport business segment in an orderly manner and promoted the coordination of platform capacities and the consolidation of port resources. By innovating marketing models and collaborating with other business divisions within the Group, CKPT launched the ticket package "Cross-border Passenger Transportation +", creating synergy and aiding the development of convenient travel within the transportation industry and the Greater Bay Area. The operation scale of self-service baggage drop project at the Hong Kong International Airport has been restored to pre-pandemic levels and continues to expand. The Group is currently preparing for the next phase of the tender process. Through actively developing long-term customers and serving a number of ad-hoc customers, the apron vehicle sharing service maintained stable operation.

***Subsidiaries** (Continued)*

Regarding urban routes, with the increase in visitors to Hong Kong, the urban routes have been gradually resuming. Currently, six routes, including Zhongshan, Nansha, Shekou, Shenzhen Airport, Shunde and Pazhou are operating normally, which the number of passengers served during the year amounted to 1,017,000. During the year, Pazhou Port opened a new route between Guangzhou Pazhou Ferry Terminal and Hong Kong China Ferry Terminal. CKPT seized the prime opportunity for publicity presented by the resumption and inaugural voyages, leveraging various channels to promote its routes. CKPT completed the establishment of a new media live broadcasting team for the integrated passenger transportation platform, continuously expanding the visibility of its routes and achieving growth in both passenger sources and added value. During the year, the Group coordinated the management of the integrated passenger transportation platform, established mechanism for information exchange among various ports, facilitated the coordination of resources between ports, and consistently optimised the route resources in the Greater Bay Area.

Regarding airport routes, the number of passengers served during the year by the five operating routes of Shekou, Zhongshan, Humen, Pazhou and Shenzhen Airport amounted to 459,000. Since the inaugural voyage between Guangzhou Pazhou Terminal route and the Hong Kong International Airport on 4 May 2023, the passenger flow has increased steadily. The Group seized core airport projects and ensured the smooth operation and renewal of these airport projects. The Group consistently provided high-quality, convenient services through intermodal transportation services at the SkyPier and transit terminal, enhancing the overall travel experience for passengers.

Regarding local ferry services, following the full resumption of traveller clearance between Hong Kong and China, the local ferry business recorded a total number of passengers of 12,269,000, representing a year-on-year increase of 8.2%. Sun Ferry Services Company Limited (“Sun Ferry”) was committed to enhancing its full-cycle service capabilities, optimising pier facilities, improving the passenger ferry ride experience, the non-farebox revenue was increased through the promotion of outlying island tourism and terminal improvement projects. With the delivery and deployment of newly built vessels, Sun Ferry continued to prioritise safe production practices, ensuring the implementation of new ferry projects, shifting strategies to advance the disposal of old ferries, and seeking new growth points through resource utilisation. At the same time, Sun Ferry strengthened the business integration with other internal business segments to maximise the synergy effect and bring a stable source of long-term profit to the Group.

Regarding water cultural tourism business, the sightseeing cruise “Oriental Pearl” of Oriental Pearl Cruise Company Limited (“**Oriental Pearl**”), was the first large-scale high-end cruise ship providing Victoria Habour tour service in Hong Kong, which is a platform for water-based tourism and business activities with quality services. During the year, the "Oriental Pearl” cruise achieved regular berthing operations at the Central Pier, and its high-end business charter and sightseeing services attracted numerous upscale clients, gaining multiple media coverages. During the year, the Oriental Pearl operated a total of over 1,000 sailings with 55,000 passengers and recorded a profit for the first time.

Joint Ventures and Associates

During the year, benefiting from the growth in passenger volume of the Shekou to the Hong Kong International Airport route, the number of passengers at SkyPier (operated by Hong Kong International Airport Ferry Terminal Services Limited) amounted to 459,000, representing a year-on-year increase of 261.4%. Zhongshan-Hong Kong Passenger Shipping Co-op Co., Ltd. has resumed since 13 January 2023, the passenger transportation volume of the urban routes during the year was 599,000. The operation of Foshan Shunde Shungang Passenger Transportation Co-op Co., Ltd. has resumed since 30 March 2023, the passenger transportation volume served for the urban routes during the year amounted to 110,000.

During the year, the shuttle bus business volume for the Hong Kong-Zhuhai-Macao Bridge which is jointly operated by Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd., an associate of the Group increased significantly, it achieved a passenger volume of 17,192,000 passengers during the year, representing a significant year-on-year increase of 6174.5%, contributing favourably to the Group's revenue.

III. FUEL SUPPLY BUSINESS

As to the fuel supply business, Sun Kong Petroleum Company Limited (“**Sun Kong Petroleum**”) achieved growth in sales volume of both diesel and engine oil, turning a loss into a profit against the odds. During the year, Sun Kong Petroleum successfully renewed the China Hong Kong City Oil Supply Project and made use of its own advantage of scarce local refueling buoyancy resources at sea in Hong Kong and successfully won the bidding for the marine oil bunkering project from the HKSAR Government, thereby expanding its business scope. Meanwhile, Sun Kong Petroleum has continued to optimise its existing fuel transportation capacity. This year, it completed the production and deployment of a new 1,300-ton diesel transport vessel and initiated the construction of a 700-ton lubricating oil transport vessel project, further satisfying the development needs of the bunkering business and enhancing the hardware capacity of the bunkering services.

IV. CORPORATE AND OTHER BUSINESSES

As to the corporate and other businesses, Chu Ou Engineering and Technologies Company Limited (“**Chu Ou Engineering**”), whose main business is maintenance and repair of property facilities, focused on the operations and safety management of Sands Corporation water supply pipeline project during the year, which continued to be profitable. Chu Ou Engineering will continue to give full play to its technological advantages, on the basis of strengthening its existing business, it will pay close attention to the bidding projects of various government departments and enterprises in Macao, actively explore new long-term and stable projects, and strive to strengthen the core competitiveness.

During the year, Guangdong Digital Port & Shipping Technology Co., Ltd. (“**Digital Port & Shipping**”), a subsidiary of the Group, continued to advance and implement the Group's digital transformation projects. Digital Port & Shipping was successfully recognised as the "2023 High-tech Enterprise" and completed the registration of computer software copyrights for three proprietary products, among which the self-developed project of a smart tractor dispatching platform has been successively developed and inspected in the Zhaoqing area, which effectively enhancing the quality of the terminal's external services and further driving the Group's digital transformation efforts. In the future, Digital Port & Shipping will continue to increase its research and development investments, strengthen its capability to convert scientific and technological achievements into practical applications, and promote the Group in achieving digital upgrades and transformation.

During the year, the businesses of other subsidiaries, joint ventures and associates of the Group progressed well.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The capital structure of the Group was constantly monitored by the Company. The use of any capital instruments, including banking facilities, by each subsidiary was under the central coordination and arrangement of the Company.

The Group closely monitored its working capital and financial resources to maintain a solid financial position. As at 31 December 2023, the Group secured a total credit facilities of HK$1,186,650,000 and RMB122,815,000 (equivalent to approximately HK$135,527,000) (2022: HK$1,185,000,000 and RMB148,610,000 (equivalent to approximately HK$166,361,000)) granted by bona fide banks.

As at 31 December 2023, the current ratio of the Group, calculated by dividing current assets by current liabilities, was 1.9 (2022: 1.8).

As at 31 December 2023, the Group's bank deposits and cash and cash equivalents amounted to HK$1,038,838,000 (2022: HK$1,063,573,000), which represented 22.8% (2022: 23.3%) of the total assets.

As at 31 December 2023, the gearing ratio of the Group, represented by bank borrowings divided by total equity and bank borrowings, was 8.8% (2022: 10.0%) and the debt ratio, representing total liabilities divided by total assets, was 23.1% (2022: 23.5%).

After considering its current cash and cash flows from operating activities, as well as the credit facilities available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for business expansion and general development purposes.

During the year, the Group did not use any other financial instruments for hedging purpose.

BANK LOANS AND PLEDGE OF ASSETS

Bank Loans	**As at 31 December 2023**	As at 31 December 2022
Banks located in Hong Kong (Note 1)		
- Hong Kong Dollar	**200,000,000**	220,000,000
Banks located in China (Note 2)		
- Renminbi	**122,815,000 (equivalent to approximately HK$135,527,000)**	148,605,000 (equivalent to approximately HK$166,355,000)

Note:
1. The loans from banks located in Hong Kong in 2023 borne floating interest rate and were unsecured. The relevant terms of which are identical with those set out in 2022 Annual Report.
2. The loans from banks located in China in 2023 borne floating interest rate and were secured by the land use right of Zhongshan Huangpu Port and certain properties and the land use right of Civet Port. The relevant terms of which are identical with those set out in 2022 Annual Report.

CURRENCY STRUCTURE

As at 31 December 2023, the Group deposited its cash and cash equivalents with several reputable banks, mainly of which were denominated in Hong Kong dollar and Renminbi with some in United States dollar and a small amount in Macao Pataca and in Euro.

CAPITAL COMMITMENTS

The Group's capital commitments outstanding at 31 December 2023 were HK$15,227,000 (2022: HK$9,901,000)

The Group has sufficient financial resources, which includes cash and cash equivalents, cash from operating activities and available banking facilities, for the payment of capital commitments.

SIGNIFICANT INVESTMENT

Save as disclosed in this announcement, there was no significant investment held by the Group for the year.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no material contingent liabilities (2022: Nil).

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

No listed securities of the Company were purchased or sold by the Company or any of its subsidiaries for the year. The Company did not redeem any of its shares during the year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Save as disclosed in this announcement, the Group had no other material acquisition or disposal of any subsidiaries, joint ventures and associates for the year.

EXCHANGE RISK

Currently, the ordinary operations, investments business and borrowings of the Group are concentrated in Guangdong Province and Hong Kong, with operating revenue and expenditure mainly denominated in HKD, as well as in RMB and USD. RMB revenue from Mainland China may be used for payment of expenses incurred in Mainland China and repayments of the loans denominated in RMB. HKD or USD revenue received in Mainland China may be remitted to the Group's bank accounts in Hong Kong through proper procedures as planned. So long as the linked exchange rate system in Hong Kong with USD is maintained, it is expected that the Group will not be subject to any significant exchange risk.

ADOPTION OF MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct prescribing standards and requirements no less than that required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct of Directors for conducting securities transactions. All Directors have confirmed, following specific enquiry of all Directors that they have fully complied with the required standards set out in the Model Code in relation to such transactions during the accounting period covered by this announcement.

PUBLICATION OF RESULTS ON THE WEBSITES

The annual report of the Company for the year ended 31 December 2023 (the "2023 Annual Report") containing all the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK") (the "Listing Rules") will be published on the websites of the SEHK and the Company (www.cksd.com) in due course.

ANNUAL GENERAL MEETING OF THE COMPANY ("AGM")

The AGM is to be held on 29 May 2024 (Wednesday) and the notice of the AGM will be published and despatched to the shareholders of the Company (the "**Shareholders**") with the prescribed time and in such manner as required by the Listing Rules.

FINAL DIVIDEND

The Board has not declared an interim dividend during the year (2022: nil). The Board have proposed a final dividend of HK5 cents (2022: HK4 cents and a special dividend of HK2 cents per ordinary share) per ordinary share, totaling approximately HK$$56,058,000 (2022: HK$67,270,000) for the year ended 31 December 2023 to Shareholders whose names appeared on the register of members on 7 June 2024. The final dividend is expected to be paid in cash.

CLOSURE OF REGISTER MEMBERS

The register of members of the Company will be closed from 23 May 2024 (Thursday) to 29 May 2024 (Wednesday), during which no transfer of shares will be effected. In order to ascertain shareholders' rights for the purpose of attending and voting at the AGM to be held on 29 May 2024 (Wednesday), all transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on 22 May 2024 (Wednesday) for registration.

The register of members of the Company will be closed from 5 June 2024 (Wednesday) to 7 June 2024 (Friday), both dates inclusive, during which no transfer of shares will be effected for the purpose of ascertaining the Shareholders entitled to the final dividend for the year ended 31 December 2023 to be approved at the AGM. In order to qualify for the final dividend for the year ended 31 December 2023, all transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on 4 June 2024 (Tuesday) for registration. The dividend warrants for the cash dividends are expected to be sent by ordinary mail to the Shareholders at their own risk on or around 28 June 2024 (Friday).

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting policies and principles adopted by the Group with the management, and discussed the relevant matters such as auditing, internal controls and financial reporting. The annual results for the year ended 31 December 2023 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Directors have adopted various policies to ensure compliance with the code provisions of the Corporate Governance Code (the "**Code**") under Appendix 14 to the Listing Rules. Save as disclosed below, the Directors consider that the Company has fully complied with the Code for the year ended 31 December 2023.

According to the provisions of the Code, a service term of over nine years is one of the key factors in determining the independence of an independent non-executive director. Mr. Chan Kay-cheung ("**Mr. Chan**"), Ms. Yau Lai Man ("**Ms. Yau**") and Mr. Chow Bing Sing ("**Mr. Chow**") have served as independent non-executive Directors for over nine years. During their years of service with the Company, Mr. Chan, Ms. Yau and Mr. Chow have contributed by providing independent viewpoints and advice to the Company in relation to its businesses, operations, future development and strategy. The Board considers that Mr. Chan, Ms. Yau and Mr. Chow have the character, integrity, ability and experience to continue to fulfill his/her role as required effectively. The nomination committee of the Company, having separately assessed and reviewed each of Mr. Chan's, Ms. Yau's and Mr. Chow's duties, contributions and scope of work, also believes that Mr. Chan, Ms. Yau and Mr. Chow can independently express opinions on matters of the Company and there is no evidence that his/her over nine years of service with the Company would have any impact on his/her independence and therefore his/her independence is confirmed. According to the Provision B.2.3, if an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by Shareholders. Mr. Chan and Mr. Chow retired on rotation at the annual general meeting held on 21 June 2023, and being eligible, offered themselves for re-election at the said meeting. Mr. Chan and Mr. Chow had already been re-appointed by separate resolutions of the Shareholders at the said meeting.

In addition, in accordance with Provision B.2.4(b), if all the independent non-executive Directors have served on the Board for more than nine years, a new independent non-executive Director should be appointed at the forthcoming annual general meeting. Hon. Rock Chen Chung-nin was appointed as a new independent non-executive Director at the annual general meeting held on 21 June 2023 in accordance with Article 84 of the Articles of Association.

Further details on the corporate governance of the Company will be published in the 2023 Annual Report.

DIRECTORS

The Company is not aware of any change in the information of Directors required to be disclosed pursuant to Rule 13.51B of the Listing Rules during the period since 30 June 2023.

As at the date of this announcement, the executive Directors are Mr. Liu Guanghui, Mr. Zhou Jun and Mr. Liu Wuwei; non-executive Director is Ms. Zhong Yan; and independent non-executive Directors are Mr. Chan Kay-cheung, Ms. Yau Lai Man, Mr. Chow Bing Sing and Hon. Chen Chung-nin.

By Order of the Board
Zhou Jun
Managing Director

Hong Kong, 25 March 2024