Shenzhen International Holdings Limited
深圳國際控股有限公司
(incorporated in Bermuda with limited liability)
(Stock Code: 00152)

2024 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Shenzhen International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group"), and its joint ventures and associates for the year ended 31 December 2024 (the "Year") together with comparative figures for the year ended 31 December 2023 as follows:

Consolidated Income Statement:

		Year ended 31 December	
	Notes	**2024 HK$'000**	2023 HK$'000
Revenue	(3), (4)	**15,570,615**	20,523,798
Cost of sales and services		**(12,012,658)**	(12,978,497)
Gross profit		**3,557,957**	7,545,301
Other income		**171,271**	187,527
Other gains - net	(5)	**3,202,516**	283,047
Distribution costs		**(120,633)**	(155,244)
Administrative expenses		**(1,349,973)**	(1,269,717)
Impairment loss on trade receivables and contract assets		**(239,846)**	(116,996)
Operating profit		**5,221,292**	6,473,918
Share of results of joint ventures		**360,064**	418,457
Share of results of associates		**1,123,634**	678,271
Profit before finance costs and income tax		**6,704,990**	7,570,646
Finance income	(6)	**173,596**	241,296
Finance cost	(6)	**(1,763,521)**	(2,617,813)
Finance costs - net	(6)	**(1,589,925)**	(2,376,517)
Profit before income tax		**5,115,065**	5,194,129
Income tax expense	(7)	**(1,428,061)**	(2,289,221)
Profit for the year	(8)	**3,687,004**	2,904,908

Consolidated Income Statement (continued):

	Notes	Year ended 31 December 2024 HK$'000	2023 HK$'000
Attributable to:			
Ordinary shareholders of the Company		**2,872,448**	1,901,643
Non-controlling interests		**814,556**	1,003,265
		3,687,004	2,904,908
Earnings per share attributable to ordinary shareholders of the Company (expressed in HK dollars per share)			
- Basic	(9(a))	**1.20**	0.80
- Diluted	(9(b))	**1.19**	0.79

Consolidated Statement of Comprehensive Income:

	Year ended 31 December 2024 HK$'000	2023 HK$'000
Profit for the year	**3,687,004**	2,904,908
Other comprehensive income (expense):		
Items that may be reclassified to profit or loss:		
Share of other comprehensive income of associates and joint ventures	**40,173**	31,933
Exchange differences arising on translation of foreign operations	**(299,439)**	(149,181)
Sub-total	**(259,266)**	(117,248)
Items that will not be reclassified to profit or loss:		
Exchange difference arising from translation of functional currency to presentation currency	**(1,915,575)**	(1,328,862)
Gain on revaluation of properties previously occupied by the Group	**240,523**	-
Deferred taxation relating to revaluation of properties	**(60,131)**	-
Fair value loss on equity security designated at fair value through other comprehensive income	**(348)**	(417)
Deferred taxation relating to revaluation of equity security	**87**	(139)
Sub-total	**(1,735,444)**	(1,329,418)
Other comprehensive expense for the year	**(1,994,710)**	(1,446,666)
Total comprehensive income for the year	**1,692,294**	1,458,242

Consolidated Statement of Comprehensive Income (continued):

	Year ended 31 December	
	2024	2023
	HK$'000	HK$'000
Total comprehensive income (expense) attributable to:		
Ordinary shareholders of the Company	**1,741,094**	902,706
Non-controlling interests	**(48,800)**	555,536
Total comprehensive income for the year	**1,692,294**	1,458,242

Consolidated Balance Sheet:

		As at 31 December	
		2024	2023
	Notes	**HK$'000**	HK$'000
ASSETS			
Non-current assets			
Investment properties		**18,519,634**	15,080,718
Property, plant and equipment		**20,391,880**	19,780,766
Land use rights		**4,056,454**	4,231,866
Construction in progress		**3,410,613**	3,104,279
Intangible assets	(11)	**26,187,883**	29,280,325
Goodwill		**515,097**	543,515
Interests in associates		**19,043,706**	17,493,560
Interests in joint ventures		**10,496,736**	10,870,097
Other investments		**1,209,394**	1,155,711
Deferred tax assets		**598,201**	638,506
Other non-current assets		**7,821,845**	7,871,665
		112,251,443	110,051,008
Current assets			
Inventories and other contract costs		**4,587,818**	4,815,542
Contract assets		**394,285**	434,637
Other investments		**637,956**	1,065,663
Trade and other receivables	(12)	**4,783,595**	4,159,636
Other asset		**3,534,628**	-
Derivative financial instruments		**138,110**	163,350
Restricted bank deposits		**329,644**	1,088,617
Deposits in banks with original maturities over three months		**620,745**	1,118,292
Cash and cash equivalents		**8,719,336**	7,597,796
		23,746,117	20,443,533
Total assets		**135,997,560**	130,494,541

Consolidated Balance Sheet (continued):

	Note	As at 31 December 2024 HK$'000	2023 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to ordinary shareholders of the Company			
Share capital and share premium		**13,389,982**	13,257,983
Other reserves and retained earnings		**19,109,757**	18,324,223
Equity attributable to ordinary shareholders of the Company		**32,499,739**	31,582,206
Non-controlling interests		**22,023,419**	23,393,455
Total equity		**54,523,158**	54,975,661
Liabilities			
Non-current liabilities			
Borrowings		**41,057,761**	28,360,733
Lease liabilities		**872,235**	947,532
Deferred tax liabilities		**2,439,497**	2,647,398
Other non-current liabilities		**1,626,394**	1,554,144
		45,995,887	33,509,807
Current liabilities			
Trade and other payables	(13)	**13,730,276**	12,722,051
Contract liabilities		**250,414**	165,640
Income tax payable		**2,047,910**	2,078,714
Borrowings		**19,391,125**	26,977,953
Lease liabilities		**58,790**	64,715
		35,478,515	42,009,073
Total liabilities		**81,474,402**	75,518,880
Total equity and liabilities		**135,997,560**	130,494,541

Notes:

(1) General information

The principal activities of the Group include the following businesses:

- Toll roads and general-environmental protection business; and
- Logistics business.

The Group's operations are mainly in the People's Republic of China ("PRC").

The Company is a limited liability company incorporated in Bermuda and is an investment holding company. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

(1) General information (continued)

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). One of the major subsidiaries of the Company, Shenzhen Expressway Corporation Limited ("Shenzhen Expressway"), is dual listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange.

As at 31 December 2024, Ultrarich International Limited ("Ultrarich") directly owned 1,058,717,983 ordinary shares of the Company, representing approximately 43.94% of the issued share capital of the Company. As Shenzhen Investment Holdings Company Limited ("SIHCL") held the 100% equity interest in Ultrarich, it had an indirect interest in 43.94% of the Company's equity held by Ultrarich. SIHCL directly owned 364,500 ordinary shares of the Company, representing approximately 0.01% of the issued share capital of the Company. SIHCL effectively held 43.95% of the issued share capital of the Company and is the largest shareholder of the Company. SIHCL is supervised and managed by Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission ("Shenzhen SASAC"). The directors of the Company regard Shenzhen SASAC as having control of the Company's relevant activities and is the de facto controller of the Company due to the voting power it held in the Company.

In preparing the Group’s consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Company's current liabilities exceeded its current assets by approximately HKD11,732,398,000 as at 31 December 2024.

In order to improve the Group's financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the Group has been implementing a number of measures. These measures include but not limited to considering usage of existing banking facilities, in which unutilised banking facilities amounted to approximately HKD110,731,356,000 as at 31 December 2024.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Group’s consolidated financial statements.

(2) Changes in accounting policies and disclosures

The accounting policies applied are consistent with those of the 2023 Financial Statements as described therein, except for the accounting policy that is first effective for the current accounting period of the Group.

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

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

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in this financial information.

(3) Segment information

The Group's operations are organised in two main business segments:

- Toll roads and general-environmental protection business; and
- Logistics business.

Head office functions include corporate management functions and investment and financial activities of the Group. It also includes one-off and non-recurring activities of the Group.

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

Toll roads and general-environmental protection business includes: (i) development, operation and management of toll highway; and (ii) sales of wind turbine equipment, kitchen waste disposal projects construction, operation and equipment sales, and operation of wind power stations.

Logistics business includes: (i) logistics parks which mainly include the construction, operation and management of logistics centres and integrated logistics hubs; (ii) logistics services which include the provision of third party logistics services, logistics information services and financial services to customers; (iii) port and related services (including sales of material); and (iv) logistics park transformation and upgrading business (including sales of properties).

The Board assesses the performance of the operating segments based on a measure of profit for the year.

(3) Segment information (continued)

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the board of directors, the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 are set out below:

For the year ended 31 December 2024

	Toll roads and general-environmental protection business HK$'000	*Logistics parks* HK$'000	*Logistics services* HK$'000	*Port and related services* HK$'000	*Logistics park transformation and upgrading business* HK$'000	*Sub-total* HK$'000	*Head Office functions and others* HK$'000	*Total* HK$'000
Revenue from contracts with customers within the scope of HKFRS 15								
-Point in time	**7,283,124**	**464**	**332,587**	**3,585,793**	**-**	**3,918,844**	**-**	**11,201,968**
-Over time	**2,746,087**	**228,571**	**-**	**-**	**28,970**	**257,541**	**-**	**3,003,628**
Subtotal	**10,029,211**	**229,035**	**332,587**	**3,585,793**	**28,970**	**4,176,385**	**-**	**14,205,596**
Revenue from leases	**-**	**1,275,399**	**-**	**-**	**89,620**	**1,365,019**	**-**	**1,365,019**
Revenue	**10,029,211**	**1,504,434**	**332,587**	**3,585,793**	**118,590**	**5,541,404**	**-**	**15,570,615**
Operating profit (loss)	**2,069,512**	**609,200**	**(19,959)**	**142,097**	**2,865,201**	**3,596,539**	**(444,759)**	**5,221,292**
Share of results of joint ventures	**367,568**	**26,144**	**-**	**(817)**	**-**	**25,327**	**(32,831)**	**360,064**
Share of results of associates	**641,358**	**894**	**2,017**	**(1,085)**	**242,906**	**244,732**	**237,544**	**1,123,634**
Finance income	**81,161**	**6,086**	**1**	**1,460**	**9,225**	**16,772**	**75,663**	**173,596**
Finance costs	**(1,183,363)**	**(98,972)**	**2,733**	**(14,709)**	**(85,819)**	**(196,767)**	**(383,391)**	**(1,763,521)**
Profit (loss) before income tax	**1,976,236**	**543,352**	**(15,208)**	**126,946**	**3,031,513**	**3,686,603**	**(547,774)**	**5,115,065**
Income tax expense	**(613,056)**	**(18,586)**	**(4,046)**	**(37,574)**	**(680,733)**	**(740,939)**	**(74,066)**	**(1,428,061)**
Profit (loss) for the year	**1,363,180**	**524,766**	**(19,254)**	**89,372**	**2,350,780**	**2,945,664**	**(621,840)**	**3,687,004**
(Profit) loss attributable to non-controlling interests	**(803,392)**	**12,789**	**(2,177)**	**(28,973)**	**7,629**	**(10,732)**	**(432)**	**(814,556)**
Profit (loss) attributable to ordinary shareholders of the Company	**559,788**	**537,555**	**(21,431)**	**60,399**	**2,358,409**	**2,934,932**	**(622,272)**	**2,872,448**
Depreciation and amortisation	**2,472,071**	**518,190**	**31,138**	**69,596**	**33,752**	**652,676**	**174,971**	**3,299,718**
Capital expenditure								
- Additions in investment properties, property, plant and equipment, construction in progress, land use rights and intangible assets	**2,358,819**	**4,540,729**	**112,379**	**314,770**	**72,969**	**5,040,847**	**2,380,630**	**9,780,296**
- Additions in investment properties, property, plant and equipment and land use rights arising from acquisition of subsidiaries	**7,808**	**-**	**-**	**-**	**-**	**-**	**-**	**7,808**
- Additions in interests in associates	**888,479**	**-**	**759**	**1,086**	**-**	**1,845**	**519,446**	**1,409,770**

(3) Segment information (continued)

For the year ended 31 December 2023

	Toll roads and general-environmental protection business	*Logistics parks*	*Logistics services*	*Port and related services*	*Logistics park transformation and upgrading business*	*Sub-total*	*Head Office functions and others*	*Total*
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15								
-Point in time	8,043,071	492	319,109	2,804,772	5,502,349	8,626,722	-	16,669,793
-Over time	2,281,910	215,214	-	-	-	215,214	-	2,497,124
Subtotal	10,324,981	215,706	319,109	2,804,772	5,502,349	8,841,936	-	19,166,917
Revenue from leases	-	1,302,904	-	-	53,977	1,356,881	-	1,356,881
Revenue	10,324,981	1,518,610	319,109	2,804,772	5,556,326	10,198,817	-	20,523,798
Operating profit (loss)	2,932,324	629,258	22,749	167,284	3,276,831	4,096,122	(554,528)	6,473,918
Share of results of joint ventures	401,719	23,902	-	-	-	23,902	(7,164)	418,457
Share of results of associates	406,732	667	8,024	-	61,173	69,864	201,675	678,271
Finance income	78,495	8,224	853	3,019	15,371	27,467	135,334	241,296
Finance costs	(1,426,489)	(52,346)	(670)	(11,557)	(213,815)	(278,388)	(912,936)	(2,617,813)
Profit (loss) before income tax	2,392,781	609,705	30,956	158,746	3,139,560	3,938,967	(1,137,619)	5,194,129
Income tax expense	(378,564)	(130,206)	(5,184)	(40,090)	(1,402,804)	(1,578,284)	(332,373)	(2,289,221)
Profit (loss) for the year	2,014,217	479,499	25,772	118,656	1,736,756	2,360,683	(1,469,992)	2,904,908
(Profit) loss attributable to non-controlling interests	(1,009,658)	44,125	(17,155)	(30,905)	9,008	5,073	1,320	(1,003,265)
Profit (loss) attributable to ordinary shareholders of the Company	1,004,559	523,624	8,617	87,751	1,745,764	2,365,756	(1,468,672)	1,901,643
Depreciation and amortisation	2,524,180	473,810	26,615	43,943	24,761	569,129	164,697	3,258,006
Capital expenditure								
- Additions in investment properties, property, plant and equipment, construction in progress, land use rights and intangible assets	2,666,262	3,854,671	271,910	972,288	417,552	5,516,421	2,669,746	10,852,429
- Additions in investment properties, property, plant and equipment and land use rights arising from acquisition of subsidiaries	229,315	-	-	161,414	860,572	1,021,986	-	1,251,301

(a) The revenue from toll roads included construction service revenue under service concession arrangements in the amount of HKD2,130,496,000 for the Year (2023: HKD1,496,173,000).

(b) The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

(c) All revenues are derived from external customers located in the PRC. The Group's non-current assets, other than financial instruments and deferred tax assets are mainly located in the PRC. Revenues derived from and value of non-current assets located in other countries and regions are not material.

(4) Revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024	*2023*
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Toll roads and general-environmental protection business		
- Toll revenue	**5,482,033**	5,970,786
- Entrusted construction management service and construction consulting service revenue	**481,714**	565,558
- Construction service revenue under service concession arrangements	**2,130,496**	1,496,173
- General-environmental protection services	**1,528,572**	1,797,661
- Others	**406,396**	494,803
	10,029,211	10,324,981
Logistics business		
- Logistics parks	**229,035**	215,706
- Logistics services	**332,587**	319,109
- Port and related services (including sales of materials)	**3,585,793**	2,804,772
- Logistics park transformation and upgrading business (including sale of properties)	**28,970**	5,502,349
	4,176,385	8,841,936
	14,205,596	19,166,917
Revenue from other sources		
-Leases	**1,365,019**	1,356,881
	15,570,615	20,523,798

(5) Other gains -net

	2024	*2023*
	HK$'000	HK$'000
Gain on disposal of subsidiaries	**783,349**	19,243
Change in fair value of derivative financial instruments	**(66,870)**	40,101
Change in fair value of other investments	**46,804**	68,835
Change in fair value of investment properties	**(222,404)**	304,803
Gain on Land Preparation Project	**3,157,598**	148,671
Gain on disposal of other non-current assets	**54,711**	5,779
Impairment loss recognised on goodwill	**(10,464)**	-
Impairment loss recognised on other non-current assets (Note)	**(617,017)**	(209,731)
Others	**76,809**	(94,654)
	3,202,516	283,047

Note: Mainly included: (a) an impairment loss of approximately HK$206,118,000 in respect of assets of logistics parks; (b) an impairment loss of approximately HK$175,247,000 in respect of intangible assets of General-Environmental Protection Project; and (c) an impairment loss of approximately HK$169,282,000 in respect of premises related to relocation compensation.

(6) Finance income and costs

	2024	*2023*
	HK$'000	HK$'000
Finance income		
Interest income from bank deposits	**(126,554)**	(207,728)
Other interest income	**(47,042)**	(33,568)
Total finance income	**(173,596)**	(241,296)
Finance costs		
Interest expense		
- Bank borrowings	**1,229,288**	1,393,351
- Medium-term notes	**356**	285
- Senior notes	**-**	7,032
- Corporate bonds	**306,817**	333,482
- Panda bonds	**327,671**	242,372
- Contract liabilities	**-**	168,031
- Lease liabilities	**42,269**	47,356
- Others	**145,273**	149,241
Net foreign exchange losses	**25,528**	553,203
Less: finance costs capitalised on qualified assets	**(313,681)**	(276,540)
Total finance costs	**1,763,521**	2,617,813
Net finance costs	**1,589,925**	2,376,517

(7) Income tax expense

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the Year.

The PRC Corporate Income Tax charged to the Group's consolidated income statement was calculated based on the assessable profits of the Company's subsidiaries located in the PRC of the Year at a rate of 25% (2023: 25%) applicable to the respective companies.

PRC Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortization of land use rights, borrowing costs and all property development expenditures.

	2024	*2023*
	HK$'000	HK$'000
Current income tax		
- PRC Corporate Income Tax	**1,335,573**	1,418,204
- PRC Land Appreciation Tax	**(61,880)**	813,331
- Withholding income tax	-	57,456
Deferred tax	**154,368**	230
	1,428,061	2,289,221

(8) Expenses by nature

Profit for the year has been arrived at after charging:

	2024	*2023*
	HK$'000	HK$'000
Construction services cost under service concession arrangements	**1,944,624**	1,496,173
Kitchen waste disposal project costs	**750,172**	788,093
Depreciation and amortisation	**3,299,718**	3,258,006
Employee benefit expenses	**1,752,914**	1,723,742
Cost of inventories sold	**3,539,565**	4,848,354
Other tax expenses	**360,832**	236,631
Commission, management fee and maintenance expenses for toll roads	**361,312**	362,182
Entrusted construction management service costs	**333,687**	415,403
Auditors' remuneration : audit services	**8,418**	8,130
Legal and consultancy fees	**89,492**	66,592

(9) Earnings per share

(a) Basic

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

	2024	*2023*
	HK$'000	HK$'000
Profit attributable to ordinary shareholders of the Company	**2,872,448**	1,901,643
Weighted average number of ordinary shares in issue (thousands)	**2,401,935**	2,390,647
Basic earnings per share (HKD per share)	**1.20**	0.80

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(9) Earnings per share (continued)

(b) Diluted (continued)

	2024 **HK$'000**	*2023* HK$'000
Profit attributable to ordinary shareholders of the Company	**2,872,448**	1,901,643
Weighted average number of ordinary shares in issue (thousands)	**2,401,935**	2,390,647
Adjustments -share options (thousands)	**9,663**	1,372
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**2,411,598**	2,392,019
Diluted earnings per share (HKD per share)	**1.19**	0.79

(10) Dividends

At the Board meeting on 26 March 2025, the Board recommended the payment of final dividend for the year of 2024 of HKD0.598 per ordinary share. Such dividends are to be approved by the shareholders at the forthcoming annual general meeting of the Company in 2025 ("Annual General Meeting"). These consolidated financial statements do not reflect this as dividend payable.

	2024 **HK$'000**	*2023* HK$'000
Proposed final and total dividend of HKD0.598 (2023: HKD0.40 per ordinary share)	**1,440,964**	957,260

The Board recommended that the final dividend be satisfied wholly in the form of an allotment of scrip shares. Shareholders will be given the option of receiving the final dividend wholly in cash in lieu of such allotment, or partly in cash and partly in the form of scrip shares. The arrangement is subject to: (1) the approval of proposed final dividend at the forthcoming Annual General Meeting; and (2) the Hong Kong Stock Exchange' granting the listing of and permission to deal in the scrip shares to be issued pursuant thereto.

(11) Intangible assets

Concession intangible assets

	2024	*2023*
	HK$'000	HK$'000
Cost	**46,496,040**	49,078,415
Accumulated amortisation and impairment	**(20,308,157)**	(19,798,090)
Net book value as at 31 December	**26,187,883**	29,280,325
Net book value as at 1 January	**29,280,325**	29,941,138
Additions	**2,212,008**	1,983,292
Disposals	**(5,253)**	(21,960)
Amortisation	**(1,889,762)**	(1,966,426)
Acquisition of a subsidiary	**7,758**	-
Disposal of subsidiaries	**(2,263,403)**	
Others	**(45,090)**	-
Impairment	**(175,247)**	-
Exchange difference	**(933,453)**	(655,719)
Net book value as at 31 December	**26,187,883**	29,280,325

Toll roads

Concession intangible assets represent the rights to operate the respective toll roads granted by the relevant local government authorities in the PRC to the Group. The remaining periods of rights to operate the respective toll roads are from 2 to 25 years (2023: 1 to 25 years). According to the service concessions, the Group is responsible for the construction of the toll roads and the acquisition of the related facilities and equipment. It is also responsible for the operations and management, maintenance and overhaul of the toll roads during the approved operating periods. The toll fees collected and collectible during the operating periods are attributable to the Group. The relevant toll roads assets are required to be returned to the local government authorities when the operating rights periods expire without any consideration payable to the Group.

(12) Trade and other receivables

The settlement period of the toll revenue from toll road operations is normally within a month due to the implementation of unified toll collection policy on expressways of the Group in the PRC. Trade receivables other than toll revenue are generally due within 120 days from the date of billing. As at 31 December 2024 and 2023, the ageing analysis of the trade receivables of the Group based on revenue recognition date was as follows:

	2024	*2023*
	HK$'000	HK$'000
0 -90 days	**706,121**	763,381
91 -180 days	**226,068**	154,753
181 -365 days	**524,506**	213,531
Over 365 days	**774,557**	880,646
	2,231,252	2,012,311

(13) Trade and other payables

The ageing analysis of the trade payables based on the date of invoices was as follows:

	2024	*2023*
	HK$'000	HK$'000
0 -90 days	**2,217,907**	1,945,144
91 -180 days	**571,125**	237,290
181 -365 days	**217,941**	499,354
Over 365 days	**2,154,245**	1,656,148
	5,161,218	4,337,936

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

Operating Results	***2024 HK$'000***	*2023 HK$'000*	Increase/ (Decrease)
Revenue (excluding construction service revenue from toll roads)	**13,440,119**	19,027,625	(29%)
Construction service revenue from toll roads	**2,130,496**	1,496,173	42%
Total revenue	**15,570,615**	20,523,798	(24%)
Operating profit	**5,221,292**	6,473,918	(19%)
Profit before tax and finance costs	**6,704,990**	7,570,646	(11%)
Profit attributable to shareholders	**2,872,448**	1,901,643	51%
Basic earnings per share (HK dollars)	**1.20**	0.80	50%
Final Dividend per share (HK dollar)	**0.598**	0.40	50%

In 2024, the international economic and political landscape remained complex and volatile, with global economic growth slowing down and domestic economy under pressure. The Group's businesses inevitably faced considerable operational challenges. Nevertheless, by leveraging its solid business foundation, diversified business portfolio, and unique long and short closed-loop business models, the Group proactively responded to the changes and successfully navigated through the turbulent economic cycles while maintaining steady growth in overall performance amidst adversity.

Over the past year, the Group remained committed to its core principles of "Striving for Progress while Maintaining Stability, Improving Quality while Enhancing Efficiency", prioritizing the growth of its core logistics business, while steadily building its comprehensive logistics ecosystem of "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics". The Group placed strong emphasis on business promotion, deepening customer relationships, enhancing operational service levels, and optimizing core competitiveness of its projects in operation. At the same time, it made adjustments to optimize its investment and development strategies, and rigorously managed the development pace of its existing projects. By cautiously selecting and prioritizing excellence in its strategic configuration, the Group focused its business on the high-quality assets in key areas, particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area"). It also continued to explore and unlock the value of its asset-heavy projects throughout their life cycles, aiming to deliver stable returns to its shareholders.

For the year ended 31 December 2024 (the “Year”), the Group’s profit attributable to shareholders increased by 51% as compared to the corresponding period of the previous year to approximately HK$ 2,872 million, mainly benefiting from the recognition of profits after tax of approximately HK$2,367 million from the land preparation and consolidation of SZI South China Logistics Park, as well as the completion of transfer of two logistics hub projects to ChinaAMC-Shenzhen International Warehousing & Logistics Close-end Infrastructure Securities Investment Fund (“ChinaAMC-Shenzhen International REIT”), which recorded profits after tax of HK$587 million.

During the Year, the Group recorded a total revenue of approximately HK$15,571 million, representing a decrease of 24% as compared to the corresponding period of the previous year. The decline was mainly attributable to the absence of the revenue contribution from the delivery of units under the Qianhai residential project (Yicheng Qiwanli), which contributed approximately HK$5,500 million in the previous year. The operating profit of the Group amounted to approximately HK$5,221 million, representing a decrease of 19% as compared to the corresponding period of the previous year, primarily due to the Group’s assets impairment losses of approximately HK$867 million, and the fair value losses of approximately HK$242 million, respectively.

In respect of the logistics business, revenue for the Year was approximately HK$1,837 million, maintained at a similar level with that of the previous year. Profit attributable to shareholders decreased by 3% as compared to the corresponding period of the previous year to approximately HK$516 million, mainly due to assets impairment losses and fair value losses on certain logistics hub projects.

In recent years, the Group has focused on investing in key areas with strong resilience and sound operational efficiency, continuously solidifying the foundation of its core logistics business. In 2024, the Group successfully acquired a land parcel of approximately 118,000 square meters for its first project in Beijing, and a land parcel of approximately 96,000 square meters for the Jieyang Project in Guangdong, optimizing its strategic configuration in Beijing and the eastern Guangdong region. As at 31 December 2024, the Group has established its presence in 42 cities nationwide and obtained the operation rights of approximately 8.36 million square meters of land. It manages and operates 46 logistics hub projects with a total operating area of approximately 5.79 million square meters, underlining the ongoing expansion of its logistics business. Among these, the Group’s operating area in the Greater Bay Area reaches 1.18 million square meters, with approximately 469,000 square meters newly put into operation during the Year, further reinforcing and enhancing its position as a premier logistics warehousing leader in the Greater Bay Area.

In 2024, the Group’s short closed-loop “Investment, Construction, Financing and Operation” business model achieved a significant breakthrough. With the successful transfer of two logistics hub projects to ChinaAMC-Shenzhen International REIT, the Group recouped its upfront capital investment. On 9 July 2024, ChinaAMC-Shenzhen International REIT was officially listed on the Shenzhen Stock Exchange. The Group held approximately 31.28% of the total fund units by the end of 2024, and has received a total dividend income of approximately RMB11.90 million from two fund dividend payouts for the year 2024. The Group will timely initiate the expansion of ChinaAMC-Shenzhen International REIT in due course as and when opportunities arise, taking into account market conditions, while also advancing the establishment of private logistics funds and engaging in fund-type investments to further diversify the development of its “Investment, Construction, Financing and Operation” business model.

In respect of the logistic park transformation and upgrading business, benefitting from the recognition of profit from land preparation and consolidation of SZI South China Logistics Park, profit attributable to shareholders increased by 35% as compared to the corresponding period of the previous year to HK$2,358 million. Revenue for the Year declined by 98% as compared to the corresponding period of the previous year to approximately HK$119 million, primarily due to the absence of revenue contribution from the delivery of units under the Qianhai residential project, which contributed approximately HK$5,500 million in the previous year.

During the Year, the Group's long closed-loop "Investment, Construction, Operation and Transformation" business model took a leap forward. The approval of the Shenzhen Longhua District People's Government for the first phase of the reserved land of SZI South China Logistics Park had been obtained at the end of 2024, and the relevant works for land provision would commence, signifying the Group's ownership of the development rights of this land plot. The Group will continue to accelerate the obtaining of additional reserved land as well as the development and construction of the first phase of the reserved land according to the designated land functions under the new planning, thus gradually realizing gains from land value appreciation and land development.

Regarding the port and related services business, the Group recorded a revenue of approximately HK$3,586 million for the Year, representing an increase of 28% as compared to the corresponding period of the previous year. Such increase was driven by the increase in revenue from the port supply chain business and the new revenue contribution following the full operation of Jiangsu Jingjiang Port. Profit attributable to shareholders decreased by 31% as compared to the corresponding period of the previous year to approximately HK$60.40 million, primarily due to the decline in profit margin of the port business resulting from the intense competition in the domestic market, along with substantial initial operating costs and expenses for the newly launched port project which was still in the nurturing stage.

As part of its ongoing implementation of "Port Connection" strategy, the Group actively pursued investment opportunities in high-quality ports. In 2024, the Group's successful acquisition of the project land of Foshan Fuwan Port marks its inaugural project venturing into the Pearl River Basin in the Greater Bay Area. This development signifies the Group's expansion of its port segment from the Yangtze-Huaihe River Basin to the Pearl River Basin, which is crucial for the Group's ongoing market expansion and the optimization of its strategic configuration.

The Group's toll road business and general-environmental protection business are managed and operated through its listed subsidiary Shenzhen Expressway Corporation Limited ("Shenzhen Expressway"). During the Year, the overall revenue of Shenzhen Expressway was approximately HK$10,029 million, representing a decrease of 3% as compared to the corresponding period of the previous year, primarily due to the results of the project company of Yichang Expressway no longer be consolidated into the financial statements of the Group since 21 March 2024, coupled with the year-on-year decline in the revenue from the general-environmental protection business. Shenzhen Expressway recorded a net profit of approximately HK$1,322 million, representing a decrease of 50% as compared to the corresponding period of the previous year, which was mainly attributable to a substantial decline in investment returns contributed by Shenzhen International United Land Co., Ltd., which is an associate of Shenzhen Expressway, along with an increase in assets impairment losses and a decline in operating profit as compared to year 2023. The Group's share of profit from Shenzhen Expressway was approximately HK$560 million, representing a decrease of 44% as compared to the corresponding period of the previous year.

During the Year, the Group closely monitored the trends of exchange rate changes. By deploying a series of precise measures, the Group persistently optimized its debt maturity and currency structure, strictly controlled the scale of foreign currency loans and successfully secured preferential loan interest rates, further reducing its finance costs. On the one hand, the Group has taken proactive measures to mitigate the risks associated with exchange rate fluctuation, recording a net foreign exchange loss of approximately HK$25.53 million during the year, which is significantly reduced by HK$528 million as compared to the corresponding period of the previous year. On the other hand, the Company successfully completed the issuance of the first tranche of medium-term notes in October 2024 in the principal amount of RMB 4,000 million with a coupon rate of 2.21% and a term of 3 years, setting a historical low for finance cost in the Company's RMB bonds. The Group will persist in strengthening its financial management, optimizing its debt structure, enhancing its ability to respond to market risks, thereby ensuring robust growth amidst a dynamic and complex market landscape.

DIVIDEND

The board of directors of the Company (the "Board") is committed to maintaining a stable dividend policy and bringing sustainable and stable returns to the shareholders of the Company. Having considered the composition of the profit and cash flows of the Group, the Board recommended a final dividend of HK$0.598 per share for the Year (2023: final dividend of HK$0.40). Dividend per share increased 50% as compared to the previous year. Total dividend amounts to HK$1,441 million (2023: HK$957 million), representing an increase of 51%, as compared to the previous year.

The Board recommended that the final dividend be satisfied wholly in the form of an allotment of scrip shares. Shareholders will be given the option of receiving the final dividend wholly in cash in lieu of such allotment, or partly in cash and partly in the form of scrip shares (the "Scrip Dividend Scheme"). The Scrip Dividend Scheme is subject to: (1) the approval of the proposed final dividend at the forthcoming annual general meeting of the Company ("2025 Annual General Meeting"); and (2) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of and permission to deal in the scrip shares to be issued pursuant thereto.

LOGISTICS BUSINESS

Analysis of Operating Environment

The international economic and political landscape in 2024 was complex, characterized by a sluggish global economic recovery and insufficient growth momentum, with a host of challenges on the horizon. Despite that, the economy of the PRC maintained a steady and progressive trajectory driven by consumption upgrades, industrial transformation, and innovation-driven development. The logistics industry, as a crucial pillar of the economy, has also exhibited new development trends under the influence of multiple factors. With the rapid development of emerging business models such as B2C e-commerce and new retail, customer demand in specialized sectors like cold chain logistics, cross-border e-commerce, and the "New Three Types" of manufacturing industry is being unleashed consistently, serving as a key growth engine for the logistics industry. Meanwhile, the emergence of new segments, including green logistics, low-altitude logistics and digital logistics, injected fresh energy into the logistics industry. Furthermore, the hastened integration of regional economies in key areas such as the Greater Bay Area, Yangtze River Delta, and Beijing-Tianjin-Hebei region led to an increasing demand for efficient logistics networks, creating extensive development opportunities for the logistics and warehousing industries in which the Group operates. Under these circumstances, the logistics and warehousing markets in the Greater Bay Area, where the Group strategically focused on, continued to demonstrate solid performance.

Proactively responding to the changes in the external environment and industry development trends, the Group capitalized on the policy opportunities presented by Shenzhen's initiative to expedite the establishment of a globally influential logistics hub, aiming to establish itself as a premier industrial conglomerate with distinctive characteristics in the transportation and logistics industries. On the one hand, the Group pursues steady progress while closely monitoring the trends in customer demand within key industries and focusing on key cities and quality assets that support incremental demands. On the other hand, the Group continues to enhance its dual closed-loop business models of "Investment, Construction, Operation and Transformation" and "Investment, Construction, Financing and Operation", actively exploring opportunities to tap into ancillary businesses in logistics parks. In response to intensified market competition, the Group prioritized customer expansion and enhancement of service quality. Through initiatives such as intensifying efforts in business promotion, the establishment of a strategic customer department, direct management engagement in strategic customer visits, and organizing business promotion conferences, the Group has significantly elevated its customer management capabilities and service quality. This, in turn, bolstered customer loyalty, laying a solid foundation for the Group's business expansion and enhanced market competitiveness.

Moreover, the Group places a strong emphasis on technological innovation and digital transformation, promoting the intelligent and automated upgrading of logistics and warehousing services. This enhances operational efficiency and service levels, enabling better fulfillment of customer needs and addressing the challenges posed by industry changes, thereby fostering the Group's sustainable growth. The Group is also committed to integrating its ESG principles into its business operations and development plannings in order to foster a more sustainable and resilient future. By pursuing green building certifications, optimizing intelligent park systems, promoting photovoltaic power generation and charging infrastructure in logistics parks, as well as implementing water conservation measures within the parks, the Group collaborates with its customers to collectively develop green logistics parks.

Analysis of Operating Performance

Logistics Park Business

I. Logistics Parks in the Greater Bay Area

Guided by the strategy of "Establishing a Foothold in Shenzhen and Focusing on the Greater Bay Area", the Group has continued to consolidate its stronghold in Shenzhen while establishing a presence in cities such as Foshan, Zhongshan and Zhaoqing. The business network in the Greater Bay Area is gradually taking shape. While continuously expanding its investments in the Greater Bay Area, the Group has proactively adapted to the industry trends towards smart and intelligent development, striving to seize the opportunities of development of "Multi-storey Warehouses" and "SZI Intelligent Logistics Hub".

During the Year, certain projects of the Group in the Greater Bay Area made notable progress, with the construction of projects including Shenzhen International Integrated Logistics Hub Center (i.e. Pinghunan Project), SZ Bao'an Project, Foshan Gaoming Project and Zhaoqing Gaoyao Project progressively commenced as scheduled. Meanwhile, SZ Yantian Project, SZ Pingshan Project and Foshan Nanhai Project have progressively commenced operations. The Group's logistics hub projects in the Greater Bay Area collaborate with one another to further develop the multimodal transport network and improve the efficiency of logistics services.

As at 31 December 2024, the Group has established 14 logistics hub projects in the Greater Bay Area, among which 9 projects (including 7 projects in Shenzhen) are in operation / under management, and 5 projects (including 2 projects in Shenzhen) are under construction. At present, the Group has obtained the operation rights of approximately 2.27 million square meters of land in the Greater Bay Area, of which approximately 1.18 million square meters have been put into operation.

<u>Projects in Operation</u>

SZI Intelligent Logistics Hub (SZ Liguang) is located in Longhua District of Shenzhen and has a site area of approximately 45,000 square meters and a gross floor area of approximately 217,000 square meters. It has a high plot ratio comprising six above-ground floors and two underground floors and has commenced operations in phases since the second half of 2023. The park is equipped with various warehousing facilities including cold storage, ambient storage, automated stereoscopic warehouses, along with e-commerce incubation and operation centers and ancillary service centers. With intelligent hardware as its foundation and digital platform as its carrier, the project leverages cutting-edge information technology such as 5G to develop an "ecological, intelligent and innovative" modern logistics complex that integrates multiple industries.

SZ Liguang Project serves as a pioneering initiative of the Group, establishing itself as a flagship smart platform project that achieves comprehensive digitalization, intelligence, and visualized operations in the logistics park. It covers various aspects, including operational management, asset management, logistics services, corporate services, green zero-carbon initiatives, as well as equipment facility management. The project was awarded the second prize for "2024 Smart City Pioneer List - Outstanding Cases". Its key customers include Sinopharm and Yanwen Express, etc. As at 31 December 2024, the overall occupancy rate of the park was approximately 84%, with the occupancy rate of ambient storage reaching 97%.

SZI Intelligent Logistics Hub (SZ Yantian) is located in Yantian District of Shenzhen and has a site area of approximately 32,000 square meters and a gross floor area of approximately 91,000 square meters. Commenced operations in the first half of 2024, it is a six-storey stereoscopic warehouse that serves as one of the Group's demonstration projects for modern and premium-standard "Multi-storey Warehouses" and as a demonstration project for "Bonded Logistics+". Leveraging the advantages of Yantian Port as an international hub port, and Yantian Comprehensive Bonded Zone, the project has advanced the development of new forms of bonded business, offering high-value-added comprehensive logistics services such as bonded warehousing, cold chain logistics, international distribution, cross-border e-commerce, etc. SZ Yantian Project was selected as one of "Shenzhen's Key Projects for 2023" and awarded the honor of "Guangdong Province Green Demonstration Project". Key customers of SZ Yantian Project include top-tier logistics companies, including Maersk and other major players in the international and domestic markets. As at 31 December 2024, the overall occupancy rate of the park was approximately 80%.

SZI Intelligent Logistics Hub (SZ Pingshan East) is located in Pingshan District of Shenzhen and has a site area of approximately 267,000 square meters and a gross floor area of approximately 94,000 square meters. The project is adjacent to a number of the Group's other logistics hub projects, providing an opportunity for collaborative development within the area. It currently accommodates prime customers such as Walmart and Xuefeng Cold Chain, etc. As at 31 December 2024, the park achieved full occupancy.

SZI Intelligent Logistics Hub (SZ Pingshan), located in Pingshan District of Shenzhen, has a site area of approximately 120,000 square meters and a gross floor area of approximately 286,000 square meters. Commended operations in December 2024, the project is positioned as a "Demonstration Base for Deep Integration of Manufacturing and Logistics Industries" within Shenzhen's "20+8" strategic emerging industry clusters, while it also acts as an "Intelligent Logistics Shared Service Center" for "9+2" strategic emerging industries in Pingshan District. It is expected to address the shortage of high-standard logistics facilities in Pingshan District, and effectively promote the deep integration of manufacturing and logistics industries in the area. The project has successfully been selected as one of "Shenzhen's Key Projects for 2024".

SZI Western Logistics Park is located in Qianhai Pilot Free Trade Zone of Shenzhen, which is a project leased and operated by the Group from the government with an operating area of approximately 91,000 square meters. It provides mainly bonded logistics and warehousing and storage, loading and unloading, customs declaration and on-site value adding services. The project was listed by the Ministry of Commerce of the PRC in the second batch of Exemplary E-Commerce Bases, designated as a pilot project in the Shenzhen Cross-border E-commerce Center and recognized as an advanced certified enterprise under the Authorized Economic Operator (AEO) Program. As at 31 December 2024, the overall occupancy rate of the park was approximately 95%.

SZI Kanghuai E-commerce Center is located in Longhua District of Shenzhen and has an operating area of approximately 143,000 square meters. It is the first asset-light management service project operated by the Group. The project actively explores the development model of green freight distribution, and has built an "intensive, efficient, green and intelligent" urban freight distribution service system. It is one of Shenzhen's demonstration projects for the Green Freight Distribution City. It provides a range of services, including logistics and warehousing services, large-scale data centers, office buildings, dormitories and restaurants, etc. The project also supports interactive sharing and intelligent interchange of data across the park with an intelligent park information management system. The center achieved stable operations and has successfully attracted a number of branded logistics enterprises including JD.Com. As at 31 December 2024, the overall occupancy rate of the center was approximately 92%.

SZI Intelligent Logistics Hub (Zhongshan Torch) is located in Zhongshan Torch Hi-tech Industrial Development Zone, with a site area of approximately 58,000 square meters and a gross floor area exceeding 66,000 square meters. The project marks the Group's first venture in the Greater Bay Area outside of Shenzhen. It has attracted enterprises in the pharmaceutical and home appliance sectors while providing integrated logistics solutions for the automotive supply chain industry in the vicinity. The official opening of the Shenzhen-Zhongshan Bridge in 2024 has fostered further integration of the cities along the east and west banks of the Pearl River, promoting further development of local manufacturing and logistics industries in Zhongshan while also injecting fresh momentum into the steady operation of Zhongshan Torch Project. As at 31 December 2024, the park was almost fully occupied.

SZI Intelligent Logistics Hub (Foshan Nanhai) is located in Nanhai District of Foshan, covering a site area of approximately 76,000 square meters with a gross floor area of approximately 92,000 square meters. Commenced operations in August 2024, it serves as a crucial project in establishing Foshan as the Group's "Second Home Base". The project has successfully drawn in TEMU, a leading cross-border e-commerce enterprise, leveraging its next-generation products characterized by intensification, intelligence and greening, along with its excellent market reputation. This has empowered the optimization of quality and efficiency within the local e-commence industry. As at 31 December 2024, the overall occupancy rate of the park reached 100%.

Projects in Construction

SZI Western Highway Freight Logistics Hub (SZ Bao'an), located in Bao'an District of Shenzhen, is a National Production Service-oriented Logistics Hub in Shenzhen and one of the seven major gateway-type logistics hubs planned by the Shenzhen Municipal People's Government. It is also the first successfully launched highway logistics hub project under Shenzhen's three-tier "7+30+N" logistics station layout plan. The project covers a site area of approximately 75,000 square meters and a planned gross floor area of approximately 159,000 square meters. Leveraging Bao'an's well-established advanced manufacturing industry and its prime location on domestic and international transportation routes, the project aims at establishing an industry-leading cluster of comprehensive and modern intelligent logistics facilities, including intelligent logistics centers, smart logistics cloud warehouses, and cold chain centers, so as to foster the collaborative developments of advanced manufacturing and logistics industries. The project has also been selected for the "Major Project List of Shenzhen 2024". Construction of the project officially commenced in May 2024, with the aim to commence operations in 2025.

SZI Intelligent Logistics Hub (Foshan Shunde) and SZI Intelligent Logistics Hub (Foshan Gaoming) are located in Shunde District and Gaoming District of Foshan, respectively. They cover site areas of approximately 200,000 square meters and 157,000 square meters, with planned gross floor areas of approximately 337,000 square meters and 185,000 square meters, respectively. With an emphasis on "intensification" and "intelligence" in the overall planning, the Group aims to develop these warehouse projects into modern high-standard logistics parks that seamlessly integrate warehousing, distribution, freight forwarding, trading, after-sales services, and e-commerce. Both projects are expected to commence operations in 2025.

SZI Intelligent Logistics Hub (Zhaoqing Gaoyao) is located in Gaoyao District of Zhaoqing. With a site area of approximately 100,000 square meters and a planned gross floor area of approximately 108,000 square meters, the project is set to be developed into supply chain industrial park that integrates multi-functions, including supply chain financial center and a trading and clearing center, thereby fostering closer connectivity and synergies with other projects in the Greater Bay Area, such as those in Foshan and Zhongshan. The project officially commenced construction in July 2024, striving to commence operations in 2026.

II. Logistics Parks in Other Regions of the PRC

While focusing on the Greater Bay Area, the Group has optimized the strategic configuration of its nationwide network through its “Prioritizing Excellence” strategy. It also stepped up its investments in key cities of economically affluent regions such as the Yangtze River Delta and the Beijing-Tianjin-Hebei region, in order to increase its market share, enhance penetration rate and project density in key cities, solidify the foundation of its high-standard warehouse network, and create synergies nationwide.

As at 31 December 2024, the Group has extended its network of logistics hubs to 38 cities in other regions across the PRC (excluding the Greater Bay Area), among which a total of 37 logistics hub projects with an aggregate operating area of approximately 4.61 million square meters were put into operation. The overall occupancy rate of the mature logistics parks reached 91%, indicating a stable overall leasing condition.

In 2024, the Group successfully acquired a land parcel of approximately 96,000 square meters for the warehouse construction of Jieyang Project, marking the Group’s first logistics hub project in the eastern Guangdong region. This achievement further strengthens the Group’s strategic configuration in Guangdong Province, significantly boosting its brand influence in the area.

While continuing expansion its new logistics hub projects, the Group has also been steadily advancing its ongoing and planned projects to ensure that the construction progress aligns with its expectations. In 2024, Hainan Chengmai Project, Zhanjiang Project, Xiangtan Project and Wenzhou Project completed construction and commenced operations successively, contributing an additional operating area of approximately 378,000 square meters. In 2024, the Group initiated new construction projects in other regions of the PRC (excluding the Greater Bay Area) with a total planned site area exceeding 460,000 square meters, and the ongoing projects have a planned site area of approximately 240,000 square meters. These projects are expected to commence operations progressively in 2025 and 2026.

SZI Logistics Hub (Shijiazhuang Zhengding), invested in and constructed by the Group, has a site area of approximately 310,000 square meters and a planned gross floor area exceeding 500,000 square meters. It is the first industrial-city complex in the country that integrates the two major industries of logistics and commerce. Guided by the construction objectives of “Premium Standard and Artistic Excellence”, the project integrates a diverse business sectors, including intelligent logistics industrial parks, ice and snow sports venues, international hotels, cultural districts, commercial complexes, and startups incubation facilities. Full operations are expected to commence by the end of 2025.

The logistics park, with a site area of approximately 200,000 square meters, is dedicated to becoming an intelligent cold chain logistics base for pharmaceuticals. Through the deployment of intelligent technologies and automated equipment, the park could achieve fully intelligent and visualized management throughout processes, which has significantly improved logistics efficiency. The park is currently promoting the construction of a high-standard backbone cold chain logistics base with a gross floor area of more than 100,000 square meters, continuously developing an intelligent business model of “Pharmaceutical Industrial Park + Backbone Cold Chain Base” to support the high-quality development and industrial upgrading of the “Northern China Pharmaceutical Capital”.

By the end of 2024, the operating area of the park reached approximately 70,000 square meters, with the pharmaceutical industrial park covering approximately 40,000 square meters. The park has emerged as a key regional warehouse in Hebei for Shanghai Pharmaceuticals and China Resources Pharmaceuticals, both are Fortune Global 500 enterprises. In 2024, it also successfully attracted several renowned domestic enterprises from the pharmaceutical and food industries, including Sinopharm Le-Ren-Tang and Kinghey, thereby fostering a clustering effect in the pharmaceutical and food cold chain industries. Moreover, the park has been certified as a member of the national "Pharmaceutical Chain Circle", further enhancing its industry influence. As at 31 December 2024, the occupancy rate of the park was approximately 88%.

With regard to the construction of the logistics park, the construction of the A1 intelligent pharmaceutical cold chain warehouse commenced in the first half of 2024, with a planned gross floor area of approximately 31,000 square meters. Leveraging the cutting-edge technologies and artificial intelligence, this cold chain warehouse will primarily offer cold storage, preservation and distribution services for pharmaceuticals and food products. It is expected to further enhance and expand the quality and scale of the pharmaceutical cold chain operations upon completion. The structural framework of the warehouse has already been completed, and it is expected to commence operations in July 2025.

The commercial section of the project is a large-scale complex designed to promote culture, sports, commerce and tourism. It covers a site area of approximately 110,000 square meters with a planned gross floor area of approximately 320,000 square meters, and was fully topped out in late December 2024. Among its features, the large indoor ski resort is expected to be completed and commence operations by mid-2025, while the international business hotel, commercial center, innovative entrepreneurship office, and themed street area are expected to be fully operational by the end of 2025.

In recent years, capitalizing on the favorable business environment and the strategic positioning of the project, the project has successfully attracted partnerships with renowned domestic and international brands through proactive business promotions, such as Sunac Resort, Hampton by Hilton, Radisson Hotel, SEZ Construction, PH Alpha, JERDE, etc. These collaborations aim to develop the project into a distinctive modern integrated complex for cultural and tourism activities, as well as a micro-vacation destination within the Beijing-Tianjin-Hebei Capital Economic Circle. The project is also poised to serve as a representative showcase of integrated energy applications in the future, and it will become the first domestic new urban carrier to achieve a high degree of integration between logistics and commerce.

SZI Logistics Hub (Zhengzhou Xinzheng), with a site area of approximately 497,000 square meters and current operating area over 215,000 square meters, mainly provides services to local industries in the surrounding area, such as express courier service companies, third-party logistics and dedicated line logistics companies. The Group plans to develop the project's vacant land into high-standard warehouses in phases, with Phase I already under construction since February 2024 and expected to put into operation in 2025. The total operating area of the project will exceed 334,000 square meters upon completion.

SZI Logistics Hub (Nanning Jingkai), with a site area of approximately 100,000 square meters and a planned gross floor area of approximately 56,000 square meters, is one of the key projects for strengthening and supplementing the supply chain of the Nanning National Comprehensive Freight Hub. The Group intends to develop the project into a regional modern infrastructure logistics service platform, establishing a comprehensive logistics hub focused on consolidation and distribution, urban delivery, and ancillary service centers. The implementation of the project marks the Group's establishment of a logistics hub providing services with comprehensive coverage across key cities in the southwestern region of the PRC. Upon completion, it is expected to facilitate customer resource sharing across the Group's nationwide logistics hub projects, further promoting synergistic development and accelerating the upgrading of regional logistics. The construction of the project commenced in October 2024, with operations expected to commence in 2026.

Steadily Expanding Management Service Projects

Leveraging its robust brand influence and mature park operation capabilities, the Group has undertaken several management service projects nationwide and accumulated valuable experience in the process. Yueyang Project, as the Group's first management service project outside Shenzhen, has a gross floor area of approximately 52,000 square meters and commenced operations in 2020. Hainan Yangpu Project, with a gross floor area of approximately 94,000 square meters, commenced operations in March 2024. In the second half of 2024, the Group started to provide park business promotion and operational management services for the Wuxi Xishan Jindi Project, which has a gross floor area of approximately 166,000 square meters. Furthermore, the Group continues to promote the construction of Guangdong Huiyang Project, Guangdong Conghua Project and Guangdong Chaoshan Project, all of which are expected to commence operations progressively in 2025.

III. Expanding the Short Closed-loop "Investment, Construction, Financing and Operation" Business Model

With the development of the logistics and warehousing industries, the intrinsic resilience of logistics hubs continued to be strengthened. The Group is actively exploring the securitization of its logistics hub assets and implementing the short closed-loop "Investment, Construction, Financing and Operation" business model. By issuing logistics real estate investment funds, the Group can expedite the recoupment of the upfront capital investment, shorten project return cycles, optimize its capital structure, lower its gearing ratio, and realize asset appreciation returns ahead of schedule during the development, construction, incubation and operation phases of its logistics hubs. This initiative will significantly drive the expansion of the Group's logistics hub management scale and profitability, thereby injecting new momentum into the Group's long-term stable development.

The Group continues to refine its short closed-loop "Investment, Construction, Financing and Operation" business model, leveraging diverse approaches to maximize value through the securitization of logistics assets. The Group is fully committed to promoting the issuance of publicly traded infrastructure REITs with mature logistics hub projects as the underlying assets. With the continuous improvement of the publicly traded infrastructure REITs system and the ongoing solidification of the market foundation, along with the increasing diversity and volume of underlying assets, public REITs market in China has entered a phase of expansion and quality enhancement. Seizing this opportunity, the Group has successfully completed the issuance of its first logistics and warehousing REIT during the Year. In June 2024, the Group successfully transferred Hangzhou Phase I Project and Guizhou Longli Project ("Underlying Projects") to ChinaAMC-Shenzhen International REIT, and recorded profits after tax of approximately HK$587 million. On 9 July 2024, ChinaAMC-Shenzhen International REIT was successfully listed on the Shenzhen Stock Exchange with the total funds raised of approximately RMB1,494 million. ChinaAMC-Shenzhen International REIT marks the first logistics and warehousing REIT listed on the publicly REITs market in China in 2024. Through the issuance of

ChinaAMC-Shenzhen International REIT, the Group can effectively revitalize its existing premium logistics hub assets, diversify its financing channels and expedite the recoupment of its upfront capital investment, thereby further strengthening its positive investment cycle and enhancing its recognition in the domestic capital market. In addition, the Group is expected to continue benefiting from the performance of the Underlying Projects as a unitholder, while also receiving sustainable income by providing operational and management services for the Underlying Projects. As at 31 December 2024, the Group held approximately 31.28% of the total units of the ChinaAMC-Shenzhen International REIT and has received two dividend payouts totaling approximately RMB11.90 million from the REIT for the year 2024.

In respect of private funds, the Group established Shenshi (Shenzhen) Smart Logistics Infrastructure Private Fund Partnership (Limited Partnership) ("Shenshi Fund") with Goldstone Investment Limited, a subsidiary of CITIC Securities Co., Ltd. in 2021, and has transferred logistics hub projects located in Nanchang, Hefei and Hangzhou to Shenshi Fund in 2021 and 2022. The Group retains the rights to manage the operations of these projects and receives service fees for providing the operational and maintenance services to the above-mentioned logistics hub projects which have been transferred to the fund.

In alignment with its fund strategies, the Group will take further steps to develop a logistics real estate fund system that primarily focused on public REITs, supplemented by private funds and flexibly allocated quasi-REITs products. The Group intends to cultivate high-quality logistic hub projects through products such as Pre-REITs and, where appropriate, to transfer these projects into ChinaAMC-Shenzhen International REIT for further expansion. The Group has formulated plans for establishing a new phase of logistics warehousing Pre-REITs private fund and is actively advancing relevant works. Moving forward, the Group will continue to promote the establishment of this private fund to reserve high-quality assets for the expansion of ChinaAMC-Shenzhen International REIT.

In addition, the Group is concurrently researching into development-type funds and buyout funds, to align with the market conditions and the Group's prudent investment and financial arrangement strategies. It will, subsequently promote fund-type investments based on market conditions in a timely manner to facilitate the integration of industry and capital, further driving the development of its "Investment, Construction, Financing and Operation" business model.

IV. Railway Integrated Logistics Hub

<u>Shenzhen International Integrated Logistics Hub Center ("Pinghunan Project")</u>

In August 2021, the Group partnered with China Railway Guangzhou Group Co., Ltd. to establish a joint venture company, Shenzhen Municipal Shenzhen International Railway Logistics Development Company Limited, with the purpose of investing in and developing Pinghunan Project. Pinghunan Project is located in Longgang District of Shenzhen, and has a total site area of approximately 900,000 square meters. In September 2019, the project was selected by the National Development and Reform Commission of the PRC and the Ministry of Transport of the PRC as one of 23 logistics hubs in its first batch of national logistics hub projects. It has also been selected as a key construction project in Guangdong for 2 consecutive years and as a major project in Shenzhen for 3 consecutive years.

The Group pioneered the model of "obtaining strata titles in multi-level logistics and warehousing development to be constructed over railway freight yard" in Pinghunan Project, optimizing the utilization of railway yard space by vertically expanding and developing modern logistics facilities, thereby achieving an integrated development of "Rail Transportation + Modern Logistics". It represents the first industrial space development built on a railway yard within the PRC and is a relatively rare land resources in Shenzhen for the construction of large-scale logistics facilities. The Group intends to develop the project as a benchmark and showcase it as a "Road, Railway and Water" multimodal transportation center and national-level integrated logistics hub. The project aims to meet market demand by integrating international and domestic railway freight services, urban logistics, commercial and trade services, and emergency logistics support. This integration will promote the objective of being a "Railway Yard + Urban Integrated Logistics Hub". Upon completion, the project will facilitate the expansion of the Group's operating scale and market share, thereby effectively enhancing the Group's influence in the Greater Bay Area.

The Group has acquired operation rights of land with a site area of 900,000 square meters for Pinghunan Project. In June 2023, it successfully obtained the land use rights of approximately 334,000 square meters for the space above the overhead floor of Pinghunan Project for a consideration of RMB1,187 million. An 11-meter overhead floor would be built, while preserving all the planning functions of the railway yard. The logistics land above the overhead floor would be used to build 850,000 square meters of logistics storage facilities. The Group expedited the construction of Pinghunan Project at full speed. Tripartite agreements were entered into in March and December of 2024, respectively, among China Railway Guangzhou Group Co., Ltd. Shenzhen Engineering Construction Headquarters (as the project manager), and the relevant constructors for the construction works of Pinghunan Project, which includes the deck and the area below the deck, and the area above the deck. The construction costs involved in the relevant construction works were approximately RMB1,652 million, RMB1,596 million and RMB1,573 million, respectively. Currently, the roofing of the deck and area below has been completed, and the construction of the above-deck area has commenced as planned. The construction of the entire project is expected to be completed by the end of 2025.

Besides, the Group has successfully rolled out a number of freight express lines leveraging the railway yard of Pinghunan Project, launching 6 multimodal transportation projects, including the "Shenzhen - Beijing, Tianjin and Hebei", "Shenzhen - Shanghai", "Shenzhen - Changsha", "Shenzhen - Ningbo", "Shenzhen - Suzhou" and "Shenzhen - Kashi". These routes cover key economic regions such as northern, eastern, central, southwestern and northwestern areas of the PRC. In 2024, the dispatch and arrival volume of domestic train routes reached 130,000 standard containers, while the cargo yard handled 150,000 standard containers in container throughput, representing an increase of approximately 40% as compared to the previous year.

The Group has developed a range of services including warehousing, port container yard operations and railway transportation within Pinghunan Project. The operational railway freight yard/stacking yard covers an area of approximately 170,000 square meters. Leveraging these facilities, the Group is further advancing new business initiatives such as the integration of gravel transport and trade. The Group is exploring an operational model based on its "Leasing + Value-added Services" to enhance revenue generation from existing land through leasing arrangements.

SZI Beijing Southwest Integrated Logistics Hub (Phase I) Intelligent Logistics Center (“Beijing Fangshan Project”)

In December 2024, the Group successfully acquired the land parcel for the Beijing Fangshan Project, which is located in Doudian Logistics Base in Fangshan District of Beijing. This marks the Group’s debut into the capital city’s market and achieves a significant breakthrough in its presence in first-tier cities in the PRC. The project is expected to support the Group in promoting the collaborative development of its operations in the northern and southern areas of the PRC, strengthening its nationwide network configuration, and effectively enhancing its industry influence.

Beijing Fangshan Project is the Group’s crucial initiative in Beijing. Identified as one of Beijing’s top six logistics hubs, the Doudian Logistics Base is strategically important. The project covers a site area of approximately 118,000 square meters and has a planned gross floor area of approximately 143,000 square meters. It is designed to include intelligent cloud warehouse center, smart cold chain center as well as distribution center. The project is poised to become a central hub in the logistics corridors linking Beijing with Harbin and Beijing-Hong Kong-Macau. Positioning itself as a national-level logistics hub, the project will integrate high-end warehousing and cold chain logistics. It is expected to commence construction in the first half of 2025 and be completed and operational by 2026.

China-Europe (Shenzhen), Shenzhen China-Laos and China-Kyrgyzstan-Uzbekistan International Multimodal Cargo Train Routes

The Group has established a joint venture with Sinotrans Limited which is responsible for operating the China-Europe (Shenzhen), Shenzhen China-Laos and China-Kyrgyzstan-Uzbekistan International Multimodal Cargo Train Routes, principally engaging in the international cargo agency and international train operations business. This has contributed to ensuring the stability of international industry chains and supply chains as well as promoting the high-quality development of the “Belt and Road Initiative”.

China-Europe (Shenzhen) Train Route is a vital link connecting Shenzhen with the international economy. Starting from Shenzhen, it is currently one of the PRC’s longest train routes running between China and Europe. With 20 routes serving 44 countries, it provides stable and reliable international logistics services for more than 6,200 enterprises in Shenzhen and neighboring cities. In 2024, China-Europe (Shenzhen) Train Route made 195 trips, bringing a cumulative total of 771 trips since its launch with a trading amount of approximately US$2,500 million. In addition, train routes running between the PRC and Laos, among China, Laos and Thailand, and premium train routes between China and Europe were launched. In October 2024, the first China-Kyrgyzstan-Uzbekistan International Multimodal Cargo Train Route coordinated by the joint venture company departed from Pinghunan Project, establishing a new business model for multimodal rail and road transportation of goods exported from Shenzhen. This initiative provides a stable and convenient logistics channel for Shenzhen enterprises exporting to Central Asia, effectively reducing the logistics costs from Shenzhen to Central Asian countries. The train made 17 trips in 2024 with a dispatch volume of approximately 602 cargoes. As all routes depart from Pinghunan Project site, they help boost the cargo volume and warehouse usage efficiency of Pinghunan Project, simultaneously strengthening the synergy among the Group’s logistics hubs and creating opportunities for the development of value-added services in its logistics business.

Logistics Services Business

I. Intelligent and Cold Chain Business

With the gradual maturation of technologies relating to artificial intelligence, big data and 5G, alongside the widespread adoptions of new applications including automated sorting, precise delivery and contactless distribution, the logistics industry has undergone a transformative shift evolving from a traditional, labor-intensive model into a new stage that emphasizes technological equipment and smart upgrades. Emerging sectors such as intelligent logistics and cold chain logistics have become important trends for the future development of the logistics industry. The Group continues to explore development trends in the intelligent warehouse and cold chain logistics with a goal to create a comprehensive logistics service system that integrates cold chain logistics, intelligent logistics, and logistics operation services, thereby empowering traditional warehousing businesses to open up new avenues for digital and intelligent logistics and developing into an influential and well-known cold chain logistics services provider, intelligent warehousing integrator and operator.

The Group has established cold storage and intelligent warehouses in several logistics hub projects in Shenzhen, Shanghai, Shijiazhuang and Chengdu, etc., mainly serving companies in food, pharmaceuticals, computer, communication and consumer (3C) electronics industries. As at 31 December 2024, the Group's total operating cold storage area was approximately 186,000 square meters, mainly located in the SZ Liguang Project, Shanghai Minhang Project, Shijiazhuang Zhengding Project, Chengdu Qingbaijiang Project and Tianjin Xiqing Project, respectively. Among these, the operating area of intelligent cold storage is approximately 28,000 square meters. Meanwhile, the area under construction, proposed for construction or in the planning stage for cold storage and intelligent warehouses amounts to approximately 276,000 square meters.

The Group has set up cold storage warehouses in logistics hub projects such as SZ Liguang Project and Shijiazhuang Zhengding Project, etc. The cold storage warehouse in **SZ Liguang Project** commenced full operations in early 2024, with an operating area of approximately 65,000 square meters. It has successfully attracted customers from catering and retails sectors, such as Walmart, Tyson Foods, Le Caesar and Xiaocan, etc. **Shijiazhuang Zhengding Project** features a cold storage warehouse of approximately 49,000 square meters that has been completed and put into operation with key customers such as Shanghai Pharmaceuticals and China Resources Pharmaceutical, etc. A pharmaceutical cold storage warehouse of approximately 31,000 square meters is currently under construction and is expected to be put into operation in 2025. The project aims to become the largest third-party pharmaceutical industrial park and food cold chain industrial park in Shijiazhuang.

Shanghai Minhang Project is the Group's first project transforming entire dry warehouses into cold storage warehouses. The renovated cold storage warehouse commenced operations in the first half of 2024, covering an area of approximately 52,000 square meters. The project adopts a "Rental + Self-operated" business model and has successfully attracted customers such as Sinopharm, Gain Tune Logistics and Shanghai Chengyu, etc.

Nanjing Jiangning Project is the Group's first cold storage project jointly developed with VX Logistics. With cold storage area of approximately 33,000 square meters, the project was completed and has passed inspection and acceptance procedures in December 2024. The project commenced operations in February 2025.

The Group not only expands its self-operated businesses but also seeks premium benchmark projects within intelligent warehouse and cold chain industries. By pursuing external investment opportunities through equity investment, the Group is committed to creating new engines for growth in its logistics business.

In 2020, the Group completed the strategic investment in Hubei Prolog Technology Group Co., Ltd. ("Prolog"), a leading enterprise specializing in intelligent warehouse system integration, in which the Group currently holds approximately 11.38% equity interest. The Group has been proactively enhancing post-investment synergies by collaborating with Prolog to explore the upgraded application of intelligent logistics technology within the park ecosystem, and jointly seeking the newfound value that technology brings to warehousing and logistics hubs. In 2024, the Group collaborated with Prolog in SZ Yantian Project and Shijiazhuang Zhengding Project to provide digital intelligence and automated warehousing solutions for pharmaceutical and third-party logistics customers, enhancing the operational capabilities of the existing parks and customers.

In 2021, the Group became the third-largest shareholder of China Comservice Supply Chain Company Ltd. ("China Comservice"), a subsidiary of China Communications Services Corporation Limited, which ranks first in the domestic telecommunication logistics industry by market share. China Comservice is the only integrated logistics enterprise with a "5A" qualification in the PRC's telecommunications industry. The Group has partnered with China Comservice to provide warehouse leasing and supply chain services for various projects across multiple locations including Shenzhen and Zhengzhou. Looking forward, the cooperation plans to develop high-end logistics value-added services in emerging industries such as information technology and communications, data centers, dual carbon and new energy, with the goal of achieving mutual benefits and fostering a win-win relationship.

To implement its intelligent logistics development strategy, the Group joined hands with Shenzhen Airport Co., Ltd. and Shenzhen Capital Holdings Co., Ltd. to establish the Intelligent Airport Logistics Industry Fund in 2021, focusing on investments in the intelligent logistics and airport industry chains. As one of the founders of the fund, the Group actively promotes its operation and seeks potential high-quality targets in sectors such as cold chain logistics and new energy vehicle logistics and will continuously keep abreast of their relevant developments. As at 31 December 2024, the Group has received an accumulated dividend income of approximately RMB5.51 million from the fund.

II. Marine Container Logistics Integrated Information Service

EDI Co.

Shenzhen EDI Co., Ltd. ("EDI Co."), a subsidiary of the Company, is dedicated to empowering the container transportation industry with digital technologies, and has emerged as a comprehensive cross-border logistics supply chain digital service platform with the functions of "port trucking services + logistics warehousing and distribution services + customs declaration and tax and financing services + cross-border logistics services + logistics transaction platform". EDI Co. has created the largest container transport SAAS public service platform in southern area of the PRC, and has developed and is currently operating EDI's network information exchange platform for Shenzhen Port. The market share of EDI and EIR maritime fundamental services in Shenzhen remained stable, and successfully secured the bid for the "2024 Shenzhen Port Container Transportation Document Exchange and Port External Yard Container Reservation Service Project". Besides, EDI Co. continues to undertake the operation and maintenance of the China (Shenzhen) International Trade Single Window to provide foreign trade enterprises in Shenzhen with convenient and efficient online import and export customs clearance services.

In 2024, EDI Co. was committed to advancing the development of maritime fundamental and innovative services. It has introduced a new product, "Easy-Trucking", tailored specifically for port transportation companies. This solution aims to harness the power of logistics technology to drive the digital transformation and upgrading of the industry. During the Year, EDI Co. was selected as one of the first batch of the "National Pilot Projects for Cost Reduction, Quality Improvement, and Efficiency Enhancement in Transportation and Logistics" by the Ministry of Transport of the PRC. It was also recognized as "2024 Recommended Brand for Shipping Logistics Technology in China" at the second International Port and Shipping Logistics and Multimodal Transport Exhibition.

Financial Analysis

Revenue and profit attributable to shareholders of each business unit of the logistics business

For the year ended 31 December

	Revenue		Profit attributable to shareholders	
	2024 ***HK$'000***	Change over year 2023 Increase/ (Decrease)	**2024** ***HK$'000***	Change over year 2023 Increase/ (Decrease)
Logistics Parks in Greater Bay Area	**572,586**	2%	**(279,942)**	N/A
Logistics Parks in Other Region of China	**931,848**	(3%)	**817,497**	168%
Sub-total of Logistics Parks Business	**1,504,434**	(1%)	**537,555**	3%
Logistics Service Business	**332,587**	4%	**(21,431)**	N/A
Total	**1,837,021**	-	**516,124**	(3%)

During the Year, total revenue from the logistics business amounted to approximately HK$1,837 million, maintained at a similar level with that of the previous year. Profits attributable to shareholders decreased by 3% as compared to the corresponding period of the previous year to approximately HK$516 million.

The performance of each business unit of the logistics business during the Year was as follows:

For logistics park business, revenue for the Year was approximately HK$1,504 million, maintained at a similar level with that of the previous year. The increase in depreciation and amortization expenses for newly launched projects in the Greater Bay Area, and the increase in fair value losses and assets impairment losses for several logistics hub projects, had impacted the profit growth of the logistics park business during the Year. Nevertheless, benefiting from the completion of transfer of two logistics hub projects to ChinaAMC-Shenzhen International REIT, profits attributable to shareholders increased by 3% as compared to the corresponding period of the previous year to approximately HK$538 million.

For logistics services business, revenue for the Year increased by 4% as compared to the corresponding period of the previous year to approximately HK$333 million, mainly due to the revenue contribution from several intelligent and cold chain projects for the first time. However, due to the ongoing adjustments in the Group's business structure, a loss attributable to shareholders was recorded this year of approximately HK$21.43 million.

LOGISTICS PARK TRANSFORMATION AND UPGRADING BUSINESS

Analysis of Operating Performance

SZI Qianhai Project ("Qianhai Project")

The Qianhai Project has successfully implemented the long closed-loop "Investment, Construction, Operation and Transformation" business model. Through the land consolidation and preparation in Qianhai, the Group was compensated through a land swap from which it received a land parcel with a total site area of approximately 120,000 square meters and a total gross floor area of approximately 390,000 square meters (comprising a residential area of approximately 190,000 square meters and an apartment area of approximately 25,000 square meters), which is valued at approximately RMB8,373 million under the new land use arrangement. The appreciation of the land value signifies the initial benefit derived from the land consolidation and preparation in Qianhai. With the gradual development of the swapped land parcels and the release of completed properties to the market, the Qianhai Project generated profits before tax over seven instances at a total of approximately RMB14,448 million over the past few years, supporting the steady growth of the Group's financial performance. Furthermore, the Qianhai Project has provided the Group with valuable experience and laid a solid foundation for the seamless execution of its forthcoming transformation and upgrading initiatives.

As a Shenzhen International Qianhai Industrial-City Complex that integrates an industrial digital economy town, modern commercial spaces and complementary residential amenities, Qianhai Project contributes to Qianhai's development by promoting industrial upgrading, resource aggregation and functional integration, thereby fostering the synergy between industry and urban resources.

Residential Projects

Yicheng Qiwanli is a residential project developed and operated solely by the Group, with a plot ratio-based gross floor area of approximately 65,000 square meters, comprising a residential gross floor area of approximately 51,000 square meters and a commercial gross floor area of approximately 6,000 square meters. All units under the project were delivered in December 2023.

Yicheng Zhenwanyue is a residential project jointly developed by the Group and a renowned property developer, in which the Group holds 50% interest. Phase I of the project encompasses a residential gross floor area of approximately 40,000 square meters and a commercial gross floor area of approximately 3,500 square meters, with all residential units delivered by the end of 2024. Phase II of the project has a plot ratio-based gross floor area of approximately 80,000 square meters, comprising a residential gross floor area of approximately 50,000 square meters (inclusive of residential and talent housing), an apartment gross floor area of approximately 25,000 square meters and a commercial gross floor area of approximately 5,000 square meters. The residential units of Phase II were nearly sold out in 2024 and are expected to be delivered in 2025.

Commercial and Office Projects

Regarding commercial projects, the Group and SCPG (印力集團) have leveraged their respective strengths to jointly develop a unique boutique commercial project known as "Qianhai Yinli" in the Mawan area of Qianhai. Qianhai Yinli, which commenced operations in September 2022, has a total gross floor area of approximately 25,000 square meters. As a "slow-living", courtyard-style neighborhood of a type rare in Qianhai and Shenzhen, the project integrates high-quality living, culture and arts, social interactions and a digital ecosystem. As at 31 December 2024, the overall occupancy rate of Qianhai Yinli was approximately 76%.

As for office projects, the Group jointly managed and operated "SZI Properties (Shenzhen Yidu Building)" with China Center for Information Industry Development ("CCID"), an enterprise directly controlled by the Ministry of Industry and Information Technology of the PRC. In May 2022, Yidu Building successfully obtained the LEED-CS Platinum certification from the U.S. Green Building Council, signifying its position as one of the world's top green office buildings. The total gross floor area of Yidu Building is approximately 35,000 square meters. Capitalizing on the unique geographical location and policy advantages of Qianhai in the Greater Bay Area, the project fully leverages the Group's wealth of expertise in supply chain management and the CCID's extensive information technology service capabilities. It focuses on the development of supply chain services and intelligent manufacturing services, with the goal of fostering in-depth integration of the digital and real economies in the Greater Bay Area and countries/regions that are part of the "Belt and Road Initiative". Since its launch in July 2021, Yidu Building has positioned itself as an artificial intelligence of things+ (AIoT+) ecological courtyard with industrial operation services, successfully attracting a variety of digital economy enterprises as tenants. The project has been recognized by the Qianhai Administrative Bureau of Shenzhen Municipality as an industrial carrier for fostering industry agglomeration for three consecutive years. In November 2024, Yidu Building was designated as the "Shenzhen-Singapore Qianhai Smart City Cooperation and Innovation Demonstration Park (Pilot Zone)", contributing to the expansion and strengthening of cooperation between Shenzhen and Singapore, while injecting new functions into the regional economy. As at 31 December 2024, the occupancy rate of Yidu Building was approximately 81%, with the majority of its tenants being high-potential digital economy enterprises, resulting in an industry agglomeration of approximately 92%.

In addition, the Group owns two separate land parcels in Qianhai, which are designated for office and commercial uses. These land parcels have an aggregate plot ratio-based gross floor area of approximately 92,000 square meters, comprising an office gross floor area of approximately 79,000 square meters, a commercial gross floor area of approximately 12,000 square meters and a community service center with a gross floor area of approximately 1,000 square meters. Given that the two land parcels are situated within the bonded area, the Group is currently communicating with relevant departments of the Shenzhen Municipal People's Government regarding land swap and development matters.

SZI South China Logistics Park Transformation Project

With the advancement of China's regional economic integration strategy, the collaborative development of the Greater Bay Area is experiencing closer collaboration, and metropolitan areas are stepping into a fast track of high-quality development. Against this backdrop, Shenzhen, as the core engine city of the Greater Bay Area, has taken the lead in embarking on a phase of significant transformation and upgrading. The high-quality transformation and upgrading of the SZI South China Logistics Park (located in the central axis and core node of

Shenzhen) into a "South China Digital Economy Super Headquarters Base", reflects the Group's steadfast commitment to pursuing high-quality development. This represents a major attempt of the Group in exploring the long closed-loop "Investment, Construction, Operation and Transformation" business model.

In October 2023, the Group entered into a land consolidation and preparation supervision agreement ("Land Preparation Agreement") with Shenzhen Longhua City Renewal and Land Development Bureau (深圳市龍華區城市更新和土地整備局) ("Longhua Development Bureau"), Longhua Administration of Planning and Natural Resources Bureau of Shenzhen Municipality (深圳市規劃和自然資源局龍華管理局) ("Longhua Administration Bureau"), and Shenzhen Longhua Minzhi Subdistrict Office (深圳市龍華區民治街道辦事處) (collectively known as "the Parties") regarding the consolidation and preparation of the land parcel for Phase I of SZI South China Logistics Park with a site area of approximately 530,000 square meters. The project would be implemented via a comprehensive approach which involves reservation of land and monetary compensation. As the original holder of the land use rights, the Group is allowed to reserve for use a land of 108,749 square meters ("Reserved Land") within the SZI South China Logistics Park. The planned capacity of the Reserved Land is 694,160 square meters, of which 28,950 square meters would be used for supporting facilities and 665,210 square meters would be reserved for use by the Group, including 577,610 square meters for residential use (with partial co-owned housing to be implemented according to relevant government policies), and 87,600 square meters for commercial, office, and hotel buildings.

In 2024, major breakthroughs were achieved in the transformation and upgrading of SZI South China Logistics Park. In October 2024, the Longhua Development Bureau announced the land consolidation and preparation unit planning, outlining the Reserved Land and its planning. In December 2024, the Longhua Administration Bureau announced that the approval of the Shenzhen Longhua District People's Government (深圳市龍華區人民政府) for the first phase of the Reserved Land had been obtained, and that the relevant works for land provision would commence. The publication of this notice signifies the Group's ownership of the development rights of the above plot of land. Meanwhile, the Parties signed a supplementary agreement based on the Land Preparation Agreement, further refining the implementation details. The first phase of the Reserved Land involves plot 02-20-04, covering an area of 21,968 square meters. In 2024, the Group achieved profits after tax of approximately HK$2,367 million from the land preparation and consolidation. Moving forward, the Group plans to accelerate the demolition and clearance of logistics buildings to swiftly transition into the development and construction phase, thereby ensuring timely sale proceed and cash flow recovery. Over the coming years, the Group will continue to expedite the obtaining and the development of the Reserved Land according to the designated land functions under the new planning, gradually realizing the gains from land value appreciation and land development.

SZI South China Digital Valley is the Phase II of SZI South China Logistics Park, covering a site area of approximately 62,000 square meters and a gross floor area of approximately 200,000 square meters. Aligning with Longhua District's "Digital Longhua" development strategy, the project is dedicated to fostering the digital economy and targets enterprises in four key areas including artificial intelligence, 5G technology, industrial internet and software and information. It aims to attract and cultivate industry-leading enterprises, promoting the integration of industry and urban development, driving regional growth through the digital economy, and injecting new momentum into local economy. In 2024, SZI South China Digital Valley has been recognized by the Industry and Information Technology Bureau of Shenzhen Municipality as the "Shenzhen HarmonyOS Native Application Characteristic Industrial Park" (深圳市鴻蒙

原生應用特色產業園), which helps to attract more artificial intelligence and related information technology companies, further boosting the industrial influence of the park. Currently, its digital economy industry agglomeration has reached about 98%, comprising state-owned enterprises, central enterprises, Fortune 500 companies, listed companies, national high-tech enterprises, and provincial-level "specialized, refined and innovative" enterprises. The annual output value of these enterprises exceeds RMB5,500 million.

SZI South China Digital Valley is developed and constructed in two stages. The first stage is in full operation, while the industrial office of the second stage has been officially put into operation since the first half of 2024, and the ancillary apartments have successfully obtained certification as Shenzhen Guaranteed Rental Housing Project, which addresses the crucial need for affordable housing faced by young professionals. As at 31 December 2024, the overall leasing commitment rate for the industrial office of SZI South China Digital Valley was approximately 55%.

Financial Analysis

During the Year, revenue from the logistics park transformation and upgrading business decreased by 98% as compared to the corresponding period of the previous year to approximately HK$119 million, primarily due to the absence of revenue contribution from the delivery of units under the Qianhai residential project (Yicheng Qiwanli), which contributed approximately HK$5,500 million in the previous year. While profit attributable to shareholders increased by 35% as compared to the corresponding period of the previous year to approximately HK$2,358 million, benefited from the recognition of profits after tax of approximately HK$2,367 million from the land preparation and consolidation of SZI South China Logistics Park.

PORT AND RELATED SERVICES BUSINESS

Analysis of Operating Performance

Leveraging its abundant port resources, the Group continues to expand the industry chain of its port operations, strengthening the synergies and collaboration among its projects. Simultaneously, significant progress has been made in advancing the transformation and upgrading of the port segment towards modernized ports characterized by green, intelligent, efficient and safe operations through the application of modern technologies.

Although the Group's port segment is currently confronted with various short-term challenges, primary due to macroeconomic factors, ports remain a vital pillar of national economic development in the long run, possessing a certain degree of monopolistic characteristics and exhibiting a strong resilience against economic cycles. In particular, with robust support from national policies in recent years, the importance of inland waterway transportation has become increasingly evident, creating fresh opportunities for the continued growth of the Group's port segment.

Projects in Operation

SZI Port (Nanjing Xiba)

Nanjing Xiba Port, in which the Group holds 70% equity interest, is located in the New Materials Industrial Park in Jiangbei New District of Nanjing. It commenced operations in 2010 and is a key port in Nanjing, which is designed and built for sea-river inter-modal transportation and rail-water multi-modal transportation. It is also the only general bulk cargo terminal in the northern Yangtze River at Nanjing Port. With a designed annual throughput of 50 million tonnes, the Nanjing Xiba Port currently operates a general bulk cargo terminal with a tonnage of 50,000 tonnes, two general bulk cargo terminals each with a tonnage of 70,000 tonnes, and two general bulk cargo terminals each with a tonnage of 100,000 tonnes. It also has a stacking yard with an area of approximately 400,000 square meters which is connected to the port area by a rail link, and has distinct regional advantages and favorable conditions for integrated river-sea, rail-water and road-water transportation, enabling the provision of various services such as unloading, loading, lightering, train loading and unloading, and warehousing.

In 2024, faced with a market characterized by weakened end-demand and fierce homogeneous competition in the port industry, Nanjing Xiba Port encountered significant operational challenges. Nevertheless, the port persistently optimized its on-site management capabilities, enhanced its efficiency management, extensively catered to the demand of its key customers. These efforts yielded commendable advancements in business expansion and customer satisfaction. In 2024, a total of 415 seagoing vessels berthed at Nanjing Xiba Port, with a total throughput of approximately 31.56 million tonnes, of which approximately 4.77 million tonnes were transported onwards by rail, and the business volume of the Nanjing Xiba Port continued to rank first among 11 peer ports along the Yangtze River.

SZI Port (Jiangsu Jingjiang)

Jiangsu Jingjiang Port, in which the Group holds 70% equity interest, is located in the Economic Development Zone of Jingjiang. As an important river-sea intermodal transshipment port in the lower reaches of the Yangtze River, and a bulk cargo port with relatively large berths along the Yangtze River mainline, Jiangsu Jingjiang Port commenced operations in December 2023. With a designed annual throughput of 34.8 million tonnes, the port has two main berths for bulk carriers of 100,000 tonnes each (with hydraulic structure for vessels of 150,000 tonnes) along the Yangtze River and five lakeside inland berths for vessels of 1,000 tonnes each (with hydraulic structure for vessels of 3,000 tonnes) and supporting stacking yards of 380,000 square meters. The Jiangsu Jingjiang Port occupies 1,090 meters of the shoreline, and primarily handles commodities such as coal, petroleum coke, ore and construction materials, capable of accommodating 50,000-tonne-class seagoing vessels for continuous berthing and 100,000-tonne-class seagoing vessels for unloading or tidal berthing around the clock. The Group is dedicated to transforming the project into a top-notch green, intelligent, efficient and safe sea-river intermodal hub port in the PRC, serving as a modern energy storage and distribution center as well as a comprehensive trading center. In 2024, a total of 182 seagoing vessels berthed at Jiangsu Jingjiang Port, with a total throughput of approximately 15.92 million tonnes, surpassing comparable terminals in terms of business volume in the first year of its operation. The project received the “Jiangsu Province Labor Day Award” recognition.

Jiangsu Jingjiang Port is the flagship initiative for the Group's digital transformation of ports. Through the implementation of intelligent customized systems, fully-enclosed greenhouse yards, comprehensive rooftop photovoltaic systems and advanced shore power systems, Jiangsu Jingjiang Port aims to create a "nearly zero-carbon green port". In 2024, Jiangsu Jingjiang Port applied digital and intelligent technologies, successfully launching various functions. This has optimized its business processes and operational models, enhancing production efficiency and operational effectiveness, progressively achieving the goal of "digital and physical integration". The "Smart Green Port" has been recognized as a demonstration project by the Jiangsu Provincial Department of Transportation. The successful experience and models of Jiangsu Jingjiang Port will be replicated and promoted, leading the digital and intelligent transformation of the entire port segment and achieving progressive development.

SZI Port (Henan Shenqiu)

Henan Shenqiu Port, in which the Group holds 52% equity interest, is located along the Shaying River in Shenqiu County of Zhoukou. It enjoys significant waterways advantages serving as an important water transportation hub on the new sea route from the central plains of China, and is a demonstration project for "Port-industry-city Integration" that radiates regions in Henan and Anhui provinces. The whole project is planned to construct 26 berths for vessels of 1,000 tonnes each, with a designed annual throughput of 30 million tonnes, occupying approximately 1,600 meters of shoreline.

Four general-purpose berths in Phase I of the Henan Shenqiu Port, with a designed annual throughput of 4.4 million tonnes, have put into operations in March 2023. The project primarily serves Henan Angang Zhoukou Iron and Steel Co., Ltd, while also actively expanding external cargo sources to diversify its business structure. In 2024, Henan Shenqiu Port handled approximately 1.66 million tonnes of throughput.

The project has plans to construct 22 berths and supporting stacking yards at a later stage. The Group is dedicated to transforming the project to be a highly efficient, environmentally friendly and advanced bulk cargo terminal that serves as a demonstration project for "Port-industry-city Integration" that radiates regions in Henan and Anhui provinces, and to become a new hub for comprehensive water-to-land exchange between the coal-producing areas in western China and end users in the middle and lower reaches of the Yangtze River.

Jiangxi Fengcheng Port

Jiangxi Fengcheng Port, in which the Group holds 20% equity interest, serves as an important distribution node along the Gan River. It is designed to be developed in phases, featuring 10 berths for bulk carriers of 1,000 tonnes each (with hydraulic structure for bulk carriers of 3,000 tonnes).

Among which, 6 berths occupying 580 meters of the shoreline with a designed annual throughput of 6 million tonnes in Phase I of the project have officially commenced operations in July 2023. In 2024, Jiangxi Fengcheng Port and Jiangsu Jingjiang Port established "interconnected synergies" for their asset-heavy ports, jointly providing fuel transportation services by water for large power plants and have completed throughput of approximately 1.77 million tonnes.

Project under Planning

SZI Port (Foshan Fuwan)

Foshan Fuwan Port, in which the Group holds 97.1% equity interest, is located at Hecheng Sub-district, Gaoming District of Foshan. The project enjoys a prime location along the national-class golden waterway - the main navigation channel of the Xijiang River, offering evident geographical advantages with excellent hydrological conditions. The Group successfully acquired the project land of Foshan Fuwan Port in December 2024. With a designed annual throughput of 5.3 million tonnes, the project is planned to construct 4 general-purpose berths of 3,000 tonnes each (with hydraulic structure for vessels of 5,000 tonnes) in phases, occupying shoreline of approximately 542 meters.

Being the Group's first project entering the Pearl River Basin in the Greater Bay Area, the project marks an important expansion of the Group's port segment from the Yangtze-Huaihe River Basin to the Pearl River Basin, which is important for the Group's further market expansion and optimization of its strategic configuration.

Currently, the Group is fully committed to pushing forward the approval and construction procedures for Foshan Fuwan Port, striving to put it into operation by 2027. Upon completion, the project is expected to effectively address the water transportation needs for bulk materials such as sand, gravel, steel and grain in the region, and will create a water logistics pathway for the second airport in Guangzhou, along with the development of aviation economy and industry infrastructure. The Group targets to turn the project into a benchmark for bulk cargo terminal across Foshan and the entire Xijiang River Basin.

Port Supply Chain Business

Despite facing multiple challenges such as the weak macro-economic recovery, the continuous implementation of the policy to convert all coal supply contracts into long-term contracts and declining coal prices, the Group has effectively navigated these difficulties by fully leveraging its port resources and adhering to a diversified supply chain strategy. Through proactively attracting new customers, exploring new types of cargo and broadening the types of transportation in its logistics business, the Group has effectively countered the challenges of market downturns. Furthermore, it has strengthened its market competitiveness by opening up rail links and extending the coverage of its supply chain service strategy, providing customers with one-stop bulk cargo logistics and supply services. In 2024, the port supply chain business sustained a healthy growth momentum, countering the sluggish market with an increase in business volume, and achieved further growth in both revenue and profit.

In addition, the port supply chain business has secured premium upstream and downstream customer resources for the Group's newly commissioned asset-heavy port projects, effectively integrating information flow, logistics flow and business flow. During the Year, the port supply chain business not only introduced approximately 3.5 million tonnes of business volume for the synergistic operations of Jiangsu Jingjiang Port, but also successfully opened a new rail-water intermodal transportation channel on Shaying River in partnership with Henan Shenqiu Port, facilitating the launch of collaborative heavy and light coal rail-water intermodal transportation business. The port supply chain business has effectively promoted the transformation and upgrading of various asset-heavy ports from single loading/unloading transshipment ports to large-scale comprehensive service hub port platforms, while achieving synergistic development between light and heavy assets in the Group's port business, thereby supporting the Group in establishing a comprehensive logistics service system and providing its customers with comprehensive logistics services.

Financial Analysis

During the Year, revenue from the port and related services business increased by 28% as compared to the corresponding period of the previous year to approximately HK$3,586 million, mainly driven by the increase in revenue from the port supply chain business and the new revenue contribution following the full operation of Jiangsu Jingjiang Port. However, profit attributable to shareholders saw a decline of 31% as compared to the corresponding period of the previous year to HK$60.40 million, due to the decline in profit margin of the port business resulting from the intense competition in the domestic market, and the newly launched port project still in the nurturing stage.

TOLL ROAD BUSINESS

The Group currently has invested in or operated a total of 16 expressway projects across the PRC, which are mainly located in Shenzhen, the Greater Bay Area, and other economically developed regions, with favorable geographical advantages. The total toll length of the controlling interest in the toll roads operated or invested in by the Group in Shenzhen, other regions in Guangdong Province and other provinces in the PRC were approximately 191 km, 350 km and 72 km, respectively.

Analysis of Operating Performance

During the Year, the Group’s toll revenue saw a modest decline compared to the same period last year, due to the adverse weather conditions in the regions where the toll road projects are located, the increase in the number of days for free passage of small passenger vehicles during statutory holiday compared to last year, and the project company of Yichang Expressway no longer being consolidated into the consolidated financial statement of the Group since 21 March 2024. Furthermore, the operating performance of the toll road projects continued to be affected by industry policies, changes in peripheral competitive or coordinated road networks, as well as factors associated with the ongoing construction or maintenance of the projects themselves.

The performance of the Group’s major toll road projects during the Year was as follows:

- Due to the rainstorms in Shenzhen and other regions of Guangdong Province, the overall operating performance of the Group’s toll road projects in these regions was affected.

- The connecting line on the Shenzhen side of the Shenzhen-Zhongshan Bridge under Phase II of Shenzhen Coastal Expressway was opened to traffic concurrently with the Shenzhen-Zhongshan Bridge on 30 June 2024. The Shenzhen-Zhongshan Bridge is a core transportation hub in the Greater Bay Area. The successful launch of the connecting line on the Shenzhen side of the Shenzhen-Zhongshan Bridge has facilitated the connectivity between Shenzhen-Zhongshan Bridge, Shenzhen Coastal Expressway, Guangshen Expressway, Shenzhen Bao’an International Airport as well as the Jihe Expressway, fostering a deep integration of Shenzhen with the eastern and western banks of the Pearl River Estuary. This would have a positive impact on the operating performance of the Shenzhen Coastal Expressway and Jihe Expressway, while leading to some traffic diversion towards Shenzhen Outer Ring Project and Longda Expressway. Overall, it has a positive impact on the Group's toll revenue.

- Both Qingyuan region and the neighboring Hunan region were affected by multiple occurrences of extreme weather including heavy rain, snow and freezing temperatures in early 2024. This led the transport authorities to impose traffic controls on the highways, resulting in certain negative impacts on the toll revenue of Qinglian Expressway. In addition, ongoing traffic diversion from the Guanglian Expressway (Guangzhou to Lianzhou), along with the opening of the entire Foqingcong Expressway (Foshan-Qingyuan-Conghua) in August 2024, have further diverted the traffic volume of Qinglian Expressway. Moreover, the road enhancement projects were undertaken in Qinglian Expressway between November and December 2024, which involved partial lane closures, thereby affecting the traffic flow. Owing to the combined impact of these factors, both the average daily traffic volume and toll revenue of Qinglian Expressway declined during the Year.

- Guangshen Expressway is an important express route between Guangzhou and Shenzhen, while GZ West Expressway is an integral part of the ring road within the Pearl River Delta, linking Guangzhou and Zhuhai. During the Year, the operating performances of Guangshen Expressway and GZ West Expressway remained essentially unchanged compared to the previous year. Nevertheless, the opening of Shenzhen-Zhongshan Bridge has shortened the travel distance through Guangshen Expressway, consequently exerting negative impact on the operating performance of Guangshen Expressway and leading to some traffic diversion towards GZ West Expressway.

- Due to the impact of heavy rain, snow, and freezing weather in Hunan and Jiangsu Provinces, along with prolonged heavy rainfall and traffic controls on highways imposed by the transport authorities, the operating performances of Yichang Expressway, Changsha Ring Road and Nanjing Third Bridge were negatively affected during the Year.

Key Business Developments

With respect to the construction of major projects, the Group is actively promoting investments in new construction, reconstruction and expansion projects, including the Phase III of Shenzhen Outer Ring Project, Jihe Expressway, the Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway (“Guangshen Expressway”), in order to continuously develop high quality expressway assets of the Group.

Shenzhen Outer Ring Project is an important transportation infrastructure in the Greater Bay Area. Once fully connected, it will establish vital connectivity with 10 expressways and 8 first-class highways in Shenzhen, serving as a crucial conduit for east-west interconnectivity in the northern part of Shenzhen. The Shenzhen Outer Ring Project is being constructed in three phases, of which Phase I covers the sections from Shajing to Guanlan and Longcheng to Pingdi, with a total length of approximately 51 km, and was completed and opened to traffic on 29 December 2020. Phase II covers the section from Pingdi to Kengzi, with a total length of approximately 9.35 km, and was completed and opened to traffic on 1 January 2022. Phase III covers the section from Kengzi to Dapeng, with a total length of approximately 16.8 km, and is currently under full-scale construction. During the Year, the Group selected construction contractors for several contract sections of Phase III of the Shenzhen Outer Ring Project through public tender, and has entered into relevant construction contracts with the respective contract fees being approximately RMB841 million, RMB884 million, RMB607 million, RMB741 million and RMB735 million. Upon the completion of Phase III, it is expected to enrich the Group’s core expressway assets and optimize the economic and social benefits of the Shenzhen

Outer Ring Project as a whole. It will also contribute to increased traffic flows for other toll roads operated or invested in by Shenzhen Expressway by optimizing the configuration of the road network.

Jihe Expressway is an integral part of the G15 Shenyang-Haikou National Expressway. It starts from He'ao Interchange in Longgang District, Shenzhen to the east, and ends at Hezhou Interchange in Bao'an District to the west with a total length of approximately 43 km. It is a two-way six-lane expressway. Jihe Expressway is an important east-west corridor in Shenzhen's high-speed road network, and a core route for rapid connections in the eastern, central, and western part of Shenzhen. It has been in operation for over 20 years. Subsequent to fulfillment of the relevant approval procedures, Shenzhen Expressway has been approved to invest approximately RMB19,230 million in the reconstruction and expansion project of the section from He'ao to Shenzhen Airport of Shenyang-Haikou National Expressway ("Jihe Expressway R&E Project"). During the Year, the Group selected construction contractors for several sections of the Jihe Expressway R&E Project through public tender, and has entered into relevant construction contracts with the respective contract fees being approximately RMB3,019 million, RMB2,969 million, RMB2,759 million, RMB2,760 million, RMB3,178 million and RMB3,472 million. The three-dimensional composite channel model would be adopted for the Jihe Expressway R&E Project and the construction would be divided into ground-level and three-dimensional layers, both of which would be built in the standard of a two-way eight-lane expressway. As at now, the core construction work of the project has fully commenced. It is expected that the completion of Jihe Expressway R&E Project will effectively enhance the existing transportation capacity of Jihe Expressway, and meet the integrated transportation demand of the Greater Bay Area and the Pearl River Delta, while the Group will also expand the scale of its expressway assets, and further consolidate its core competence in the investment, construction and operation of toll roads.

Guangshen Expressway is a main expressway connecting three major cities in the PRC, namely Guangzhou, Dongguan and Shenzhen, and is an important integrated section of the Beijing-Hong Kong-Macao Expressway and the Shenyang-Haikou Expressway within the national expressway network, with a total length of 122.8 km. It is a fully closed-system expressway with a total of six lanes in dual directions. Shenzhen Investment Holdings Bay Area Development Company Limited ("Bay Area Development"), in which the Group indirectly holds approximately 71.83% equity interest, is indirectly entitled to 45% of the profit-sharing interest in Guangshen Expressway. Given that the traffic flow of Guangshen Expressway is approaching saturation, the Guangdong Provincial Development and Reform Committee has approved the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway (the "approved road section R&E project") , and the project will be invested in and constructed by Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GSZ Company"). As at the end of 2024, the construction work of the approved road section R&E project had fully commenced. To meet the funding needs of the approved road section R&E project, the shareholders of GSZ Company entered into a capital increase agreement on 24 January 2025, to contribute a total of RMB7,300 million by way of registered capital to GSZ Company. Pursuant to the said agreement, Hopewell China Development (Superhighway) Limited, a non wholly-owned subsidiary of Bay Area Development, agreed to contribute RMB3,285 million to GSZ Company, in proportion to its 45% shareholding ratio.

Furthermore, Phase II of Shenzhen Coastal Expressway mainly includes the construction of the Shenzhen World Exhibition and Convention Center interchange and the connecting line on the Shenzhen side of the Shenzhen-Zhongshan Bridge, of which the interchange of the Shenzhen World Exhibition and Convention Center commenced operations in 2019. On 30 June 2024, the construction of the connecting line on the Shenzhen side of the Shenzhen-Zhongshan Bridge was completed and opened to traffic concurrently with the Shenzhen-Zhongshan Bridge. Following the full connectivity of Phase II of Shenzhen Coastal Expressway, the interconnectivity of the primary east-west trunk road framework in Shenzhen has been further strengthened, enhancing the overall traffic capacity of Shenzhen's "Eight Horizontal and Thirteen Vertical" road network, which is crucial for fostering the economic growth in the Greater Bay Area.

The E Fund SZ Expressway REIT, a real estate investment trust fund established by the Group with Yichang Expressway and its ancillary facilities as the underlying asset, completed its offering on 7 March 2024, among which Shenzhen Expressway subscribed for 40% of the fund units. Upon completion of the transfer of interests in the project company of Yichang Expressway on 21 March 2024, the interests held by Shenzhen Expressway in Yichang Expressway has been reduced from 100% to 40%. E Fund SZ Expressway REIT was successfully listed on the Shanghai Stock Exchange on 29 March 2024 (stock code: 508033). The final offering amount was 300 million units with the offer price of RMB6.825 per unit. The net proceeds of the offering were RMB1,230 million (inclusive of issuance fees). Through the issuance of the E Fund SZ Expressway REIT, the Group could transfer its mature projects with stable cash flows to publicly traded REITs, which effectively revitalizes its existing expressway infrastructure assets, recovers its operating investments and realizes its returns in advance. It also further enhances the asset turnover efficiency of the Group and bolsters its rolling investment capability, thereby further expanding the financing channels and refining the business models of the Group.

The application of Shenzhen Expressway for the issuance of new A shares to the specific targets, including Xin Tong Chan Development (Shenzhen) Co., Ltd. ("XTC Company"), a wholly-owned subsidiary of the Company, has been approved by the relevant regulatory authorities during the Year. In March 2025, an aggregate of 357,085,801 A shares was confirmed to be issued to the specific targets at the issue price of RMB13.17 per share (the "Issue Price"), raising a total proceeds of approximately RMB4,703 million (inclusive of issuance fees) (the "Issuance").

XTC Company subscribed 75,930,144 A shares at the Issue Price pursuant to the A Share Subscription Agreement dated 14 July 2023 entered into between Shenzhen Expressway and XTC Company. As at the date of this announcement, Shenzhen Expressway is currently processing the registration and custody procedures for the newly issued A shares under the Issuance at the Shanghai branch of China Securities Depository and Clearing Corporation Limited and it is expected to be completed on or before 31 March 2025. Upon completion of the relevant registration, the Company's indirect shareholding in Shenzhen Expressway would decrease from approximately 51.56% to approximately 47.30%. The Group would continue to have control over Shenzhen Expressway through controlling Shenzhen Expressway's financial and operational policies, in accordance with the existing Hong Kong Financial Reporting Standards, Shenzhen Expressway will continue to be accounted for as a subsidiary in the accounts of the Company and its financial results will continue to be consolidated into the consolidated financial statements of the Group.

Financial Analysis

During the Year, revenue and net profit from the toll road business recorded a decline of 8% and 12% as compared to the corresponding period of the previous year to approximately HK$5,482 million and HK$2,097 million, respectively. The decrease was mainly due to several factors, including the adverse weather conditions in the region where the Group's toll road projects are located, the increase in the number of days for free passage of small passenger vehicles during statutory holidays as compared to last year, and the project company of Yichang Expressway no longer being consolidated into the consolidated financial statements of the Group since 21 March 2024.

GENERAL-ENVIRONMENTAL PROTECTION BUSINESS

In recent years, through investment, mergers and acquisitions, the Group has gradually focused on the solid waste treatment and clean energy power generation industries, thereby establishing a foothold in the general-environmental protection industry. As a new entrant in this field, the Group is committed to further enhancing its management and professional team building, strengthening the management and integration of acquired enterprises, thereby improving the operational quality and efficiency, continuously promoting the stable development of the general-environmental protection business, and enhancing the Group's core competence and profitability.

Analysis of Operating Performance

Solid Waste Management

Benefiting from the strong support from the China's national environmental protection policies for the organic waste treatment industry, the Group is committed to developing organic waste treatment as a key pillar of its general-environmental protection business, and actively building itself into a segment leader with industry-leading technology and operational scale advantages.

As at the end of 2024, the designed organic waste treatment capacity of the Group was approximately 6,700 tonnes per day, ranking among the top in the domestic industry. Among these, 17 organic waste treatment projects have commenced commercial operations. These projects were mostly under Build-Operate-Transfer (BOT) and other models that provide customers from public sectors with decontamination treatment for organic solid waste and domestic waste (including catering waste, kitchen waste and garden waste, etc.) and sell the recycled products from the treatment process to downstream customers.

Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd. ("Bioland Environmental Company"), in which the Group holds 92.29% equity interest, is a comprehensive organic waste treatment company. As at the end of 2024, Bioland Environmental Company has a total of 19 organic waste treatment projects with designed treatment capacities of over 4,600 tonnes per day for kitchen waste, amongst which 14 projects have commenced commercial operations and 5 other projects entered trial operation phase. In 2023, the Group restructured the business model of Bioland Environmental Company and defined the business strategy to focus primarily on operations. This involved gradually scaling backed and terminating EPC engineering and equipment manufacturing operations that previously recorded heavy losses. As a result, Bioland Environmental Company recorded a growth in its operating revenue during the Year. Nevertheless, owing to the combined impact of low selling price of grease, shortfall in the oil extraction rate against anticipated levels, productivity slump from insufficient amount of garbage collected and transported in certain projects, and provision for assets impairment, Bioland Environmental Company was yet to achieve profitability in 2024. As at the end of 2024, 13 projects of Bioland Environmental Company received ISCC certification to meet customers' demand for low-carbon and circular economy products, thereby enhancing the market competitiveness of resource-based offerings. To boost its profitability, Bioland Environmental Company will focus on improving the quality and enhancing the efficiency of its projects, conducting comprehensive assessments of production and operational issues, promoting technological process improvements, accelerating the production of the recycled products, expanding collection and transportation areas and grease sales market, while strengthening the control over its costs and expenses, and standardizing management practices.

In addition, the Group invests in and manages two organic waste treatment projects in Shenzhen: the Guangming Environmental Park Project and the Lisai Environmental Project, and an organic waste treatment project in Shaoyang, Hunan Province. Among them, Guangming Environmental Park Project commenced trial operations in May 2024, collecting and processing a portion of kitchen waste in Bao'an and Guangming Districts in Shenzhen. It is currently the largest monomer kitchen waste treatment project in Shenzhen, with a processing capacity of 1,000 tonnes per day for organic waste, 100 tonnes per day for bulky waste (discarded furniture) and 100 tonnes per day for garden waste. It can simultaneously carry out decontamination treatment and resource utilization for catering waste and kitchen waste. Guangming Environmental Park Project was approved to commence commercial operations on 6 February 2025. Lisai Environmental Project has commenced commercial operations since 2017, assisting in processing a portion of kitchen waste in Futian District, with a processing capacity of 650 tonnes per day for kitchen waste.

Furthermore, the Shaoyang Project was also approved to commence commercial operations in September 2024, with a concession period of 30 years and a designed processing capacity of 200 tonnes per day for kitchen waste.

Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Co., Ltd. ("Qiantai Company"), in which the Group holds 63.33% equity interest, qualifies for scrapping retired new energy vehicles and providing integrated comprehensive utilization of retired new energy vehicles and their batteries while also scrapping and recycling combustion engine vehicles. During the Year, Qiantai Company focused on the development and application of standard battery products for low-power and engineering machinery. With 9 new patents acquired, Qiantai Company successfully obtained certifications for its new energy vehicle power battery cascade products. In addition, the Group has initiated a pilot project for battery swapping for two-wheelers in Shenzhen, achieving expected operational results.

Clean Energy

As at the end of 2024, grid-connected wind power generation projects invested in and operated by the Group had an accumulated installed capacity of approximately 668 megawatts (MW). Affected by factors such as reduced wind resources and the increase in wind curtailment rates, power supply to the grids and revenue from wind power generation by Baotou Nanfeng Project recorded a year-on-year decrease during the Year. Despite an overall improvement in wind resources compared to the previous year, the increase in wind curtailment rates resulted in the power supply to the grids and the revenue from wind power generation by Xinjiang Mulei Project maintaining a similar level with that of the previous year.

Shengneng Qiantai Project, the Group's first self-developed distributed photovoltaic pilot project, successfully connected to the grid for power generation in July 2024 and has commenced trial operations with a total installed capacity of 3.40 MW.

During the Year, an original shareholder of Nanjing Wind Power Technology Co., Ltd. ("Nanjing Wind Power Company") transferred approximately 2% of his equity interest in Nanjing Wind Power Company to Shenzhen Expressway Environmental Co., Ltd at no cost pursuant to the merger agreement, to fulfill his obligation to compensate for the target performance commitments of Nanjing Wind Power Company. As a result, the Group's shareholding in Nanjing Wind Power Company increased from approximately 98% to 100%. At present, Nanjing Wind Power Company mainly provides subsequent operational and maintenance services to the wind farms invested in by the Group. It also cooperates with the Shenzhen Expressway New Energy Holdings Co., Ltd. to expand into the markets of wind power and photovoltaic projects. However, the operating results of Nanjing Wind Power Company for the Year were sub-optimal mainly due to several factors, including the cessation of the original wind turbine manufacturing and sale business and the provision for assets impairment and accrued liabilities. Nanjing Wind Power Company will expedite the revitalization of its assets and capital recovery, while adjusting its business structure to emphasize its wind farm operation and maintenance businesses, with a goal of enhancing its operational capabilities.

Other Environmental Protection Businesses

Chongqing Derun Environment Co., Ltd., in which the Group holds 20% equity interest, has two subsidiaries, namely Chongqing Water Group Co., Ltd (stock code: 601158) and Chongqing San Feng Environmental Industrial Group Co. Ltd. (stock code: 601827). Both subsidiaries are listed on the Shanghai Stock Exchange and are principally engaged in, among other things, water supply and sewage treatment, waste incineration power generation and environmental restoration.

Shenzhen Water Planning & Design Institute Co., Ltd. (stock code: 301038), in which the Group holds 11.25% equity interest, is listed on the ChiNext board of the Shenzhen Stock Exchange and is a water and environmental engineering service provider specializing in systematic solutions to water issues.

Financial Analysis

During the Year, revenue from the general-environmental protection business decreased by 15% compared to the corresponding period of the previous year to HK$1,529 million, mainly due to the decrease in revenue from wind power generation and kitchen waste treatment. In addition, due to the increase in the assets impairment losses and the credit impairment losses on accounts receivable for certain environmental protection projects, the general-environmental protection business recorded a net loss of approximately HK$683 million (2023: net loss of HK$20 million).

AIR TRANSPORTATION SERVICES

Shenzhen Airlines

In 2024, the global civil aviation market continued to witness a gradual recovery, with China civil aviation market demonstrating a stable performance. During the Year, Shenzhen Airlines carried approximately 39.99 million passenger rides and recorded a passenger traffic of 63,846 million passenger-km, representing an increase of 20% and 23% respectively, as compared to the corresponding period of the previous year.

Shenzhen Airlines' total revenue for the Year increased by 10% as compared to the corresponding period of the previous year to RMB33,070 million (equivalent to HK$35,875 million) (2023: RMB29,988 million (equivalent to HK$33,313 million)). Passenger revenue increased by 10% to RMB30,918 million (equivalent to HK$33,541 million) (2023: RMB28,159 million (equivalent to HK$31,281 million)). Nevertheless, in the context of the complex and fluctuating operational environment, Shenzhen Airlines continued to incur operating losses in 2024, influenced by intensified competition within the domestic civil aviation market, high volatility in aviation fuel prices, rising operational costs, and foreign exchange losses. During the Year, Shenzhen Airlines recorded a net loss of RMB2,813 million (equivalent to HK$3,052 million) (2023: net loss of RMB1,735 million (equivalent to HK$1,928 million)). Based on the equity method of accounting, as the Group's share of accumulated losses in Shenzhen Airlines (an associate) has exceeded its interest in this associate, the Group would not recognize any further losses relating to Shenzhen Airlines during the Year (2023: no recognized losses).

Air China Cargo

In 2021, the Group successfully acquired 1,069 million shares of Air China Cargo Co., Ltd. ("Air China Cargo") by investing approximately RMB1,565 million, securing a 10% equity interest and positioning itself as a strategic shareholder. The acquisition served as a strategic entry into the air logistics industry, which is highly monopolistic and has significant entry barriers.

On 30 December 2024, Air China Cargo successfully completed its initial public offering (IPO) of A shares and was listed on the main board of the Shenzhen Stock Exchange (stock code: 001391.SZ), with an issue price of RMB2.3 per share, raising a total of approximately RMB3,500 million. Following the listing of Air China Cargo, the Group's shareholding was adjusted accordingly and currently holds approximately 8.76% of its equity interest. The successful listing of Air China Cargo not only marks a significant milestone in the Group's strategic investment, but also further enhances the Group's asset value.

Going forward, the Group will further deepen its strategic cooperation with Air China Cargo by adhering to the principle of complementary strengths and collaborative win-win partnerships. Both the Group and Air China Cargo will proactively drive the deployment of air cargo projects in cities including Shenzhen and Beijing, collaboratively securing scarce resources, and strive to establish a comprehensive logistics system that integrates air logistics, high-standard warehousing and cold chain logistics, thereby injecting new vitality and momentum into the Group's long-term development.

2025 OUTLOOK

Looking ahead to 2025, the macroeconomic environment remains complex, challenging, and uncertain, with the global economic recovery facing multiple obstacles such as geopolitical conflicts, inflationary pressures, and the restructuring of supply chains. However, the Chinese economy, supported by its vast market, comprehensive industrial system, and robust policy regulations, is expected to exhibit significant resilience and inherent vitality. While the cultivation of new quality productive forces in the country is accelerating, coupled with the deepened development paradigm of "dual circulation" and ongoing advancement in industrial upgrading, these developments are injecting growth momentum into sectors such as new consumption, high-end manufacturing, new energy, cross-border e-commerce, pharmaceuticals, and electronics. Additionally, the ongoing enhancement of a unified national market is expected to further stimulate demand for logistics infrastructure. Capitalizing on the advantages of its national logistics asset-heavy resource network, the Group can integrate into the domestic economic cycle more effectively to further enhance its value creation capabilities.

The Group will align with national development strategies, seizing opportunities for industry growth and meticulously devising work strategies. Steadfastly adhering to its core principle of "Striving for Progress while Maintaining Stability", the Group is committed to implementing "Three Stabilizations and Eight Optimizations". Specifically, this refers to the Group's commitment to maintaining solid control in three key aspects, namely, capital, safety, and investment. Concurrently, the Group will continue to optimize eight facets, including standardized management, comprehensive reforms, operational services, business promotion and coordination, construction management, cost control, responsibilities of state-owned enterprises, and brand building. This has anchored our efforts on concluding the Group's "14th Five-Year Plan" while strategizing for the upcoming "15th Five-Year Plan", boosting its core competitiveness, ultimately building itself into a distinctive first-class industrial conglomerate in the transportation and logistics arena.

Elevating Core Businesses, Pursuing Scientific Advancements

The Group is committed to strengthening and improving its core logistics business by adhering to the principle of "Prioritizing Excellence". the Group will exercise prudence in controlling the pace of investments, focusing on exploring segmental markets based on actual demand, and conducting thorough feasibility validations and analysis of each project. By capitalizing the opportunity presented by the "Shenzhen Modern Logistics Hub Configuration Optimization" initiative, the Group will accelerate to the acquisition of the land parcel for the Fumin Project and actively pursue the development rights of the intended land. The Group will also closely monitor the development potential of the land parcels in Guangming and Luohu Districts, while expediting the strategic layout in Shenzhen's low-altitude economy. The Group will further explore and deepen the implementation of the models of "Public Transportation + Logistics" and "Metro + Logistics", with the goal of establishing a replicable profit growth model. Additionally, it will advance the preliminary work on air cargo projects in Shenzhen and Shunyi in Beijing, to promote the successful implementation of the Beijing Shunyi Project. Leveraging its extensive asset-heavy resource network, the Group will further explore opportunities and strive to enhance the supply chain value of its logistics parks. It remains steadfast in implementing its comprehensive strategy of "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics" with the aim to build a multimodal transportation center that seamlessly integrates transportation with railways, highways, and waterways. Relying on logistics parks in key regions such as the Greater Bay Area, Yangtze River Delta and Beijing-Tianjin-Hebei region, the Group will expand its intelligent cold chain business, including converting dry warehouses into cold storage warehouses.

The Group is committed to the strategic development of its core port business, with the spin-off listing as its long-term goal, the Group will persist in executing its "Port Connection" strategy, which focuses on enhancing port nodes and extending its supply chains to improve operational efficiency and expand market coverage. The Group will maintain a strong focus on strategic regions, particularly the Greater Bay Area and the Xijiang River Basin. By conducting thorough market researches and analyzing supply and demand dynamics, the Group will identify and target high-quality port investment opportunities. It will prioritize the development of Foshan Fuwan Port while striving to actively promote the development of Phase II of Henan Shenqiu Port by 2025.

The Group is dedicated to the synergistic development of its asset-light business. It will continue to adhere to the development approach of "Integration of Light and Heavy Assets" and "Balanced Emphasis of Light and Heavy Assets", while comprehensively developing the capabilities of "Asset Management + Operations". The Group is set to launch segmental operations in areas such as bonded logistics, photovoltaic power storage and charging, integrated warehousing and distribution, as well as low-altitude economic activities. By strengthening operational management and optimizing efficiency, the Group will proactively pursue its transformation from a logistics infrastructure developer and operator to a comprehensive logistics service provider.

Enhancing Core Competence of Toll Road Business while Strengthening Quality and Efficiency of Core General-Environmental Protection Business

Through Shenzhen Expressway, the Group will continue to strengthen and develop its toll road and general-environmental protection businesses. Regarding the toll road business, the Group will actively pursue growth through new construction acquisitions and resource integration, expanding its expressway investment, construction, and management and maintenance business. To sustain its competitive edge, the Group will strive to extend the concession period of its toll road projects, increase the scale of expressway assets, reduce costs and improve efficiency as well as implement lean management practices. The Group will also actively explore market-oriented projects along the upstream and downstream industry chains, with a particular emphasis on intelligent upgrades and comprehensive management and maintenance business. Regarding the general-environmental protection business, the Group aims to strengthen its position by enhancing the treatment capabilities of its organic waste projects and expanding the scale of its hazardous waste treatment projects, aspiring to become a segment leader with industry-leading scale advantages. It will further refine the management integration of its operations, cultivate a specialized talent team, effectively manage the pace of investments, improve the quality and efficiency of its existing projects, and pursue high-quality opportunities through careful analysis and evaluation, pursuing to enhance the operational quality and profitability of the general-environmental protection business.

Optimizing Dual Closed-loop Business Models, Supporting Core Business Advancements

In respect of the long closed-loop "Investment, Construction, Operation and Transformation" business model, the Group will continue to actively advance all related work regarding the transformation of SZI South China Logistics Park. The Group will accelerate the construction and sales of the first phase of the reserved land to quickly recoup the investment and thereby expand investments in its core logistics business. Additionally, the Group will also aim to realize the gain from land value appreciation from the second phase of the reserved land by 2025. Regarding the short closed-loop "Investment, Construction, Financing and Operation" business model, the Group will ensure the long-term and stable operation of its underlying assets, coordinate the post-listing management of ChinaAMC-Shenzhen International REIT and timely initiate the preparation works for its expansion. Meanwhile, the Group will proactively facilitate the establishment of new private equity funds, completing all necessary approval mechanisms, along with advance planning and arrangements.

Elevating Business Promotion Operations, Fostering New Growth Drivers

The Group will further strengthen its business promotions, closely monitor the dynamic changes of customer needs in business development and warehousing, and proactively plan ahead for effective business promotions for existing projects and business expansion. The Group will proactively optimize and adjust the customer mix in line with the industry development trends by examining the emerging industries, such as the export of the “New Three Types”, food chain operations and pharmaceuticals, while forging deeply engagement with the leading “Four E-commerce Tigers” in cross-border e-commerce sector. The Group will further enhance the relationship maintenance and management of the existing customers, deepen the “headquarters-to-headquarters” engagement, and leverage its nationwide business resources to strengthen resources coordination and customized services. With these initiatives, the Group will empower its strategic customers comprehensively, thereby further improving customer loyalty and continuously elevating project management standards. Furthermore, the Group will focus its resources on key projects, continuously optimizing its operations, addressing customer needs, increase occupancy rates and incremental revenue, while ensuring stable cash flow and earnings, and devising measures to enhance its operational effectiveness.

Propelling In-Depth Reforms, Strengthening Performance Management

Upholding its momentum and determination for reform, the Group will advance a new round of in-depth reforms to state-owned enterprises, accelerate its efforts to build a world-class value creating enterprise, and vigorously implement “Double-Hundred Action”. In its pursuit of high-quality sustainable development, the Group will meticulously execute various reforms measures, focusing on shoring up any weaknesses, leveraging strengths, and solidifying its business foundations. Simultaneously, the Group will enhance its management efficiency and core competitiveness through a series of initiatives, including refining its financial management capabilities, strengthening its risk control and management, optimizing its market capitalization and reinforcing its brand influence.

Building Value, Sharing Future

In 2025, the Group will uphold to adhere to a stable dividend policy, balancing the long-term corporate development with shareholders’ returns. Guided by the business philosophy of “Building Value, Sharing Future”, and anchored in high-quality development goal, the Group will earnestly promote the enhancement of its operational efficiency, thereby creating greater value and returns for all shareholders.

FINANCIAL POSITION

	31 December 2024 *HK$ million*	31 December 2023 *HK$ million*	**Increase/ (Decrease)**
Total Assets	**135,998**	130,495	**4%**
Total Liabilities	**81,475**	75,519	**8%**
Total Equity	**54,523**	54,976	**(1%)**
Net Asset Value attributable to shareholders	**32,500**	31,582	**3%**
Net Asset Value per share attributable to shareholders (HK dollar)	**13.5**	13.2	**2%**
Cash	**9,670**	9,805	**(1%)**
Bank borrowings	**35,505**	33,082	**7%**
Other borrowings	**-**	117	**(100%)**
Notes and bonds	**24,944**	22,140	**13%**
Total Borrowings	**60,449**	55,339	**9%**
Net Borrowings	**50,779**	45,534	**12%**
Debt-asset Ratio (Total Liabilities/Total Assets)	**60%**	58%	**2** #
Ratio of Total Borrowings to Total Assets	**44%**	42%	**2** #
Ratio of Net Borrowings to Total Equity	**93%**	83%	**10** #
Ratio of Total Borrowings to Total Equity	**111%**	101%	**10** #

Change in percentage points

Key Financial Indicators

As at 31 December 2024, the Group's total assets and total equity amounted to approximately HK$135,998 million and HK$54,523 million, respectively, while net asset value attributable to shareholders was approximately HK$32,500 million. Net asset value per share was HK$13.5, reporting an increase of 2% as compared to the end of last year, mainly due to the increase in profits attributable to shareholders for the year. The debt-to-asset ratio was 60%, an increase of 2 percentage points as compared to the end of last year. The gearing ratio (calculated on the basis of net borrowings to total equity) was 93%, representing an increase of 10 percentage points as compared with that at the end of last year. Such increase was primarily due to the additional borrowings incurred as a result of increased investment activities during the Year.

Cash Flow and Financial Ratios

During the Year, net cash generated from operating activities amounted to approximately HK$4,380 million. Net cash used in investing activities amounted to approximately HK$5,642 million. Net cash generated from financing activities amounted to approximately HK$2,711 million. The Group's core businesses continued to generate a stable cash inflow. The Group closely monitors changes in total borrowings with a view to maintaining its financial ratios at a stable and healthy level.

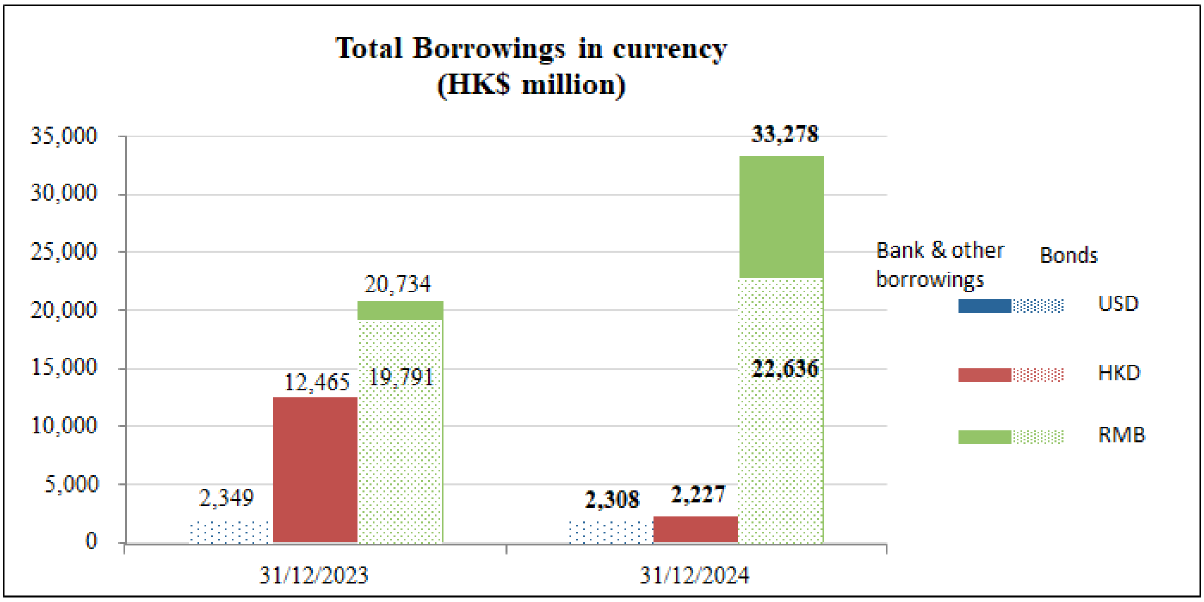
Cash Balance

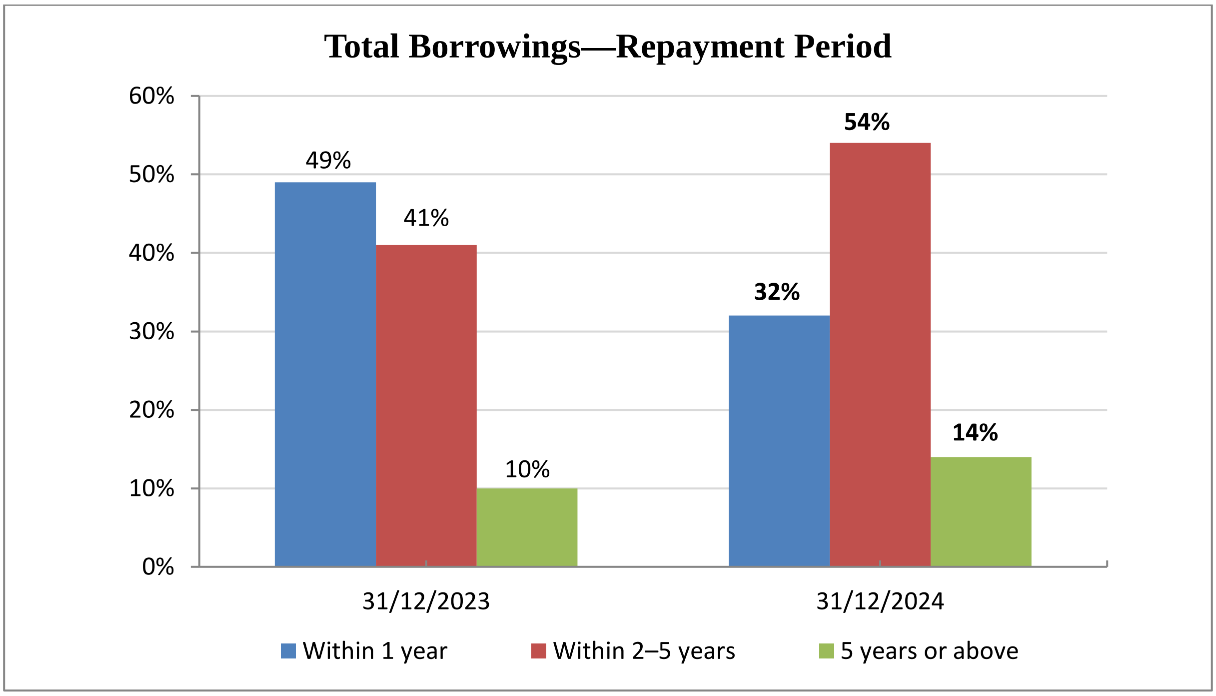
As at 31 December 2024, cash held by the Group amounted to approximately HK$9,670 million (31 December 2023: HK$9,805 million), representing a decrease of 1% as compared to the end of last year. To facilitate the Group's operation and development in the PRC, cash held by the Group is mainly denominated in RMB. The Group maintains an effective treasury policy to manage its cash on hand that centralizes the allocation of funds with the aim of reducing idle funds and achieving higher return on its cash portfolio in order to provide strong support for the development of its business.

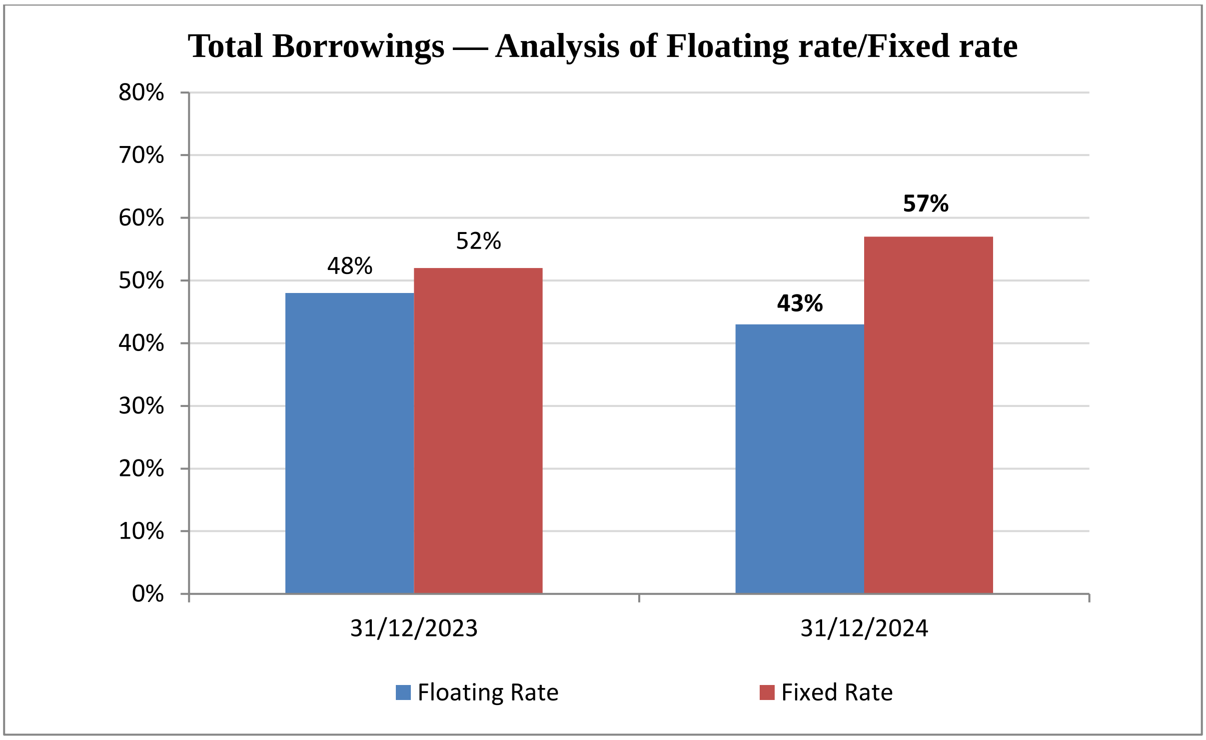
Capital Expenditures

The Group's capital expenditures for the Year amounted to approximately RMB8,300 million (equivalent to HK$8,800 million), primarily comprising investments of approximately RMB3,200 million in the logistics hubs projects, investments of approximately RMB1,900 million in Shenzhen Expressway's projects and investments of approximately RMB1,960 million in the Pinghunan Project. The Group expects that the capital expenditures for 2025 will amount to approximately RMB13,100 million (equivalent to HK$13,900 million), including approximately RMB3,000 million for logistics parks projects, approximately RMB5,300 million for Shenzhen Expressway's projects, approximately RMB2,500 million for the Pinghunan Project and approximately RMB1,000 million for SZI South China Logistics Park transformation and upgrading projects.

Borrowings


Total Borrowings in currency
(HK$ million)
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
33,278
20,734
12,465
19,791
22,636
2,349
2,308
2,227
31/12/2023
31/12/2024
Bank & other borrowings
Bonds
USD
HKD
RMB


Total Borrowings—Repayment Period
60%
50%
40%
30%
20%
10%
0%
49%
41%
10%
32%
54%
14%
31/12/2023
31/12/2024
Within 1 year
Within 2–5 years
5 years or above



As at 31 December 2024, the Group's total borrowings amounted to approximately HK$60,449 million, representing an increase of 9% as compared with the end of last year. During the Year, the Company issued the first tranche of medium-term notes of RMB4,000 million, and Shenzhen Expressway, a subsidiary of the Group, issued corporate bonds totalling RMB2,500 million. 32%, 54% and 14% of the Group's total borrowings are due for repayment within 1 year, within 2 to 5 years and after 5 years or later, respectively.

The Group maintained close business relationships with financial institutions in the PRC and Hong Kong China. It seized favorable opportunities in both the PRC and Hong Kong China markets by conducting several financing activities to capitalize on the differences in costs. It further optimized its debt portfolio and struck a balance between its interest rate and foreign exchange risks. The Group closely monitored its overall borrowing structure and effectively maintained funds with high cost efficiency in order to meet its overall capital needs.

The Group's Financial Policy

Interest Rate Risk Management

The Group's interest rate risks arise primarily from floating-rate bank borrowings. The management manages interest rate risks and limits such risks to a reasonable level by closely tracking changes in the macro-economic environment and monitoring changes in current and projected interest rates on a regular basis, taking into account conditions in the domestic and international markets. The management also regularly reviews the ratio of fixed-rate to floating-rate borrowings and seeks to manage and control the Group's interest rate risks by entering into fixed-rate borrowings or interest rate swap contracts for hedging purposes in a timely manner according to the size and maturities of its borrowings.

Exchange Rate Risk

The cash flows, cash on hand and assets of the businesses operated by the Group are mainly denominated in RMB, whereas loans are mainly denominated in RMB, HK$ and US$. During the Year, as affected by geopolitical factors and that global economic growth was subject to a great deal of uncertainty, RMB/US$ exchange rates fluctuated relatively dramatically. The Group will continue to monitor the foreign exchange market, adjust the currency structure of its borrowings and utilize hedging instruments as appropriate to manage its exchange rate risk. As at 31 December 2024, the ratio between the Group's borrowings in RMB and other currencies was around 92%:8%.

Liquidity Risk Management

As at 31 December 2024, the Group had cash on hand and standby banking facilities of approximately HK$120,400 million. The Group maintained adequate funds and credit facilities and optimized its capital structure continuously to ensure that it is capable of operating as a going concern while expanding its business, and to mitigate liquidity risk.

Credit Ratings

During the Year, three leading international credit rating agencies, namely Moody's, Standard & Poor's and Fitch Ratings, maintained their investment-grade credit ratings of the Company of Baa2, BBB and BBB, respectively. China Lianhe Credit Rating Co., Ltd, a domestic credit rating agency, assigned an "AAA" credit rating to the Company. These ratings reflected favorable capital market recognition of the Group's financial soundness and solvency, and demonstrated confidence in the Group's ability to realize sustainable and quality growth.

EVENTS AFTER THE BALANCE SHEET DATE

Development of Shenzhen Expressway's Issuance of A shares to Specific Targets under Specific Mandate

On 18 March 2025, the Company and Shenzhen Expressway jointly announced that Shenzhen Expressway has confirmed to issue an aggregate of 357,085,801 A shares to the specific targets (including XTC Company, a wholly-owned subsidiary of the Company) at the Issue Price of RMB13.17 per share, raising a total proceeds of approximately RMB4,703 million, among which XTC Company subscribed 75,930,144 A shares of Shenzhen Expressway. The registration and custody procedures for the newly issued A shares under the Issuance are expected to be completed on or before 31 March 2025 at the Shanghai branch of China Securities Depository and Clearing Corporation Limited. As at the date of this announcement, the registration and custody procedures for the newly issued A shares under the Issuance has not been completed.

Upon completion of the Issuance, Shenzhen Expressway's total number of shares in issue would increase from 2,180,770,326 shares to 2,537,856,127 shares while the Company's indirect shareholding in Shenzhen Expressway would decrease from approximately 51.56% to approximately 47.30%. The Group would continue to have control over Shenzhen Expressway through controlling Shenzhen Expressway's financial and operational policies, in accordance with the existing Hong Kong Financial Reporting Standards, Shenzhen Expressway will continue to be accounted for as a subsidiary in the accounts of the Company and its financial results will continue to be consolidated into the consolidated financial statements of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

On 29 October 2021, the Company issued the corporate bonds (First tranche 2021) in the amount of RMB4,000 million with an initial coupon rate of 3.29% and a term of 6 years (with a bondholder sell-back option and an issuer coupon rate adjustment option at the end of the 3rd year), which was listed on the Shenzhen Stock Exchange. As the bondholders exercised the sell-back option, the Company repurchased the corporate bonds in full at par on 29 October 2024, and paid the interests as required. For details of the above repurchase, please refer to the relevant overseas regulatory announcement of the Company dated 28 October 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the Year, the Company has complied with the code provisions set out in "Corporate Governance Code", Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company aims to enhance its corporate governance practices, thereby promoting the Company's sustainable development and enhancing value for the shareholders.

CLOSURE OF REGISTER OF MEMBERS

To ensure the eligibility to attend and vote at the 2025 Annual General Meeting and the entitlement to the proposed final dividend, the register of members of the Company will be closed on the following dates:

For ascertaining shareholders' right to attend and vote at the 2025 Annual General Meeting:

Latest time to lodge transfers	4:30 p.m. on Friday, 2 May 2025
Book closure dates	Tuesday, 6 May 2025 to Friday, 9 May 2025 (both days inclusive)
Record date	Friday, 9 May 2025

For ascertaining shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfers	4:30 p.m. on Wednesday, 14 May 2025
Book closure dates	Thursday, 15 May 2025 to Friday, 16 May 2025 (both days inclusive)
Record date	Friday, 16 May 2025
Payment date of the final dividend	on or about Friday, 20 June 2025

To be eligible to attend and vote at the 2025 Annual General Meeting and qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

OTHER INFORMATION

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2024. A meeting has also been held between the Company's auditor and the Audit Committee of the Company in connection with the review of the annual results of the Group for the year ended 31 December 2024.

The figures in respect of the Group's consolidated balance sheet, the consolidated income statement and the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board on 26 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

This announcement and other information (including those of the Company's 2024 annual results) will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.szihl.com).

By Order of the Board
Shenzhen International Holdings Limited
Li Haitao
Chairman

26 March 2025

As at the date of this announcement, the Board consists of Messrs. Li Haitao, Liu Zhengyu and Wang Peihang as executive directors, Mr. Cai Xiaoping as non-executive director and Mr. Pan Chaojin, Dr. Zeng Zhi, Dr. Wang Guowen and Professor Ding Chunyan as independent non-executive directors.

In this announcement, the English names of the PRC entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.