



中國通商

中國通商集團有限公司

China Infrastructure & Logistics Group Ltd.

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1719

Utilize the Golden
Waterway along
Yangtze River to
develop the biggest
hub-port and logistics
base in central China



2024

INTERIM REPORT



Contents

Corporate information	2
Financial highlights	4
Management discussion and analysis	5
Outlook	18
Interim financial information	20
Other information	56

Corporate information

Directors

Executive Directors:

Ms. Zhou Wei
Mr. Qiao Yun

Non-executive Directors:

Mr. Xu Aoling
Mr. Li Wei

Independent non-executive Directors:

Mr. Chau Kwok Keung
Mr. Fu Xiping
Dr. Mao Zhenhua

Audit committee members

Mr. Chau Kwok Keung (*Chairman*)
Mr. Xu Aoling
Mr. Fu Xiping
Dr. Mao Zhenhua

Remuneration committee members

Mr. Chau Kwok Keung (*Chairman*)
Mr. Li Wei
Mr. Fu Xiping
Dr. Mao Zhenhua

Nomination committee members

Ms. Zhou Wei
Mr. Chau Kwok Keung
Mr. Fu Xiping
Dr. Mao Zhenhua

Authorised representatives

Ms. Zhou Wei
Ms. Hui Wai Man, Shirley

Company secretary

Ms. Hui Wai Man, Shirley

Auditor

Crowe (HK) CPA Limited
Registered Public Interest Entity Auditor

Legal advisers

Sidley Austin
Maples and Calder

Company website

www.cilgl.com

Principal bankers

Bank of Communications
Jiangan Branch, Wuhan
Hubei Province, the PRC

China Merchants Bank
Wuhan Branch, the PRC

Bank of Hankou
Yangluo Branch, the PRC

Rural Commercial Bank
Yangluo Branch, the PRC

Industrial Bank
Hong Kong

Head office

Unit A, 7/F., On Hing Building
No. 1 On Hing Terrace
Central, Hong Kong

Principal share registrar and transfer office

Suntera (Cayman) Limited
Suite 3204, Unit 2A,
Block 3, Building D,
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor
Services Limited
1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Registered office

P.O. Box 309, Uglan House
Grand Cayman, KY1-1104
Cayman Islands

Contact details

Phone : (852) 3158-0603
Fax : (852) 3011-1279
Email : cilgroup@cilgl.com

Stock Code

1719

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Infrastructure & Logistics Group Ltd. (the “**Company**”) is pleased to announce the condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”), together with the comparative figures for the corresponding period in 2023 (the “**Last Period**”) as follows.

HIGHLIGHTS

Comparison of the Period with the Last Period:

- Revenue decreased by approximately 15.9% to approximately HK\$157,177,000 (the Last Period: approximately HK\$186,813,000).
- Gross profit decreased by approximately 14.4% to approximately HK\$37,420,000 (the Last Period: approximately HK\$43,718,000). Gross profit margin slightly increased to 23.8% (the Last Period: 23.4%).
- Profit for the Period increased by approximately 129.3% to approximately HK\$3,393,000 (the Last Period: approximately HK\$1,480,000).
- Profit attributable to owners of the Company increased by approximately 196.7% to approximately HK\$3,468,000 (the Last Period: approximately HK\$1,169,000).

Profit attributable to owners of the Company

- Earning per share attributable to owners of the Company was approximately HK0.2 cents (the Last Period: approximately HK0.07 cents).
- The Board does not recommend the payment of an interim dividend for the Period (the Last Period: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY DEVELOPMENT

Currently, there are two channels for sea freight from Wuhan. The first channel, opened in March 2016, is the river-sea route that the cargoes sent from Wuhan to other parts of the world will be reloaded in Shanghai for sea freight. The second channel is the near-sea direct route, which has eliminated the link of cargo transit in Shanghai, reduced the transportation cycle and improved the quality of service. Wuhan opened direct routes from Wuhan to Japan, from Wuhan to South Korea and from Wuhan to Russia in November 2019, on 27 October 2021 and on 30 September 2022 respectively. Hubei opened the first direct ASEAN container shipping route from Wuhan to Ho Chi Minh City on 15 November 2023.

In recent years, Yangluo Port has been expanding the radiation area of its terminals and vigorously developing “inter- regional logistics”, “rail-water transportation”, “river-sea route” and “direct shipment to the river and sea”. At the same time, Yangluo Port continued to promote the construction of a green and smart port, has built the first public terminal with the function of online container business in the middle and upper reaches of Yangtze River and Central China. Green energy-saving, safe and efficient new energy vehicles, gantry crane remote control system and other new technologies are gradually applied. We have developed and promoted the “one ship, one peg” service model to significantly improve port operation efficiency, reduce vessel standby time and effectively reduce operating costs.

In the first half of 2024, affected by the Red Sea incident, ship bypasses boosted the demand for marine transportation, resulting in port congestion which exacerbated supply chain disruption. A number of parallel events pushed the demand side to exceed expectations, making freight rates increase significantly. In terms of domestic trade, freight rates were under pressure in the first half of the year, and may be affected by the rise in freight rates of foreign trade in the second half of the year. Given the traditional peak season of domestic trade in the second half of the year, freight rates are expected to gradually stabilize.

REVIEW OF OPERATIONS


Overall business environment

The principal activities of China Infrastructure & Logistics Group Ltd. are investment in and the development, operation and management of container and other ports (including the WIT Port (武漢陽邏港), the Multi-Purpose Port (通用港口), the Hannan Port (漢南港) and the Shipai Port (石牌港) of Hanjiang Port, all located along main line of the Yangtze River in Hubei Province, the PRC), and the provision of port related integrated logistics, leasing of port-related warehouses, supply chain management, trading services and other services.

In the first half of 2024, China completed a port cargo throughput of 8.56 billion tones, representing an increase of 4.6% over the same period last year. Among them, the cargo throughput of inland ports was 3.0 billion tons, representing an increase of 4.9%; the cargo throughput of coastal ports was 5.56 billion tons, representing an increase of 4.4%; the throughput of foreign trade goods was 2.69 billion tons, representing an increase of 8.8%; and the throughput of domestic trade goods was 5.87 billion tons, representing an increase of 2.7%. The container throughput was 162 million TEUs, representing an increase of 8.5%.

Since Hubei Port became the immediate holding company of the Company in January 2022, the integration of phase I, II and III terminals of Yangluo Port has been completed so as to further optimize port logistics resources, all of which were conducive to the synergy and development of the Group's port business.

The Group has vigorously developed new projects and new source of goods. The whole-vehicle container transportation business has been introduced. To actively develop new source of goods, leveraging on the opportunity of domestic vehicles to enter the international market, the Group has designed optimal packing solutions for different whole-vehicle container transportation so as to open up export channels for new energy vehicles, and form a stable source of goods for export projects. In the first half of 2024, 1,468 vehicles were packed with a total of 1,072 TEUs. Macheng stone market has been further developed. According to the unified deployment of the Group, a special team has been established to develop the Macheng stone market. The team takes




advantage of the existing direct shipments to Japan and South Korea at Yangluo Port and successfully guides the return of some customers who export stone to Busan, Korea, thus securing a regular source of goods for export per week. The steel product loading and unloading business has been further developed. The Group has reached cooperation with Hubei Daming, Wuhan Zhuolixin (武漢卓立信), Hanyang Steel Mill (漢陽鋼廠) and other companies on steel coil loading and unloading business, which is operated in the free time of port berths and has greatly improved the utilization rate of berths. In the first half of 2024, 62 voyages of bulk carriers were completed, with 101,300 tonnes of cargoes loaded and unloaded. The Group continued to guarantee the services for direct shipping vessels. At present, Wuhan Datong (武漢大通) has put a total of 4 ships into operation on the international direct route of “Wuhan-Japan, South Korea and Russia”, forming a regular export schedule of 2-3 shipments per week. In the first half of 2024, a container throughput of 16,000 TEUs and 64 voyages were completed on the route. As the designated port for operations of international direct shipping vessels, Yangluo Port continued to offer “priority berthing, efficient and safe” loading and unloading services for international direct shipping vessels as a way to provide “logistics” support for the development of international direct shipping vessel business.

The WIT Port and the Multi-Purpose Port

The WIT Port and the Multi-Purpose Port are located in the Yangluo Economic Development Zone, Wuhan, Hubei Province, the PRC, which are the core ports of maritime centre along middle reaches of the Yangtze River.

Wuhan has a solid and developed industrial base, and is where various major industrial operators have commenced operations in, including operators of automobile and parts, petrochemical products, steel, grain, wood, textile, machinery and equipment as well as construction material businesses. They have been and will continue to be the major suppliers of gateway cargo containers transportation service in the WIT Port.



There are many ports opened. Due to the channel passage capacity limitations along the upstream regions of the Yangtze River, large ships are precluded from navigating directly between those areas and Shanghai. The trans-shipment service provided by the WIT Port offers a more economical alternative for customers in these areas, namely the trans-shipment of container cargoes to Shanghai or direct shipping overseas upon amalgamation at Yangluo Port. The economic hinterlands which are serviced by the WIT Port include Hunan, Guizhou, Chongqing, Sichuan, Shanxi, Henan, Hubei and Shaanxi Provinces. In 2023, the regional routes of “Wuhan-Huanggang” and “Wuhan-Ezhou”, rail-water route of “Macheng-Wuhan-Shanghai-Ethiopia”, rail-water route of “Yingcheng-Wuhan-Shanghai/Guangdong”, river-sea route of “Russia-Shanghai-Yangluo Port” and the direct shipping route of “Yangluo Port to Kailai Port in Vietnam” were newly opened. The direct shipping route of “Yangluo Port to Kailai Port in Vietnam” is the fourth international direct shipping route opened by Wuhan. It is the most convenient transportation channel between Hubei and ASEAN region, which will help promote business and trade between Hubei and ASEAN, and help Hubei to build a modern comprehensive traffic and transportation system leading central China, radiating the whole country, and reaching the whole world. In addition, two new ships were put into operation on the international direct route of “Wuhan-Japan, South Korea and Russia”, forming a regular export schedule of two shipments per week. Enriching shipping routes and increasing the number of shipments are beneficial to the further enhancement of the turnover rates of import and export goods in Hubei, marking the further enhancement of the position of Wuhan International Port as a hub and taking the construction of the Wuhan maritime centre along the middle reaches of the Yangtze River to a new stage.

The business expansion in 2023 was highly effective. Container throughput amounted to 900,142 TEUs, representing an increase of 12.3% over the Last Period. The assembling and disassembling of containers in CFS increased significantly, with a total of 18,661 TEUs, representing an increase of 10% over the Last Period. The loading and unloading volume of general cargo continued to rise, with 190 voyages of bulk carriers completed and 252,000 tonnes of cargoes loaded and unloaded. The introduction of the new business of conversion of bulk cargo to container for cobblestone can increase the income of nearly RMB500,000 per year. The container management realizes the unified management of logistics in the WIT Port (陽邏港), and the radiation scope is further expanded, and the container management service is extended to Yichang, Huangshi, Jiangxi and other places.



The Group has further expanded and improved the scope and level of port services. Water-gate inspection points have been established. In order to meet the customer demand for container inspection services and reduce customer friction, upon communicating with Wuhan Xinsanli (武漢鑫三利) and Wuhan Jiujia (武漢久嘉), two container repair service companies, and through public bidding, the Group has set up container inspection service points at water-gates to further reduce the turnover of empty containers in the field, and thus lower operating costs and improve customer satisfaction. The source of empty containers at ports has been enriched. The Group has newly signed 3 container management customers, namely Jiangsu Changyue (江蘇長越), Russian Railway Jiangsu Xinhelu Shipping Co., Ltd. (俄鐵江蘇新合路航運有限公司), and Summit Shipping Co., Ltd. (薩米特航運有限公司), to further enrich the source of empty containers at ports, which is expected to bring 340-600 TEUs of new containers per month. The coverage of port container management has been extended. The Group has signed the Regional Container Management Agreement with CMA CGM Group to extend our port container management service to Yichang, Huangshi and Jiangxi. By doing this, the Group has further extended the coverage of port container management. We have communicated with various agent customers to assemble and disassemble containers outside the port in our CFS to ensure the stable growth of CFS business. The CFS of Yangluo Port and Zhonggang Logistics (中港物流) have shared out the work and cooperated with each other on assembling and disassembling business as a way to reasonably allocate existing resources, and enhance market competitiveness.

The Group has also developed port related services, including agency and integrated logistics services to expand its revenue sources. Such agency and integrated logistics services include bonded warehousing, customs clearance, break bulk and distribution at the WIT Port.




The Hannan Port

The Hannan Port is located along the Yangtze River in economic and technological development zone, Wuhan, adjacent to the Shanghai-Chengdu Expressway, Beijing-Zhuhai Expressway and is within 80 kilometers of the Beijing-Guangzhou and Beijing-Kowloon rail link.

Wuhan, the provincial capital of Hubei, is an important transport hub in the PRC. In terms of riverway traffic, Wuhan is linked through the Yangtze River with eight provinces (namely Jiangsu, Anhui, Hubei, Sichuan, Jiangxi, Hunan, Yunnan and Guizhou) and Shanghai. Given the important role of Wuhan in the development of the Yangtze River Economic Belt, the Directors consider that it is in the interests of the Group to make further investments in its port businesses in the Wuhan area.

The Hannan Port creates synergies between the WIT Port and the Hannan Port, particularly because the management team of the WIT Port has extensive experience in the construction, development and management of ports in the PRC. Being the feeder port of the WIT Port, the Hannan Port can increase the throughput capacity of the WIT Port to satisfy the demand for logistics services in Wuhan. The WIT Port, together with the Hannan Port, can provide more cost effective solutions to the Group's customers. The Hannan Port will be developed into a multi-purpose service platform in several phases, providing terminal, warehousing and logistics services and other services including RORO (Roll on Roll off), bulk cargo transportation and storage, automobile spare parts processing, as well as logistics services.

The Group is committed to transforming the Hannan Port into the largest port in Central China, integrating supply chain design and operations, waterway logistics distribution, O2O automotive transactions, multi-modal transportation, logistics finance, distribution and delivery, customs brokerage, and so on. The port will primarily focus on automotive logistics and transactions, complemented by general cargo and container services, blending specialization with comprehensive services. It aims to become a regional economic hub and a key logistics node, establishing itself as the most important logistics center in the southwest of Wuhan, a crucial automotive transaction center in the "Wuhan Metropolitan Area", and a significant modern, comprehensive logistics service base.



Since Hubei Port became the immediate holding company of the Company in January 2022, the Group has proactively explored all favorable business opportunities and seized the favorable opportunity of the upcoming construction of the Hannan Bridge and the Sixth Ring Road. Bridge construction-related enterprises have already settled in Hannan Port Industrial Park. At the same time, the Group has vigorously developed its logistics and transportation service business around Hannan. The Group will keep a close eye on the development opportunities brought by the construction of the Hannan Bridge which promotes the explosive expansion in the demand of logistics and transportation services due to the need to transport bridge construction materials and equipment, actively integrate various superior resources, organize relevant supporting services, and make every effort to smooth the supply channels of materials, so as to build the industrial park into a distribution centre for imported goods. We endeavour to engage with new customers for new projects to create more economic benefits for the Group.

The Hanjiang logistics centre

The Hanjiang logistics centre adjacent to the Shayang Port and is owned by the Group. It comprises 7 blocks of warehouses and an ancillary office building and it is intended to be held as investment property for generating rental income.



Tongshang Supply Chain

Leveraging the Group's extensive experience in the operation and management of various ports and terminals located within the Yangtze River Basin in Hubei Province, coupled with its solid customer and supplier network cultivated during its many years of business operation, Tongshang Supply Chain Management (Wuhan) Co., Ltd.* (通商供應鏈管理(武漢)有限公司) ("**Tongshang Supply Chain**") serves as the principal supply chain service provider and trader for up-stream suppliers and down-stream customers through the supply chain management and trading business of the Group. The development of supply chain management and trading business will enable the Group to establish deeper connections with both supply and demand sides of the supply chain, positioning in various business such as trading, logistics, storage and delivery of bulk grain commodities domestically and in Southeast Asia and enhance efficiency of integrated services. At the same time, it will enable the Group to consolidate and optimise flows of commodities, capital and information for the supply chain, which will facilitate trading among enterprises, reduce costs and strengthen competitiveness of the Group, striving to build a bulk grain trading and distribution centre which centered around Wuhan, Hubei and relying on the port.

Leveraging the Group's resources in the operation and management of various ports and terminals located within the Yangtze River Basin in Hubei Province, coupled with its solid customer and supplier network cultivated during its many years of business operation, Tongshang Supply Chain Management (Wuhan) Co., Ltd.* (通商供應鏈管理(武漢)有限公司) ("**Tongshang Supply Chain**") has integrated and optimized the information flow, logistics and capital flow of upstream and downstream customers through its supply chain business to obtain a more obvious competitive advantage with stable and deeper cooperative relationships. Relying on the unique geographical location and the function as a grain port of the Yangluo Port as well as the strong hinterland economy, Tongshang Supply Chain focuses on the livelihood fields such as grain and agricultural and sideline products, and provides customers with integrated comprehensive logistics services such as logistics, warehousing, distribution, and supply chain finance. It vigorously develops the hub economy, and strives to build a modern port-surrounding supply chain system featured "port + trading + warehousing + logistics" to promote closer integration of port, industry and city. Tongshang Supply Chain aims to build a bulk grain commodity trading center with Yangluo Port as the core, contributing the port strength to "foreign to domestic grain transportation" and "north to south grain transportation".

Operating results

Revenue

	Six months ended 30 June					
	2024		2023		Increase/(Decrease)	
	HK\$'000 (Unaudited)	Percentage	HK\$'000 (Unaudited)	Percentage	HK\$'000	Percentage
Revenue from contracts with customers within scope of IFRS 15						
Terminal service	56,361	35.9%	54,396	29.1%	1,965	3.6%
Container handling, storage & other service	16,380	10.4%	19,055	10.2%	(2,675)	(14.0%)
General and bulk cargoes handling service	1,528	1.0%	1,475	0.8%	53	3.6%
	74,269	47.3%	74,926	40.1%	(657)	(0.9%)
Integrated logistics service	28,141	17.9%	25,137	13.5%	3,004	12.0%
Supply chain management and trading business	48,505	30.8%	81,442	43.6%	(32,937)	(40.4%)
	150,915	96.0%	181,505	97.2%	(30,590)	(16.9%)
Revenue from other sources						
Property business	6,262	4.0%	5,308	2.8%	954	18.0%
	157,177	100.0%	186,813	100.0%	(29,636)	(15.9%)

During the Period, the Group's revenue amounted to approximately HK\$157,177,000 (the Last Period: approximately HK\$186,813,000), representing a decrease of approximately HK\$29,636,000 or approximately 15.9% as compared to the Last Period. The decrease in revenue was mainly driven by the offsetting effects of (i) the significant decrease in revenue of approximately HK\$32,937,000 from the supply chain management and trading business; (ii) the increase in integrated logistics service of approximately HK\$3,004,000; (iii) the decrease in revenue from terminal and related services of approximately HK\$657,000; (iv) the increase in rental income from investment properties of approximately HK\$954,000.

Terminal service

Container throughput

	Six months ended 30 June					
	2024		2023		Increase/(Decrease)	
	TEUs	Percentage	TEUs	Percentage	TEUs	Percentage
Gateway cargo containers	186,336	41.8%	155,732	32.2%	30,604	19.7%
Trans-shipment containers	259,469	58.2%	327,536	67.8%	(68,067)	(20.8%)
	445,805	100%	483,268	100.0%	(37,463)	(7.8%)

The throughput of the WIT Port during the Period was 445,805 TEUs, representing a decrease of 37,463 TEUs or approximately 7.8% compared to 483,268 TEUs for the Last Period. Of the 445,805 TEUs handled, 186,336 TEUs or approximately 41.8% (the Last Period: 155,732 TEUs or approximately 32.2%) and 259,469 TEUs or approximately 58.2% (the Last Period: 327,536 TEUs or approximately 67.8%) were attributable to gateway cargo containers and trans-shipment containers, respectively.

The decrease in overall container throughput was mainly attributable to a 20.8% decrease in trans-shipment containers, which offset the increase in gateway cargo containers. The increase in gateway cargo containers was mainly due to the completion of acquisition of the controlling interests of the Group by Hubei Port since January 2022 and the successful integration of Phase I, Phase II and Phase III of Yangluo Port area, resulting in the cessation of price cutting competition and exertion of synergetic effect.

Market share

In terms of market share of Yangluo Port area, the Group's market share was approximately 47.9% during the Period (the Last Period: approximately 31.6%). The increase in market share was mainly attributable to the increase in volume of gateway cargo containers handled by the Group.

Integrated logistics service

The integrated logistics service business of the Group provides agency and integrated logistics services, including provision of freight forwarding, customs clearance, transportation of containers and logistics management services. Revenue generated from the integrated logistics service business increased to approximately HK\$28,141,000 during the Period (the Last Period: approximately HK\$25,137,000), which accounted for approximately 17.9% of the Group's total revenue during the Period (the Last Period: approximately 13.5%).

The increase in revenue was mainly attributable to the increase in business volume from the Hannan Port during the Period.

Property business

Income for the property business is mainly generated from the port and warehouse leasing business of the Hannan Port, which owns investment properties of leasehold lands, berth, commercial buildings and pontoon, as well as the leasing out of a stacking yard and certain warehouses at the WIT Port. The port and warehouse leasing income increased to approximately HK\$6,262,000 (the Last Period: approximately HK\$5,308,000), which accounted for approximately 4.0% of the Group's total revenue during the Period (the Last Period: approximately 2.8%).

The increase in revenue was mainly attributable to the increase in warehouse leasing income in the Hannan Port.



Gross profit and gross profit margin

Gross profit during the Period was approximately HK\$37,420,000, representing a decrease of approximately HK\$6,298,000 as compared with approximately HK\$43,718,000 for the Last Period. Gross profit margin increased to 23.8% (the Last Period: 23.4%). The decrease in gross profit was mainly due to the significant decrease in revenue from the supply chain management and trading business.

Other income

Other income during the Period increased by approximately 175.0% to approximately HK\$8,128,000 (the Last Period: approximately HK\$2,956,000). The increase was mainly attributable to the disposal of equity interest in a subsidiary by the Group with a gain of approximately HK\$4,901,000 during the Period.

Change in fair value of investment properties

The Group holds certain investment properties, including (i) port and warehouses in the Hannan Port; (ii) a logistics centre adjacent to the Shayang Port; and (iii) a stacking yard and certain warehouses at the WIT Port. The Group's investment properties are revalued at the end of the reporting period on an open market value basis by an independent property valuer. Changes in fair value arising from such revaluations are accounted for as "change in fair value of investment properties" through the consolidated statement of profit or loss and other comprehensive income.

During the Period, the Group recorded a fair value loss in investment properties of approximately HK\$1,298,000 (the Last Period: fair value loss of approximately HK\$6,893,000). The decrease in fair value loss of investment properties is mainly due to a moderation in the decrease in market rent of the warehouse properties in the logistics centre adjacent to the Shayang Port as compared to the Last Period.

Profit attributable to owners of the Company

Profit attributable to owners of the Company increased by approximately HK\$2,299,000 or approximately 196.7% to approximately HK\$3,468,000 (the Last Period: approximately HK\$1,169,000). The increase in profit attributable to owners of the Company was mainly driven by the offsetting effects of (i) the decrease in gross profit of approximately HK\$6,298,000; (ii) the decrease in a fair value loss from investment properties of approximately HK\$5,595,000 as compared to the corresponding period; (iii) the increase in other income of approximately HK\$5,172,000 which was mainly due to the one-off non-recurring gain of approximately HK\$4,901,000 recorded by the Group on disposal of equity interest in a subsidiary during the Period; (iv) the decrease in net finance costs of approximately HK\$1,811,000; and (v) an income tax expense of approximately HK\$2,096,000 during the Period (the Last Period: an income tax credit of approximately HK\$1,220,000) due to a one-off non-recurring gain on disposal of equity interest in a subsidiary and the deferred tax assets arising from the fair value loss on investment properties and the increase in expected credit loss of receivables.


Earning per share attributable to owners of the Company during the Period was approximately HK0.2 cents (the Last Period: approximately HK0.07 cents).



OUTLOOK

A new round of global inflation is spreading, exacerbated by escalating geopolitical conflicts in certain countries and regions. Uncertainty factors such as fluctuating interest and exchange rates are increasing, posing significant challenges to global economic growth, which is expected to enter a phase of moderate to slow growth. 2023 marks the transitional turning point of the implementation of 14th Five-Year Plan by the PRC. As various economic policies which stabilises the economy and induces different sectors will gradually be in place, it is expected that, upon of effective and continuous release of various trade agreements, the domestic import and export trade flow will be improved effectively, providing new opportunities for ports. The Group will integrate deeply with the “Belt and Road” and the rise of middle of the Yangtze River Economic Belt, assist the transportation power to build a national modern, high-quality and comprehensive three-dimensional transportation network, continue to optimise the green and intelligence development of ports, and hence facilitating “golden benefits” from the “golden waterway”.

In the new year, the Group will continue to uphold the general principle of making steady progress. With its trinity driving model of “driving internal growth”, “intelligent reform” and “expansion and innovation”, the Group will strive to establish an integrated port system with better service quality, stronger market expansion and higher added value. The Group establishes its core business with port construction and operation, port and warehouse leasing, provision of logistics services in the middle reaches of the Yangtze River. The Group has expanded its integrated port-surrounding processing trade, specialized port management services and infrastructure investment to establish an integrated service system, aiming to build the largest inland port logistics system and a leading port-surrounding logistics ecosystem in the PRC.



Being benefited from its strong background of shareholders and its capability of resources integration, as well as a balanced and optimized networking layout of Hubei Port, the Group enhances the innovation of intelligent ports and expands the trades in port logistics through stabilising its focus of “Port Logistics” operation. Regarding operational management: The Company will clarify the business scope of each project company, further optimize and restructure to enhance project company efficiency, and accelerate the construction of a “professional-market-lean” operational control system. In terms of smart transformation: We’re looking to deploy remote-controlled gantry cranes and unmanned IGV (integrated gate vehicles), forming an automated operation loop to establish a closed system. This will lead to the development of smart, eco-friendly ports, gradually enhancing operational efficiency within the port area. For exploration and innovation: We are integrating and synergizing the development of comprehensive logistics industries such as combined water transport and the China-Europe Railway Express, bonded zones, etc., continuously developing a chain-based comprehensive business model for “pre-port, on-port, industrial base”. Regarding capital operation: The Group will gradually improve capital operations, drive financial value creation, and mitigate investment risks. In the supply chain trading business, focusing on grain segmentation categories, we are forming an integrated operation mode of transportation and trading, attempting to create an on-port grain trading and delivery platform, further extending the industrial chain.

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June 2024

		Six months ended 30 June	
	Note	2024 HK\$'000	2023 HK\$'000
Revenue	4	157,177	186,813
Cost of services rendered and goods sold		(119,757)	(143,095)
Gross profit		37,420	43,718
Other income	5	8,128	2,956
Change in fair value of investment properties	11	(1,298)	(6,893)
Change in fair value of other financial assets		(30)	—
General and administrative expenses		(16,238)	(15,897)
Other operating expenses		(16,100)	(14,789)
Profit from operations		11,882	9,095
Finance costs	6	(6,393)	(8,204)
Share of loss of associates		—	(631)
Profit before taxation	7	5,489	260
Income tax (expense)/credit	8	(2,096)	1,220
Profit for the period		3,393	1,480
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		(16,692)	(42,937)
Share of other comprehensive income of associates		—	488
Other comprehensive income for the period		(16,692)	(42,449)
Total comprehensive income for the period		(13,299)	(40,969)

		Six months ended 30 June	
		2024	2023
<i>Note</i>		HK\$'000	HK\$'000
Profit for the period attributable to:			
	— Owners of the Company	3,468	1,169
	— Non-controlling interests	(75)	311
		3,393	1,480
Total comprehensive income attributable to:			
	— Owners of the Company	(12,006)	(36,786)
	— Non-controlling interests	(1,293)	(4,183)
		(13,299)	(40,969)
Earnings per share (HK cents)			
	— Basic	0.2	0.07
	— Diluted	0.2	0.07

9

Condensed consolidated statement of financial position

At 30 June 2024

		30 June 2024	31 December 2023
	Note	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment properties	11	806,864	824,480
Property, plant and equipment	12	332,507	354,135
Land use rights		15,850	16,417
Other financial assets		11,528	11,558
Deferred tax assets		2,140	1,599
		1,168,889	1,208,189
Current assets			
Inventories	13	36,789	8,167
Trade and other receivables	14	83,144	84,070
Amounts due from related companies	23(c)	14,464	1,466
Government subsidy receivables	15	478	1,840
Income tax recoverable		3,303	3,360
Cash and cash equivalents		67,590	56,648
Assets of the disposal group held for sale		—	127,477
		205,768	283,028

		30 June	31 December
		2024	2023
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities			
Trade and other payables	16	114,022	110,210
Contract liabilities		7,033	1,455
Deferred government subsidies		850	867
Bank borrowings	17	180,409	143,200
Loans from immediate holding company	22	7,000	7,000
Loans from ultimate holding company	22	30,828	106,252
Lease liabilities	19	2,088	2,332
Income tax payable		645	304
Liabilities directly associated with the disposal group held for sale		—	12,801
		342,875	384,421
Net current liabilities		(137,107)	(101,393)
Total assets less current liabilities		1,031,782	1,106,796

		30 June	31 December
		2024	2023
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Deferred government subsidies		7,913	8,219
Bank borrowings	17	98,366	118,982
Lease liabilities	19	5,396	7,122
Deferred tax liabilities		105,227	107,716
		216,902	242,039
Net assets		814,880	864,757
EQUITY			
Share capital	20	172,507	172,507
Reserves		586,478	594,369
Equity attributable to owners of the Company			
		758,985	766,876
Non-controlling interests		55,895	97,881
Total equity		814,880	864,757

Approved and authorised for issue by the board of directors on 30 August 2024.

Zhou Wei
Director

Qiao Yun
Director

The notes on pages 27 to 55 are an integral part of this interim financial information.

Condensed consolidated statement of cash flows

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
Cash generated from/(used in) operations		1,847	(631)
Interest paid		(6,211)	(7,561)
Income tax paid		(2,699)	(2,322)
Net cash used in operating activities		(7,063)	(10,514)
Cash flows from investing activities			
Purchase of property, plant and equipment		(111)	(5,209)
Interest received		54	140
Proceeds from disposal of a subsidiary, net of cash disposed of	18	74,721	—
Net cash generated from/(used in) investing activities		74,664	(5,069)
Cash flows from financing activities			
Payment of lease rentals		(1,969)	(966)
Proceeds from bank borrowings		53,665	32,950
Repayment of bank borrowings		(31,880)	(32,205)
Repayment of other borrowings		—	(6,000)
Repayment to ultimate holding company		(74,914)	—
Net cash used in financing activities		(55,098)	(6,221)
Net increase/(decrease) in cash and cash equivalents		12,503	(21,804)
Cash and cash equivalents as stated in the statement of financial position at 1 January		56,648	86,298
Cash and cash equivalents of the disposal group held for sale at 1 January		77	—
Effect for foreign exchange rate changes		(1,638)	(2,789)
Cash and cash equivalents at 30 June		67,590	61,705

The notes on pages 27 to 55 are an integral part of this interim financial information.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2024

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Other reserve HK\$'000	Foreign exchange reserve HK\$'000	Fair value reserves HK\$'000	Safety production fee HK\$'000	Statutory reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2024	172,507	597,322	(530,414)	116,250	(52,952)	46,808	688	25,291	391,278	766,876	97,881	864,757
Changes for the period:												
Profit for the period	—	—	—	—	—	—	—	—	3,468	3,468	(75)	3,393
Other comprehensive income for the period	—	—	—	(15,474)	—	—	—	—	—	(15,474)	(1,218)	(16,692)
Total comprehensive income for the period	—	—	—	(15,474)	—	—	—	—	3,468	(12,006)	(1,293)	(13,289)
Disposal of a subsidiary	—	—	—	—	4,532	—	—	—	—	4,532	(40,618)	(36,086)
Provision for safety production fee	—	—	—	—	—	—	(417)	—	—	(417)	(75)	(492)
Balance at 30 June 2024	172,507	597,322	(530,414)	116,250	(63,794)	46,808	269	25,291	394,746	758,985	55,695	814,680
Balance at 1 January 2023	172,507	597,322	(530,414)	117,121	(28,935)	46,808	—	21,663	379,232	776,544	105,022	881,566
Changes for the period:												
Profit for the period	—	—	—	—	—	—	—	—	1,169	1,169	311	1,480
Other comprehensive income for the period	—	—	—	(38,443)	—	—	—	—	—	(38,443)	(4,994)	(43,937)
Share of other comprehensive expenses of associates	—	—	—	—	483	—	—	—	—	483	—	483
Total comprehensive income for the period	—	—	—	(37,955)	—	—	—	—	1,169	(36,786)	(4,683)	(40,969)
Provision for safety production fee	—	—	—	—	—	—	362	—	—	362	68	430
Balance at 30 June 2023	172,507	597,322	(530,414)	117,121	(66,650)	46,808	362	21,663	380,401	740,120	100,907	841,027

The notes on pages 27 to 55 are an integral part of this interim financial information.

Notes to the condensed consolidated interim financial information

For the six months ended 30 June 2024

1. CORPORATE INFORMATION

China Infrastructure & Logistics Group Ltd. (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The Company’s registered office is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is Unit A, 7/F., On Hing Building, No. 1 On Hing Terrace, Central, Hong Kong.

The Company’s immediate holding company is Hubei Port (Hong Kong) International Limited (“**Hubei Port**”), a company incorporated in Hong Kong with limited liability and is 100% owned by Hubei Port Group Company Limited (湖北港口集團有限公司, “**Hubei Port Group**”) and ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hubei Province (湖北省人民政府國有資產監督管理委員會).

The Company is an investment holding company (together with its subsidiaries, the “**Group**”). Its subsidiaries are principally engaged in the investment in and development, operation and management of container and other ports, and the provision of port related logistics and other services including integrated logistics, port and warehouse leasing and the supply chain management and trading services. The Group’s operations are based in Hong Kong and the People’s Republic of China (the “**PRC**”).

The condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months ended 30 June 2024, and other explanatory notes (collectively the “**Interim Financial Information**”) of the Group were approved for issue by the Board on 30 August 2024. The Interim Financial Information has not been audited but has been reviewed by the Audit Committee.

The Interim Financial Information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2. BASIS OF PREPARATION

Such Interim Financial Information have been prepared in accordance with the International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). The Interim Financial Information also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2023 except for the adoption of the new and amended International Financial Reporting Standards (“IFRSs”) as disclosed below.

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

Going concern

In preparing the Interim Financial Information, Directors of the Company have given consideration to the future liquidity of the Group in light of its net current liabilities of approximately HK\$137,000,000 as at 30 June 2024. This indicates a condition which may cast significant doubt about the Group’s ability to continue as a going concern.

Directors of the Company had made an assessment and concluded that the Group is able to continue as a going concern and will have sufficient financial resources to support its current operations and to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period, having regard to the following:

- i. after assessing the Group’s current and forecasted cash positions, the Group expects to generate sufficient cash flows for the next twelve months from the end of the reporting period; and
- ii. the Group has obtained confirmation from Hubei Port Group that Hubei Port Group will continue to provide financial support to the Group as and when needed for the next twelve months from the end of the reporting period.

Accordingly, the Interim Financial Information has been prepared on a going concern basis.

Amended IFRSs adopted by the Group

The Group has applied for the first time the following amended IFRSs issued by IASB, which are relevant to the Group's operations and applicable for the Group's Interim Financial Information for the period beginning on 1 January 2024.

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 37	<i>Non-current Liabilities with Covenants</i>
Amendments to IFRS 16	<i>Lease liability in Sale and Leaseback</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The adoption of these amended IFRSs had no material impact on how the Group's results and financial position for the current and prior periods have been prepared and presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Interim Financial Information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies, as well as the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements for the year ended 31 December 2023.

4. SEGMENT INFORMATION

The Group has four (2023: four) reportable segments as follows:

Property business:	Port and warehouse leasing.
Terminal & related business:	Provision of terminal service, container handling, storage and other service, general and bulk cargoes handling service.
Integrated logistics business:	Rendering agency and integrated logistics services, including provision of freight forwarding, customs clearance, transportation of containers and logistics management.
Supply chain management and trading business:	Sourcing, procurement and trading of commodities.

No other operating segments have been aggregated to form the above reportable segments.

The accounting policies of the reportable segments are consistent with those used in the annual financial statements for the year ended 31 December 2023.

Segment results represent the profit/loss by each segment without allocation of corporate income and expenses and directors' emoluments. The measure used for reporting segment profit is adjusted profit before interest, taxes, net change in fair value of investment properties, net change in fair value of other financial assets and share of results of associates. Total segment assets include all assets with the exception of corporate assets. Total segment liabilities include all liabilities with the exception of corporate liabilities. This is the measure reported to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

All revenue for each of the six months ended 30 June 2024 and 2023 were sourced from external customers located in the PRC. In addition, all (2023: over 99%) of the non-current assets of the Group as at the reporting dates were physically located in the PRC and therefore, no geographical information is presented.

Information regarding the Group's reportable segments is set out below.

2024

Segment revenue and results

For the six months ended 30 June 2024

	Property business	Terminal & related business	Integrated logistics business	Supply chain management and trading business	Elimination	Total
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
Revenue from external customers	6,262	74,269	28,141	48,505	—	157,177
Inter-segment revenue	—	13,626	39	—	(13,665)	—
Reportable segment revenue	6,262	87,895	28,180	48,505	(13,665)	157,177
Reportable segment results	2,445	13,060	1,731	(1,784)	—	15,452
Change in fair value of investment properties						(1,298)
Change in fair value of other financial assets						(30)
Interest income						53
Interest expenses						(6,393)
Corporate income						1,602
Corporate and other unallocated expense						(3,897)
Profit before taxation						5,489
Income tax						(2,096)
Profit for the period						3,393

Segment assets and liabilities

At 30 June 2024

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Unallocated corporate assets/ (liabilities) HK\$'000	Total HK\$'000
Segment assets	823,319	409,421	28,214	40,405	266	1,301,625
Cash and cash equivalents	2,492	46,421	2,954	12,889	2,833	67,589
Income tax recoverable	—	3,303	—	—	—	3,303
Deferred tax assets	933	197	544	466	—	2,140
Total assets	826,744	459,342	31,712	53,760	3,099	1,374,657
Segment liabilities	(57,808)	(57,048)	(13,013)	(5,936)	(3,497)	(137,302)
Bank borrowings	—	(257,333)	—	(21,442)	—	(278,775)
Loans from immediate holding company	—	—	—	—	(7,000)	(7,000)
Loans from ultimate controlling company	(9,130)	(16,112)	—	—	(5,586)	(30,828)
Deferred tax liabilities	(80,185)	(25,042)	—	—	—	(105,227)
Income tax payable	(428)	—	(177)	(40)	—	(645)
Total liabilities	(147,551)	355,535	13,190	(27,418)	(16,083)	(559,777)
Net assets/(liabilities)	679,193	103,807	18,522	26,342	(12,984)	814,880

2023

Segment revenue and results

For the six months ended 30 June 2023

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Elimination HK\$'000	Total HK\$'000
Revenue from external customers	5,308	74,926	25,137	81,442	—	186,813
Inter-segment revenue	—	13,946	658	—	(14,604)	—
Reportable segment revenue	5,308	88,872	25,795	81,442	(14,604)	186,813
Reportable segment results	2,479	18,007	(1,516)	(490)	—	18,480
Change in fair value of investment properties						(6,893)
Interest income						140
Interest expenses						(8,204)
Share of loss of associates						(631)
Corporate and other unallocated expense						(2,632)
Profit before taxation						260
Income tax credit						1,220
Profit for the period						1,480

Segment assets and liabilities

At 31 December 2023

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Unallocated corporate assets/ (liabilities) HK\$'000	Total HK\$'000
Segment assets	846,529	559,809	7,884	14,778	610	1,429,610
Cash and cash equivalents	5,464	12,887	5,014	30,477	2,806	56,648
Income tax recoverable	388	2,971	—	1	—	3,360
Deferred tax assets	1,313	84	180	22	—	1,599
Total assets	853,694	575,751	13,078	45,278	3,416	1,491,217
Segment liabilities	(58,024)	(71,589)	(9,458)	(1,253)	(2,682)	(143,006)
Bank borrowings	—	(241,164)	—	(21,018)	—	(262,182)
Loans from immediate holding company	—	—	—	—	(7,000)	(7,000)
Loans from ultimate holding company	(9,314)	(16,437)	—	—	(80,501)	(106,252)
Deferred tax liabilities	(107,716)	—	—	—	—	(107,716)
Income tax payable	(31)	(199)	(74)	—	—	(304)
Total liabilities	(175,085)	(329,389)	(9,532)	(22,271)	(90,183)	(626,460)
Net assets/(liabilities)	678,609	246,362	3,546	23,007	(86,767)	864,757

Note: Assets and liabilities included in disposal group held for sale have been allocated to "Terminal & related business" segment.

5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Rental receivable from operating leases, other than those relating to investment properties	220	548
Government subsidies (<i>note</i>)	1,340	1,983
Gain on disposal of a subsidiary (<i>Note 18</i>)	4,901	—
Net foreign exchange gain	1,602	95
Sundry income	12	190
Bank interest income	53	140
	8,128	2,956

Note: Government subsidies mainly relates to the subsidies granted by the government in respect of operating and development activities and to provide financial support to the Group's subsidiaries which are either unconditional grants or grants with conditions having been satisfied.

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Finance costs		
— Interests on bank and other borrowings	4,784	5,766
— Interest on lease liabilities	183	143
— Interest on loans from immediate holding company	128	134
— Interest on loans from ultimate holding company	1,298	2,161
	6,393	8,204

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Staff costs (including directors' emoluments)		
— Salaries and allowances	22,109	19,927
— Pension contributions	5,780	3,179
	27,889	23,106
Cost of services rendered and goods sold	119,757	143,095
Depreciation:		
— Owned assets	12,486	15,985
— Right-of-use assets	1,268	250
Amortisation of land use rights	243	79
Provision for impairment loss on trade and other receivables and government subsidy receivables, net	2,489	688
Net foreign exchange loss	(1,602)	(80)
Lease charges on short-term leases	220	570

8. INCOME TAX

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Current tax		
— Hong Kong profits tax	—	—
— PRC enterprise income tax	3,040	1,852
	3,040	1,852
Deferred tax		
Origination and reversal of temporary difference	(944)	(3,072)
	2,096	(1,220)

No provision for Hong Kong profits tax has been provided during the six months ended 30 June 2024 and 2023 as the Company and its subsidiaries, which are subject to Hong Kong profits tax, incurred a loss for taxation purpose.

The Group's PRC subsidiaries are subject to the PRC enterprise income tax at the standard rate of 25% (2023: 25%) on the estimated assessable profits.

According to relevant laws and regulations in the PRC, the Group's subsidiaries, namely Wuhan Yangluo Logistic Company Limited (武漢陽邏港物流有限公司) and Tongshang Supply Chain Management (Wuhan) Company Limited (通商供應鏈管理(武漢)有限公司) are qualified as small and low-profit enterprises and are entitled to enterprise income tax rate of 5% during the six months ended 30 June 2024 (six months ended 30 June 2023: 5%).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Earnings		
Profit for the period attributable to owners of the Company	3,468	1,169
Number of shares		
Weighted average number of ordinary shares in issue for basic earnings per share	1,725,066,689	1,725,066,689

(b) Diluted earnings per share

There are no dilutive potential ordinary shares in issue for the six months ended 30 June 2024 and 2023. The diluted earnings per share are equal to the basic earnings per share.

10. DIVIDEND

Directors do not recommend the payment of a dividend for the six months ended 30 June 2024 (2023: nil).

11. INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

	Six months ended 30 June 2024 <i>HK\$'000</i>	Year ended 31 December 2023 <i>HK\$'000</i>
Opening net carrying amount	824,480	851,229
Net change in fair value recognised in profit or loss	(1,298)	(993)
Exchange realignment	(16,318)	(25,756)
Closing net carrying amount	806,864	824,480

The Group's investment properties include leasehold lands, berth, commercial buildings, pontoon, stacking yard, warehouses and buildings under construction located in the PRC.


(b) Fair value measurement of investment properties

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs



During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (year ended 31 December 2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 30 June 2024. The valuations were carried out by an independent firm of professional valuers, B.I. Appraisals Limited, who have among their staff with recent experience in the location and category of properties being valued. The Group's management and finance team have discussion with the professional valuers on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

As at 30 June 2024 and 31 December 2023, the fair value of the Group's completed commercial buildings, stacking yard, warehouses, berth, pontoon and the leasehold lands were valued on the basis of capitalisation of income approach.

As at 30 June 2024 and 31 December 2023, the fair value of the Group's investment properties under construction are valued using residual approach, which is based on comparison of selling prices in the relevant market as publicly available to determine the potential value of the investment properties under construction less estimated costs to completion as if these were completed as at the date of valuation.

12. PROPERTY, PLANT AND EQUIPMENT

	Port facilities <i>HK\$'000</i>	Terminal equipment <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Right-of-use assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2024						
Opening net book amount	306,936	37,625	214	39	9,321	354,135
Additions	—	—	111	—	—	111
Disposals	(1,167)	—	—	—	—	(1,167)
Depreciation	(7,526)	(4,905)	(56)	—	(1,267)	(13,754)
Exchange realignment	(3,752)	(2,961)	67	(1)	(171)	(6,818)
Closing net book amount	294,491	29,759	336	38	7,883	332,507
Year ended 31 December 2023						
Opening net book amount	441,505	52,967	74	40	834	495,420
Additions	592	7,738	439	—	10,644	19,413
Transferred from construction in progress	4,706	2,803	—	—	—	7,509
Disposals	(5,796)	(12)	(47)	—	—	(5,855)
Depreciation	(17,292)	(13,044)	(227)	—	(2,094)	(32,657)
Reclassification to assets held for sale	(104,306)	(10,704)	(12)	—	—	(115,022)
Exchange realignment	(12,473)	(2,123)	(13)	(1)	(63)	(14,673)
Closing net book amount	306,936	37,625	214	39	9,321	354,135

13. INVENTORIES

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Trading goods, at cost	36,484	2,282
Consumables, at cost	305	5,885
	36,789	8,167

14. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
<i>Note</i>		
Trade and bills receivables		
Trade receivables	68,838	78,037
Bills receivables	1,672	828
	70,510	78,865
Less: loss allowance	(8,233)	(5,879)
	62,277	72,986
Other receivables		
Deposits, prepayment and other receivables	21,177	13,872
Prepayments to suppliers	–	47
Value-added tax receivables	3,319	867
	24,496	14,786
Less: loss allowance	(3,629)	(3,702)
	20,867	11,084
	83,144	84,070

Note:

(a) Trade and bills receivables

Management of the Group considers that the fair values of the trade and bills receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group allows a credit period of 0 to 90 days to its customers. The following is the ageing analysis of the trade and bills receivables, net of loss allowance, based on the invoice date or transaction date:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
0 — 30 days	20,132	20,135
31 — 60 days	12,536	14,297
61 — 90 days	5,477	8,170
Over 90 days	24,132	30,384
	62,277	72,986

15. GOVERNMENT SUBSIDY RECEIVABLES

The amounts represent subsidies receivables from the PRC government as at 30 June 2024 and 31 December 2023.

16. TRADE AND OTHER PAYABLES

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Trade payables	20,104	12,415
Other payables		
— Payables to subcontractors	49,320	50,861
— Accruals and sundry payables	44,598	46,934
	93,918	97,795
	114,022	110,210

The average credit period granted by the suppliers is 90 days. The following is the ageing analysis of the Group's trade payables based on the invoice/incurred date:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
0 — 30 days	6,731	2,729
31 — 60 days	2,965	2,895
61 — 90 days	3,520	1,072
Over 90 days	6,888	5,719
	20,104	12,415

17. BANK BORROWINGS

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Bank borrowings		
— Unsecured	123,521	114,161
— Secured	155,254	148,021
	278,775	262,182
Less: Amount due within one year shown under current liabilities	(180,409)	(143,200)
Amount due after one year shown under non-current liabilities	98,366	118,982

At 30 June 2024 and 31 December 2023, certain of the Group's bank borrowings were guaranteed by Hubei Port Group and a subsidiary of the Group and secured by the following assets of the Group:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
— Property, plant and equipment — port facilities and terminal equipment	4,050	4,297
— Land use rights	15,850	16,417
	19,900	20,714

18. DISPOSAL OF A SUBSIDIARY

On 24 November 2023, the Group entered into a sale and purchase agreement with Hubei Port Group Hanjiang Co., Ltd. (湖北港口集團漢江有限公司) (“**Hubei Port Hanjiang**”), a limited liability company established in the PRC. Pursuant to the sale and purchase agreement, the Group agreed to sell its entire 60% equity interests in Zhongxiang City Port Co. (“**Zhongxiang City Port Co.**”) to Hubei Port Hanjiang at a cash consideration of RMB69,576,900, subject to the terms and conditions in the sale and purchase agreement (the “**Disposal**”). Accordingly, the assets and liabilities of Zhongxiang City Port Co. are presented as disposal group held for sale in 2023 annual report. The Disposal was completed on 18 June 2024.

Summary of the Disposal

	18 June 2024
	<i>HK\$'000</i>
Assets	
Property, plant and equipment	113,502
Intangible assets	6,203
Deferred tax assets	3,170
Inventories	30
Trade and other receivables	2,930
Cash and cash equivalents	12
	<hr/>
	125,847
	<hr/>
Liabilities	
Trade and other payables	3,565
Contract liabilities	332
Income tax payable	153
Deferred tax liabilities	1,416
	<hr/>
	5,466
	<hr/>
Net assets disposed of	120,381
	<hr/>
Gain on the Disposal	
Consideration received	74,733
Net assets disposed of	(120,381)
Amounts due to the Group upon disposal	14,464
Non-controlling interests	40,618
Release of reserve upon disposal	(4,533)
	<hr/>
Gain on disposal	4,901
	<hr/>
Net cash inflows arising from the Disposal	
Cash consideration received during the reporting period	74,733
Cash and cash equivalents disposed of	(12)
	<hr/>
Net cash inflows during the reporting period	74,721
	<hr/>

19. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities.

	As at 30 June 2024		As at 31 December 2023	
	Present value of the lease payments	Total lease payments	Present value of the lease payments	Total lease payments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	2,088	2,371	2,332	2,662
After 1 year but within 2 years	2,090	2,286	2,089	2,332
After 2 years but within 5 years	3,306	3,429	5,033	5,248
	5,396	5,715	7,122	7,580
	7,484	8,086	9,454	10,242
Less: total future interest expenses		(602)		(788)
Present value of lease liabilities		7,484		9,454

20. SHARE CAPITAL

	As at 30 June 2024		As at 31 December 2023	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each	2,000,000,000	200,000	2,000,000,000	200,000
Issued and fully paid:				
Ordinary shares of HK\$0.1 each	1,725,066,689	172,507	1,725,066,689	172,507

There was no movement in the Company's share capital during the six months ended 30 June 2024 and the year ended 31 December 2023.

21. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital commitments representing the construction of port facilities outstanding as at 30 June 2024 and 31 December 2023 not provided for in the financial statements, were as follows:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Contracted but not provided for:	44,390	45,603

(b) Financial guarantees issued

As at 31 December 2023, a subsidiary of the Group, WIT, has issued a guarantee to a bank in respect of a bank borrowing granted to another subsidiary of the Group, Tongshang Supply Chain Management (Wuhan) Company Limited of RMB10,000,000. The borrowings were fully repaid during the six months ended 30 June 2024 and the guarantee was subsequently terminated.

Save as disclosed above, as at 30 June 2024, the Group or the Company does not provide any guarantees which would expose the Group or the Company to credit risk.

22. LOANS FROM IMMEDIATE AND ULTIMATE HOLDING COMPANIES


The amounts as at 30 June 2024 were unsecured, interest bearing at 3.59% (31 December 2023: 3.7%) per annum and repayable within one year.

23. MATERIAL RELATED PARTY TRANSACTIONS

The ultimate holding company of the Group is Hubei Port Group, a state-owned enterprise established in the PRC. Hubei Port Group itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC.

Related parties include Hubei Port Group and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and Hubei Port Group as well as their close family members.

For the six months ended 30 June 2024 and year ended 31 December 2023, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government, mainly include bank deposits, bank borrowings and the corresponding interest income and interest expenses, loans from immediate holding company and ultimate holding company and part of sales and purchases of goods and services. The price and other terms of such transactions are set out in the underlying agreements, based on market prices or as mutually agreed.



Apart from the above-mentioned transactions with the government-related entities and the related party information shown elsewhere in these consolidated financial statements, during the six months ended 30 June 2024, the Group had the following material transactions with related parties:

(a) Related party information:

Name of related party	Relationship with the Group
Hubei Port	Immediate holding company
Hubei Port Group	Ultimate holding company The People's Government of Hubei Province
Wuhan Changjiang Zhilian Port Development Co., Ltd. ("Wuhan Changjiang Zhilian")	An associate of the ultimate holding company

(b) Transactions between related parties and the Group:

		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
Fellow subsidiaries	Revenue from terminal and related services	1,373	2,002
	Revenue from integrated logistics services	438	137
	Cost of services for port logistics services	775	409
	Cost of services for container handling, storage and other services	6,809	4,191
Hubei Port	Interest expenses on loans from shareholders	128	134
Hubei Port Group	Interest expenses on loans from shareholders	823	2,161

Transactions with related parties are carried out on pricing and settlement terms agreed with counterparties in the ordinary course of business. The related party transactions with fellow subsidiaries also constitute continuing connected transactions under Chapter 14A of the Listing Rules.

(c) Balances with related parties

Amounts due from related companies

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Fellow subsidiaries	14,464	1,466

As at 30 June 2024, balance of HK\$3,210,000 due from a fellow subsidiary was unsecured, interest-bearing at 3.45% per annum and due within one year. Except for the above, all other balances were unsecured, interest-free and repayable on demand.

Balances with fellow subsidiaries

	As at 30 June 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
Trade and other receivables	17,468	1,504
Trade and other payables	8,045	5,863

Balances with Wuhan Changjiang Zhilian

	As at 30 June 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
Lease and other receivables	7,857	5,744

(d) Key management personnel remuneration

The remuneration of Directors and other key management personnel during the periods were as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Salaries, allowances and other benefits	393	180
Pension contributions	70	45
	800	225

24. FAIR VALUES

As at 30 June 2024, the only financial instrument of the Group carried at fair value was other financial assets at fair value through profit or loss of approximately HK\$11,528,000 (31 December 2023: HK\$11,558,000). This instrument is measured at fair value on a recurring basis and the fair value measurement falls into Level 3 of the fair value hierarchy described in Note 11(b).



Disclosure of interests

Directors' and chief executives' interests and short positions in the shares and underlying shares or debentures of the Company or its associated corporations

As at 30 June 2024, none of Directors nor the chief executives of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares of the Company

So far as was known to the Directors, as at 30 June 2024, the persons (not being Directors or chief executives of the Company) whose interests and short positions in the shares or underlying shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO, or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long and short positions in Shares

Substantial shareholders

Name of shareholder	Capacity	As at 30 June 2024	
		Number of Shares <i>(Notes 1, 2)</i>	Approximate percentage of total number of Shares in issue <i>(Note 3)</i>
Hubei Port (Hong Kong) International Limited ("Hubei Port")	Beneficial owner	1,293,429,911 (L)	74.98%
Mr. Wang Kaiwei	Beneficial owner	99,140,600 (L)	5.75%
Zall Holdings Company Limited	Interest of controlled corporation Beneficial owner	86,428,000 (L)	5.01%

Notes:

1. The letter “L” denotes a long position.
2. Hubei Port is wholly owned by Hubei Port Group Company Limited* (湖北港口集團有限公司) (“**Hubei Port Group**”), which in turn is owned as to approximately 50.8% and 49.2% by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hubei Province* (湖北省人民政府國有資產監督管理委員會) and the State-owned Assets Supervision and Administration Commission of the People’s Government of Wuhan Municipality* (武漢市人民政府國有資產監督管理委員會).
3. Based on 1,725,066,689 Shares in issue as at 30 June 2024.

Share Option Scheme

The Company approved and adopted a share option scheme (the “**Share Option Scheme**”) on 25 May 2018. The Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

Details of the Share Option Scheme

(1) Purpose

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that any full-time employees, executives, officers or directors (including executive and non-executive directors) of the Company or any of its subsidiaries and any advisors, consultants, suppliers, agents, business affiliates and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group (the “**Eligible Participants**”) had made, may have made or will make to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Participants

The Board may, at its discretion, offer to grant an option to the Eligible Participants to subscribe for such number of new Shares as the Board may determine at a subscription price determined in accordance with the Share Option Scheme.

(3) The maximum number of Shares available for issue

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which the Share Option Scheme was adopted, and such 10% limit represents 172,506,668 Shares. 172,506,668 Shares represents approximately 9.99% of the total Shares in issue as at 30 June 2024.

(4) *The maximum entitlement of each participant*

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

(5) *Time of acceptance and exercise of option*

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. Subject to early termination by the Company at a general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption. Unless otherwise determined by directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for which an option must be held by a grantee before it can be exercised.

(6) *Subscription price for Shares and consideration for the option*

The subscription price per Share under the Share Option Scheme will be a price determined by the Board in its absolute discretion, save that such price must be at least the higher of (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of the grant of an option.

(7) *The remaining life of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, i.e. 25 May 2018 and has a remaining life of approximately 3 years and 9 months as at the date of this report.

For further details of the Share Option Scheme, please refer to the announcement dated 9 April 2018 and the circular dated 24 April 2018 of the Company.

(8) *Details of the share option granted*

Since the adoption of the Share Option Scheme and up to the date of this report, no option was granted or agreed to be granted, exercised, lapsed or cancelled by the Company under the Share Option Scheme. There was no outstanding share option under the Share Option Scheme as at the date of this report.

As at 1 January 2024 and 30 June 2024, the aggregate number of options available for grant under the Share Option Scheme were 172,506,668 and 172,506,668, respectively. There was no service provider sublimit set under the Share Option Scheme.


Director's right to acquire shares or debentures

During the six months ended 30 June 2024, none of Directors was granted any options to subscribe for the Shares.

Financial resources and liquidity

The Group funded its operations and capital expenditure with internal financial resources, shareholder loans, long-term and short-term bank and other borrowings.

As at 30 June 2024, the Group had total outstanding interest-bearing borrowings of approximately HK\$316,603,000 (31 December 2023: approximately HK\$375,434,000). The Group also had total cash and cash equivalents of approximately HK\$67,590,000 (31 December 2023: approximately HK\$56,648,000) and consolidated net assets of approximately HK\$814,880,000 (31 December 2023: approximately HK\$864,757,000).



As at 30 June 2024, the Group's net gearing ratio was 0.3 time (31 December 2023: 0.4 time). The calculation of the gearing ratio was based on the total interest-bearing borrowings net of cash and cash equivalents over equity attributable to owners of the Company.

As at 30 June 2024, the Group's net current liabilities was approximately HK\$137,107,000 (31 December 2023: approximately HK\$101,393,000), and current assets was approximately HK\$205,768,000 (31 December 2023: approximately HK\$283,028,000) and current liabilities was approximately HK\$342,875,000 (31 December 2023: approximately HK\$384,421,000), representing a current ratio of 0.6 time (31 December 2023: 0.7 time).

Exchange rate risk

The Group operates in the PRC and its principal activities are mainly transacted in RMB. Therefore, Directors consider that the Group had no significant foreign currency risk during the six months ended 30 June 2024.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as the disposal of Zhongxiang City Port Co. disclosed in Note 18 to the condensed consolidated interim financial statement, there were no other significant investments, material acquisitions and disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2024.

Capital commitments

As at 30 June 2024, the Group had capital commitments in respect of the construction of port facilities contracted but not provided for amounting to approximately HK\$44,390,000 (31 December 2023: approximately HK\$45,603,000).

Contingent liabilities

As at 30 June 2024, the Group had no material contingent liabilities (31 December 2023: Nil).



Pledge of assets

As at 30 June 2024, the Group has pledged certain port facilities and terminal equipment, as well as land use rights with carrying amount of approximately HK\$4,050,000 (31 December 2023: approximately HK\$4,297,000) and approximately HK\$15,850,000 (31 December 2023: approximately HK\$16,417,000), respectively, to secure bank and other borrowings granted to the Group.

Capital structure

As at 30 June 2024, the Group's total equity amounted to approximately HK\$814,880,000 (31 December 2023: approximately HK\$864,757,000).

Employee information

As at 30 June 2024, the Group had employed 327 employees (31 December 2023: 357 full-time employees). The Group participates in retirement insurance, medicare, unemployment insurance and housing funds schemes according to the applicable laws and regulations of the PRC for its employees in the PRC and makes contributions to the Mandatory Provident Fund Scheme of Hong Kong and medical benefits for its employees in Hong Kong. The Group also adopts a remuneration policy similar to its peers in the same industry. The Group remunerates its employees in accordance with their work performance and experience, which is fixed by reference to their respective duties and the prevailing market rates in the region.

In addition, in response to the pandemic, the Group provided contingency manual and trainings to the employees regarding the proper handling of COVID-19 related matters. The Company has also adopted the Share Option Scheme to recognise and acknowledge the contributions of eligible employees and Directors of the Company or its subsidiaries. Further details of the Share Option Scheme have been set out in this interim report.



Future plans for material investments or capital assets

There is no plan authorised by the Board for any material investments or additions of capital assets during the six months ended 30 June 2024. The Group will continue to look for suitable opportunities for investments or acquisition of material capital assets to enhance its profitability in the ordinary course of its business.

Interim dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2024 (the Last Period: Nil).

Purchase, redemption or sale of listed securities

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities. As at 30 June 2024, the Company did not hold any treasury shares.

Compliance with Code on Corporate Governance Practice

The Company has been in compliance with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2024.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by Directors.

Specific enquiry has been made to all Directors, who have confirmed that, during the six months ended 30 June 2024, each of them has been in compliance with the required standard as set out in the Model Code in respect of dealings in securities of the Company.



Changes in information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the annual report of the Company for the year ended 31 December 2023 are set out as follows:

In May 2024, Mr. Chau Kwok Keung retired as an independent non-executive director of China Tobacco International (HK) Company Limited, a company listed on the Stock Exchange (Stock Code: 6055). Mr. Chau also ceased to be a member of the connected transactions control committee and a member of the audit committee of that company following his retirement.


Save as disclosed above, during the six months ended 30 June 2024 and up to the date of this interim report, there were no other information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Significant events after reporting period

The Group did not have any other significant events subsequent to the reporting period and up to the date of this interim report.

Review by the Audit Committee

The audit committee of the Company (the “**Audit Committee**”) has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, internal control and risk management principles of the Company and to assist the Board to fulfill its responsibilities over audit. The condensed consolidated results of the Group for the six months ended 30 June 2024 is unaudited and have not been reviewed by external auditors but have been reviewed by the Audit Committee. The Audit Committee has reviewed and confirmed the accounting principles and practices adopted by the Group and has discussed the auditing, internal control, risk management and financial reporting matters.



The Audit Committee consists of one non-executive Director: Mr. Xu Aoling and three independent non-executive Directors: Mr. Chau Kwok Keung, Mr. Fu Xinping and Dr. Mao Zhenhua. Mr. Chau Kwok Keung serves as the chairman of the Audit Committee.

By order of the Board
China Infrastructure & Logistics Group Ltd.
Ms. Zhou Wei
Executive Director and Chairman

Hong Kong, 30 August 2024

As at the date of this report, the Board comprises Ms. Zhou Wei and Mr. Qiao Yun as executive Directors; Mr. Xu Aoling and Mr. Li Wei as non-executive Directors; and Mr. Chau Kwok Keung, Mr. Fu Xinping and Dr. Mao Zhenhua as independent non-executive Directors.

* *For identification purpose only*