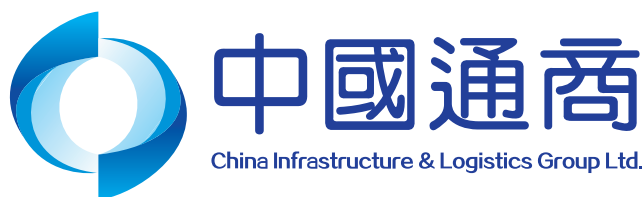


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## **China Infrastructure & Logistics Group Ltd.**

**中國通商集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1719)**

### **ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **HIGHLIGHTS**

- Revenue increased by approximately 9.8% to HK\$396,529,000 (2023: HK\$361,301,000).
- Gross profit decreased by 20.7% to HK\$61,613,000 (2023: HK\$77,653,000) and gross profit margin was 15.5% (2023: 21.5%).
- Profit for the year decreased by approximately 6.5% to HK\$12,895,000 (2023: HK\$13,788,000).
- Profit attributable to owners of the Company decreased by 17.4% to HK\$12,694,000 (2023: HK\$15,360,000).
- The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of China Infrastructure & Logistics Group Ltd. (the “**Company**” or “**CIL**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the corresponding period in 2023.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

|  | <i>Note</i> | 2024<br><i>HK\$’000</i> | 2023<br><i>HK\$’000</i> |
|--|-------------|-------------------------|-------------------------|
| <b>Revenue</b>                                     | 4           | <b>396,529</b>          | 361,301                 |
| Cost of services rendered and goods sold           |             | <u>(334,916)</u>        | <u>(283,648)</u>        |
| <b>Gross profit</b>                                |             | <b>61,613</b>           | 77,653                  |
| Other income                                       | 6           | 37,934                  | 22,117                  |
| Net change in fair value of investment properties  | 10          | (1,734)                 | (993)                   |
| Net change in fair value of other financial assets |             | 603                     | —                       |
| General and administrative expenses                |             | (32,772)                | (27,505)                |
| Other operating expenses                           |             | <u>(26,856)</u>         | <u>(32,028)</u>         |
| <b>Profit from operations</b>                      |             | <b>38,788</b>           | 39,244                  |
| Finance income                                     |             | 187                     | 355                     |
| Finance costs                                      |             | (11,357)                | (15,898)                |
| Share of losses of associates                      |             | <u>—</u>                | <u>(710)</u>            |
| <b>Profit before taxation</b>                      |             | <b>27,618</b>           | 22,991                  |
| Income tax   | 7           | (14,723)                | (9,203)                 |
| <b>Profit for the year</b>                         |             | <b><u>12,895</u></b>    | <b><u>13,788</u></b>    |
| <b>Profit for the year attributable to:</b>        |             |                         |                         |
| Owners of the Company                              |             | 12,694                  | 15,360                  |
| Non-controlling interests                          |             | <u>201</u>              | <u>(1,572)</u>          |
|  |             | <b><u>12,895</u></b>    | <b><u>13,788</u></b>    |
| <b>Earnings per share (HK cents)</b>               | 8           |                         |                         |
| — Basic  |             | 0.74                    | 0.89                    |
| — Diluted  |             | <u>0.74</u>             | <u>0.89</u>             |

|  | 2024                   | 2023                   |
|--|------------------------|------------------------|
| <i>Note</i>  | <b><i>HK\$'000</i></b> | <i>HK\$'000</i>        |
| <b>Profit for the year</b>   | <b><u>12,895</u></b>   | <b><u>13,788</u></b>   |
| <b>Other comprehensive income for the year</b>                                       |                        |                        |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                |                        |                        |
| Exchange differences on translation of financial statements of<br>foreign operations | (27,278)               | (27,691)               |
| Release of reserve upon deregistration of subsidiaries                               | <u>—</u>               | <u>(80)</u>            |
| <b>Other comprehensive income for the year</b>                                       | <b><u>(27,278)</u></b> | <b><u>(27,771)</u></b> |
| <b>Total comprehensive income for the year</b>                                       | <b><u>(14,383)</u></b> | <b><u>(13,983)</u></b> |
| <b>Total comprehensive income attributable to:</b>                                   |                        |                        |
| Owners of the Company  | (12,802)               | (9,483)                |
| Non-controlling interests  | <u>(1,581)</u>         | <u>(4,500)</u>         |
|  | <b><u>(14,383)</u></b> | <b><u>(13,983)</u></b> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

|  | Note | 2024<br><b>HK\$'000</b> | 2023<br><b>HK\$'000</b> |
|--|------|-------------------------|-------------------------|
| <b>Non-current assets</b>                  |      |                         |                         |
| Investment properties                      | 10   | <b>798,251</b>          | 824,480                 |
| Property, plant and equipment              |      | <b>317,701</b>          | 354,135                 |
| Land use rights                            |      | <b>15,451</b>           | 16,417                  |
| Other financial assets                     |      | <b>11,806</b>           | 11,558                  |
| Deferred tax assets                        |      | <b>2,406</b>            | 1,599                   |
|  |      | <hr/> <b>1,145,615</b>  | <hr/> 1,208,189         |
| <b>Current assets</b>                      |      |                         |                         |
| Inventories                                |      | <b>5,802</b>            | 8,167                   |
| Trade and other receivables                | 11   | <b>80,095</b>           | 84,070                  |
| Amounts due from related companies         |      | <b>9,574</b>            | 1,466                   |
| Government subsidy receivables             |      | <b>4,502</b>            | 1,840                   |
| Income tax recoverable                     |      | <b>3,135</b>            | 3,360                   |
| Cash and cash equivalents                  |      | <b>58,662</b>           | 56,648                  |
| Assets of the disposal group held for sale |      | <b>—</b>                | 127,477                 |
|  |      | <hr/> <b>161,770</b>    | <hr/> 283,028           |

|   | <i>Note</i> | <b>2024</b><br><b>HK\$'000</b> | 2023<br>HK\$'000        |
|---|-------------|--------------------------------|-------------------------|
| <b>Current liabilities</b>  |             |                                |                         |
| Trade and other payables  | 13          | 111,750                        | 110,210                 |
| Contract liabilities  |             | 2,309                          | 1,455                   |
| Deferred government subsidies   |             | 841                            | 867                     |
| Bank borrowings   |             | 141,979                        | 143,200                 |
| Loans from immediate holding company                                  |             | 7,000                          | 7,000                   |
| Loans from ultimate holding company                                   |             | 23,342                         | 106,252                 |
| Lease liabilities   |             | 2,507                          | 2,332                   |
| Income tax payable  |             | 3,686                          | 304                     |
| Liabilities directly associated with the disposal group held for sale |             | —                              | 12,801                  |
|   |             | <u>293,414</u>                 | <u>384,421</u>          |
| <b>Net current liabilities</b>  |             | <u>(131,644)</u>               | <u>(101,393)</u>        |
| <b>Total assets less current liabilities</b>                          |             | <u><u>1,013,971</u></u>        | <u><u>1,106,796</u></u> |
| <b>Non-current liabilities</b>  |             |                                |                         |
| Deferred government subsidies   |             | 7,854                          | 8,219                   |
| Bank borrowings   |             | 79,293                         | 118,982                 |
| Lease liabilities   |             | 5,271                          | 7,122                   |
| Deferred tax liabilities  |             | 107,264                        | 107,716                 |
|   |             | <u>199,682</u>                 | <u>242,039</u>          |
| <b>NET ASSETS</b>   |             | <u><u>814,289</u></u>          | <u><u>864,757</u></u>   |
| <b>EQUITY</b>   |             |                                |                         |
| Share capital   | 14          | 172,507                        | 172,507                 |
| Reserves  |             | 586,100                        | 594,369                 |
|   |             | <u>758,607</u>                 | <u>766,876</u>          |
| <b>Equity attributable to owners of the Company</b>                   |             | <u>758,607</u>                 | <u>766,876</u>          |
| <b>Non-controlling interests</b>                                      |             | <u>55,682</u>                  | <u>97,881</u>           |
| <b>TOTAL EQUITY</b>   |             | <u><u>814,289</u></u>          | <u><u>864,757</u></u>   |

## 1. GENERAL INFORMATION

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

At 31 December 2024, the directors consider the immediate parent to be Hubei Port (Hong Kong) International Limited (“**Hubei Port**”). Hubei Port is a company incorporated in Hong Kong and 100% owned by Hubei Port Group Company Limited (湖北港口集團有限公司), “**Hubei Port Group**”) and ultimate controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hubei Province (湖北省人民政府國有資產監督管理委員會). Neither of them produces financial statements available for public use.

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK**”).

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### 2.2 Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries.

In determining the appropriate basis of preparation of financial statements, the directors are required to consider whether the Group could continue in operational existence for the foreseeable future.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash flow from operations to meet its debt obligations as and when they fall due, and its ability to obtain adequate external financing to meet its committed future capital expenditures.

As at 31 December 2024, the Group had net current liabilities of approximately HK\$132 million.

The directors have reviewed the current performance and cash flow projections as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

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

Consequently, the directors have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies below:

- investment properties; and
- financial assets at fair value through profit or loss.

Non-current assets and disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (“**2020 Amendments**”) and amendments to IAS 1, *Presentation of Financial Statements – Non-current Liabilities with Covenants* (“**2022 Amendments**”)
- Amendments to IFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

#### **Amendments to IAS 1, *Presentation of Financial Statements* (the 2020 and 2022 Amendments, collectively the “IAS 1 Amendments”)**

The IAS 1 Amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 Amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 Amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.



## **Amendments to IFRS 16, Leases – Lease Liability in a Sale and Leaseback**

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

## **Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements**

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

## **4. REVENUE**

Revenue represents fair value of consideration received or receivable for terminal service, container handling, storage and other service, integrated logistics service, property leasing income, trading of commodities and general and bulk cargoes handling service rendered for the year.

### **(i) Disaggregation of revenue**

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

|  | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>Revenue from contracts with customers within the scope of IFRS 15</b> |                         |                         |
| Disaggregation by major products or services lines                       |                         |                         |
| — Terminal service   | 110,647                 | 111,183                 |
| — Container handling, storage & other services                           | 37,135                  | 37,161                  |
| — General and bulk cargoes handling service                              | 1,926                   | 3,698                   |
|  | <u>149,708</u>          | <u>152,042</u>          |
| — Integrated logistics service   | 49,990                  | 38,230                  |
| — Supply chain management and trading business                           | 184,797                 | 158,281                 |
|  | <u>384,495</u>          | <u>348,553</u>          |
| <b>Revenue from other sources</b>  |                         |                         |
| Property business — Gross rentals from investment properties             | 12,034                  | 12,748                  |
|  | <u>396,529</u>          | <u>361,301</u>          |

## 5. SEGMENT INFORMATION

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

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

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

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

All revenue for 2024 and 2023 were sourced from external customers located in the PRC. In addition, over 99% (2023: 99%) of the non-current assets of the Group as at the reporting date were physically located in the PRC, accordingly no geographic information is presented.

During the year ended 31 December 2024, the Group's customers with whom transactions have exceeded 10% of the Group's revenue are set out below:

|                            | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| Customer A <sup>(aa)</sup> | N/A *                   | 48,125                  |
| Customer B <sup>(aa)</sup> | N/A *                   | 38,564                  |
| Customer C <sup>(aa)</sup> | N/A *                   | 36,167                  |
| Customer D <sup>(aa)</sup> | <u>82,252</u>           | <u>N/A *</u>            |

\* Transactions with these customers did not exceeded 10% of the Group's revenue in the respective years.

(aa) Revenue from supply chain management and trading business segment.

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 Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

## Segment revenue and results

For the year ended 31 December 2024

|  | Property<br>business<br><i>HK\$'000</i> | Terminal &<br>related<br>business<br><i>HK\$'000</i> | Integrated<br>logistics<br>business<br><i>HK\$'000</i> | Supply<br>chain<br>management<br>and trading<br>business<br><i>HK\$'000</i> | Elimination<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|---|--|--|---|--------------------------------|--------------------------|
| <b>Disaggregation by timing of revenue recognition</b> |   |  |  |   |                                |                          |
| Point in time  | —                                       | 149,708  | 49,990   | 184,797   | —                              | 384,495                  |
| Over time  | 12,034                                  | —  | —  | —   | —                              | 12,034                   |
| <b>Revenue from external customers</b>                 | 12,034                                  | 149,708  | 49,990   | 184,797   | —                              | 396,529                  |
| Inter-segment revenue                                  | —                                       | 26,857   | 42   | —   | (26,899)                       | —                        |
| <b>Reportable segment revenue</b>                      | <u>12,034</u>                           | <u>176,565</u>                                       | <u>50,032</u>  | <u>184,797</u>  | <u>(26,899)</u>                | <u>396,529</u>           |
| <b>Reportable segment results</b>                      | <u>1,386</u>                            | <u>21,437</u>  | <u>2,100</u>   | <u>(1,810)</u>  | <u>—</u>                       | 23,113                   |
| Net change in fair value of investment properties      |   |  |  |   |                                | (1,734)                  |
| Net change in fair value of other financial assets     |   |  |  |   |                                | 603                      |
| Interest income  |   |  |  |   |                                | 187                      |
| Interest expenses                                      |   |  |  |   |                                | (11,357)                 |
| Corporate income                                       |   |  |  |   |                                | 22,215                   |
| Corporate and other unallocated expense                |   |  |  |   |                                | (5,409)                  |
| Profit before taxation                                 |   |  |  |   |                                | 27,618                   |
| Income tax   |   |  |  |   |                                | (14,723)                 |
| <b>Profit for the year</b>                             |   |  |  |   |                                | <u>12,895</u>            |

## Segment revenue and results

For the year ended 31 December 2023

|  | Property<br>business<br><i>HK\$'000</i> | Terminal &<br>related<br>business<br><i>HK\$'000</i> | Integrated<br>logistics<br>business<br><i>HK\$'000</i> | Supply<br>chain<br>management<br>and trading<br>business<br><i>HK\$'000</i> | Elimination<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|---|--|--|---|--------------------------------|--------------------------|
| <b>Disaggregation by timing of revenue recognition</b> |   |  |  |   |                                |                          |
| Point in time  | —                                       | 152,042  | 38,230   | 158,281   | —                              | 348,553                  |
| Over time  | 12,748                                  | —  | —  | —   | —                              | 12,748                   |
| <b>Revenue from external customers</b>                 | 12,748                                  | 152,042  | 38,230   | 158,281   | —                              | 361,301                  |
| Inter-segment revenue                                  | —                                       | 28,133   | 615  | —   | (28,748)                       | —                        |
| <b>Reportable segment revenue</b>                      | <u>12,748</u>                           | <u>180,175</u>                                       | <u>38,845</u>  | <u>158,281</u>  | <u>(28,748)</u>                | <u>361,301</u>           |
| <b>Reportable segment results</b>                      | <u>7,751</u>                            | <u>30,043</u>  | <u>2,647</u>   | <u>590</u>  | <u>—</u>                       | 41,031                   |
| Net change in fair value of<br>investment properties   |   |  |  |   |                                | (993)                    |
| Interest income  |   |  |  |   |                                | 355                      |
| Interest expenses                                      |   |  |  |   |                                | (15,898)                 |
| Share of loss of associates                            |   |  |  |   |                                | (710)                    |
| Corporate income                                       |   |  |  |   |                                | 6,851                    |
| Corporate and other unallocated expense                |   |  |  |   |                                | <u>(7,645)</u>           |
| Profit before taxation                                 |   |  |  |   |                                | 22,991                   |
| Income tax   |   |  |  |   |                                | <u>(9,203)</u>           |
| <b>Profit for the year</b>                             |   |  |  |   |                                | <u>13,788</u>            |

## 6. OTHER INCOME

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Rental receivable from operating leases, other than those relating to investment properties | 400                     | 464                     |
| Compensation from a subcontractor   | 18,910                  | —                       |
| Gain on disposal of property, plant and equipment   | 199                     | 164                     |
| Gain on disposal of a subsidiary  | 4,901                   | —                       |
| Gain on disposal of associates  | —                       | 3,549                   |
| Government subsidies  | 9,988                   | 8,423                   |
| Net foreign exchange gain   | 3,328                   | 6,851                   |
| Sundry income   | 208                     | 2,666                   |
|   | <u>37,934</u>           | <u>22,117</u>           |

## 7. INCOME TAX

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>Current tax</b>                                  |                         |                         |
| — Hong Kong profits tax                             | —                       | —                       |
| — PRC enterprise income tax                         | 12,748                  | 4,715                   |
| <b>Under-provision in respect of previous years</b> |                         |                         |
| — PRC enterprise income tax                         | 20                      | 4                       |
|   | <u>12,768</u>           | <u>4,719</u>            |
| <b>Deferred tax</b>                                 |                         |                         |
| Origination and reversal of temporary difference    | 1,955                   | 4,484                   |
|   | <u>14,723</u>           | <u>9,203</u>            |

No provision for Hong Kong profits tax has been provided during the year (2023: Nil) as the Company and its subsidiaries, which are subject to Hong Kong profits tax, incurred a loss for taxation purpose.

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

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

## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

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

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>Earnings</b>   |                         |                         |
| Profit for the year attributable to owners of the Company                           | <u>12,694</u>           | <u>15,360</u>           |
| <b>Number of shares</b>   |                         |                         |
| Weighted average number of ordinary shares outstanding for basic earnings per share | <u>1,725,066,689</u>    | <u>1,725,066,689</u>    |

### (b) Diluted earnings per share

There are no dilutive potential ordinary shares in issue for the years ended 31 December 2024 and 2023. The diluted earnings per share are equal to the basic earnings per share.

## 9. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

## 10. INVESTMENT PROPERTIES

|   | Investment<br>properties<br>under<br>construction<br><i>HK\$'000</i> | Completed<br>investment<br>properties<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|---|--|--|--------------------------|
| At 1 January 2023                                     | 273,459  | 577,770  | 851,229                  |
| Net change in fair value recognised in profit or loss | 2,758  | (3,751)  | (993)                    |
| Exchange realignment                                  | <u>(8,295)</u>   | <u>(17,461)</u>  | <u>(25,756)</u>          |
| At 31 December 2023 and 1 January 2024                | <b>267,922</b>   | <b>556,558</b>   | <b>824,480</b>           |
| Net change in fair value recognised in profit or loss | <b>(4,877)</b>   | <b>3,143</b>   | <b>(1,734)</b>           |
| Exchange realignment                                  | <u><b>(7,878)</b></u>  | <u><b>(16,617)</b></u>                                   | <u><b>(24,495)</b></u>   |
| <b>At 31 December 2024</b>                            | <u><b>255,167</b></u>  | <u><b>543,084</b></u>                                    | <u><b>798,251</b></u>    |

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

## 11. TRADE AND OTHER RECEIVABLES

|  | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>Trade and bills receivables</b>         |                         |                         |
| Trade receivables                          | 78,405                  | 78,037                  |
| Bills receivables                          | <u>1,777</u>            | <u>828</u>              |
|  | 80,182                  | 78,865                  |
| <i>Less: loss allowance</i>                | <u>(6,928)</u>          | <u>(5,879)</u>          |
|  | <u>73,254</u>           | <u>72,986</u>           |
| <b>Other receivables</b>                   |                         |                         |
| Deposits, prepayment and other receivables | 6,702                   | 13,872                  |
| Prepayment to suppliers                    | 5,017                   | 47                      |
| Value-added tax receivables                | <u>942</u>              | <u>867</u>              |
|  | 12,661                  | 14,786                  |
| <i>Less: loss allowance</i>                | <u>(5,820)</u>          | <u>(3,702)</u>          |
|  | <u>6,841</u>            | <u>11,084</u>           |
|  | <u><b>80,095</b></u>    | <u><b>84,070</b></u>    |

### Ageing analysis

The following is the ageing analysis of the trade and bills receivables, net of loss allowance, based on the invoice date or transaction date:

|              | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| 0 — 30 days  | 14,166                  | 20,135                  |
| 31 — 60 days | 30,046                  | 14,297                  |
| 61 — 90 days | 7,072                   | 8,170                   |
| Over 90 days | <u>21,970</u>           | <u>30,384</u>           |
|              | <u><b>73,254</b></u>    | <u><b>72,986</b></u>    |

## 12. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

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

*Note:* Hubei Port Hanjiang is a wholly-owned subsidiary of Hubei Port Group.

### (a) Summary of the Disposal

|  | <b>18 June 2024</b> |
|--|---------------------|
|  | <i>HK\$'000</i>     |
| <b>Assets</b>                          |                     |
| Property, plant and equipment          | 115,046             |
| Intangible assets                      | 6,203               |
| Deferred tax assets                    | 3,170               |
| Inventories                            | 30                  |
| Trade and other receivables            | 2,930               |
| Cash and cash equivalents              | 12                  |
|  | <u>127,391</u>      |
| <b>Liabilities</b>                     |                     |
| Trade and other payables               | 5,109               |
| Contract liabilities                   | 332                 |
| Income tax payable                     | 153                 |
| Deferred tax liabilities               | 1,416               |
|  | <u>7,010</u>        |
| <b>Net assets disposed of</b>          | <u>120,381</u>      |
| <b>Gain on the Disposal</b>            |                     |
| Consideration received                 | 74,733              |
| Net assets disposed of                 | (120,381)           |
| Amounts due to the Group upon disposal | 14,464              |
| Non-controlling interests              | 40,618              |
| Release of reserve upon disposal       | (4,533)             |
|  | <u>4,901</u>        |



### 13. TRADE AND OTHER PAYABLES

|                                | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--------------------------------|-------------------------|-------------------------|
| Trade payables                 | <u>19,155</u>           | <u>12,415</u>           |
| Other payables                 |                         |                         |
| — Payables to subcontractors   | 50,253                  | 50,861                  |
| — Accruals and sundry payables | <u>42,342</u>           | <u>46,934</u>           |
|                                | <u>92,595</u>           | <u>97,795</u>           |
|                                | <u><u>111,750</u></u>   | <u><u>110,210</u></u>   |

#### Ageing analysis

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

|              | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| 0 — 30 days  | 6,180                   | 2,729                   |
| 31 — 60 days | 4,988                   | 2,895                   |
| 61 — 90 days | 582                     | 1,072                   |
| Over 90 days | <u>7,405</u>            | <u>5,719</u>            |
|              | <u><u>19,155</u></u>    | <u><u>12,415</u></u>    |

### 14. SHARE CAPITAL

|                                 | 2024                        |                 | 2023                        |                 |
|---------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
|                                 | <i>Number of<br/>shares</i> | <i>HK\$'000</i> | <i>Number of<br/>shares</i> | <i>HK\$'000</i> |
| <b>Authorised:</b>              |                             |                 |                             |                 |
| Ordinary shares of HK\$0.1 each | <u>2,000,000</u>            | <u>200,000</u>  | <u>2,000,000,000</u>        | <u>200,000</u>  |
| <b>Issued and fully paid:</b>   |                             |                 |                             |                 |
| At 1 January and 31 December    | <u>1,725,066,689</u>        | <u>172,507</u>  | <u>1,725,066,689</u>        | <u>172,507</u>  |

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF OPERATIONS

#### Overall business environment

The principal activities of CIL are investment in and the development, operation and management of container and other ports (including the WIT Port (武漢陽邏港), the Multi-Purpose Port (通用港口) and the Hannan Port (漢南港), all located in the Yangtze River Basin in Hubei Province, the PRC), and the provision of port related integrated logistics, leasing of port-related warehouses, supply chain management, trading services and other services.

CIL recorded revenue of HK\$396,529,000 in 2024, representing an increase of 9.8% compared with the previous year; total profit of HK\$12,895,000, representing a decrease of 6.5% over the same period last year. Container throughput amounted to 900,342 TEUs, representing an increase of 200 TEUs over the same period last year. As of the end of 2024, the total net assets amounted to HK\$814,289,000, with a debt-to-asset ratio of 37.7%, and the average earnings per share were HK\$0.74.

As the core asset of CIL, the WIT Port serves as a central hub in the middle reaches of the Yangtze River and a strategic pivot for the “Port Economic Belt” of Hubei Province, and is transitioning from a traditional port to an “intelligent + industrial” comprehensive hub, benefiting from both policy support and geographic positioning. According to the data from the China Port & Harbors Association, in 2024, the comprehensive business environment evaluation of the WIT Port ranked 3rd among China’s inland river ports, climbing two positions compared with 2023.

In 2024, China completed a port cargo throughput of 17.6 billion tons, representing an increase of 3.7% over the same period last year. Among them, the cargo throughput of coastal ports was 11.5 billion tons, representing an increase of 3.4%; the throughput of foreign trade goods was 5.4 billion tons, representing an increase of 6.9%; and the throughput of domestic trade goods was 12.2 billion tons, representing an increase of 4%. The container throughput was 332 million TEUs, representing an increase of 7%.

Since Hubei Port (Hong Kong) International Limited (“**Hubei Port**”) became the immediate holding company of the Company in January 2022, the integration of phase I, II and III terminals of Yangluo Port has been completed so as to further optimize port logistics resources, all of which were conducive to the synergy and development of the Group’s port business.

The Group has vigorously developed new projects and new source of goods. The whole-vehicle container transportation business has been introduced. To actively develop new source of goods, leveraging on the opportunity of domestic vehicles to enter the international market, the Group has designed optimal packing solutions for different whole-vehicle container transportation so as to open up export channels for new energy vehicles, and form a stable source of goods for export projects. In 2024, 1,869 vehicles were packed with a total of 1,367 TEUs. Macheng stone market has been further developed. According to the unified deployment of the Group, a special team has been established to develop the Macheng stone market. The team takes advantage of the existing direct shipments to Japan and South Korea at Yangluo Port and successfully guides the return of some customers who export stone to Busan, Korea, thus securing a regular source of goods for export per week. The steel product loading and unloading business has been further developed. The Group has reached cooperation with Hubei Daming, Wuhan Zhuolixin (武漢卓立信), Hanyang Steel Mill (漢陽鋼廠) and other companies on steel coil loading and unloading business, which is operated in the free time of port berths and has greatly improved the utilization rate of berths. The Group continued to guarantee the services for direct shipping vessels. At present, Wuhan Datong (武漢大通) has put a total of 4 ships into operation on the international direct route of “Wuhan-Japan, South Korea and Russia”, forming a regular export schedule of 2-3 shipments per week. As the designated port for operations of international direct shipping vessels, Yangluo Port continued to offer “priority berthing, efficient and safe” loading and unloading services for international direct shipping vessels as a way to provide “logistics” support for the development of international direct shipping vessel business.

### ***The WIT Port and the Multi-Purpose Port***

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

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

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

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

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

### ***The Hannan Port***

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

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

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

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

### ***The Hanjiang logistics centre***

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

### ***Tongshang Supply Chain***

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

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

## OPERATING RESULTS

### Revenue

|  | Year ended 31 December |               |                 |          |                     |          |
|--|------------------------|---------------|-----------------|----------|---------------------|----------|
|  | 2024                   |               | 2023            |          | Increase/(Decrease) |          |
|  | <i>HK\$'000</i>        | <i>%</i>      | <i>HK\$'000</i> | <i>%</i> | <i>HK\$'000</i>     | <i>%</i> |
| <b>Revenue from contracts with customers within scope of IFRS 15</b> |                        |               |                 |          |                     |          |
| Terminal service   | <b>110,647</b>         | <b>27.9%</b>  | 111,183         | 30.8     | (536)               | (0.5%)   |
| Container handling, storage & other service                          | <b>37,135</b>          | <b>9.4%</b>   | 37,161          | 10.3     | (26)                | (0.1%)   |
| General and bulk cargoes handling service                            | <b>1,926</b>           | <b>0.5%</b>   | 3,698           | 1.0      | (1,772)             | (47.9%)  |
|  | <b>149,708</b>         | <b>37.8%</b>  | 152,042         | 42.1     | (2,334)             | (1.5%)   |
| Integrated logistics service   | <b>49,990</b>          | <b>12.6%</b>  | 38,230          | 10.6     | 11,760              | 30.8%    |
| Supply chain management and trading business                         | <b>184,797</b>         | <b>46.6%</b>  | 158,281         | 43.8     | 26,516              | 16.8%    |
|  | <b>384,495</b>         | <b>97.0%</b>  | 348,553         | 96.5     | 35,942              | 10.3%    |
| <b>Revenue from other sources</b>                                    |                        |               |                 |          |                     |          |
| Property business  | <b>12,034</b>          | <b>3.0%</b>   | 12,748          | 3.5      | (714)               | (5.6%)   |
|  | <b>396,529</b>         | <b>100.0%</b> | 361,301         | 100.0    | 35,228              | 9.8%     |

For the year ended 31 December 2024, the Group's revenue amounted to HK\$396,529,000 (2023: HK\$361,301,000), representing an increase of approximately 9.8% as compared to 2023. The increase in revenue are mainly due to the offsetting effects of:

- (i) the decrease in revenue from terminal and related business of 1.5% to HK\$149,708,000 (2023: HK\$152,042,000), mainly due to the disposal of Zhongxiang City Port Co. as its primary business is terminal and related business and the decrease of trans-shipment cargoes drove the decrease in revenue from the terminal service business;
- (ii) the increase of Integrated logistics service revenue increased by 30.8% to HK\$49,990,000 (2023: HK\$38,230,000), primarily due to the increase in business volume from the WIT Port;
- (iii) the increase in revenue of 16.8% to HK\$184,797,000 (2023: HK\$158,281,000) from the supply chain management and trading business, mainly due to the continued strong demand for the rice and broken rice trading business.

## Terminal service

### Container throughput

|                        | Year ended 31 December |              |                |              |                     |            |
|------------------------|------------------------|--------------|----------------|--------------|---------------------|------------|
|                        | 2024                   |              | 2023           |              | Increase/(Decrease) |            |
|                        | TEUs                   | %            | TEUs           | %            | TEUs                | %          |
| Gateway cargoes        | 366,412                | 40.7         | 320,905        | 35.7         | 45,507              | 14.2       |
| Trans-shipment cargoes | 533,930                | 59.3         | 579,237        | 64.3         | (45,307)            | (7.8)      |
|                        | <u>900,342</u>         | <u>100.0</u> | <u>900,142</u> | <u>100.0</u> | <u>200</u>          | <u>0.1</u> |

Provision of terminal service, container handling, storage and other service, general and bulk cargoes handling service at the WIT Port is one of the Group's principal business. Total throughput achieved by the WIT Port for the year ended 31 December 2024 increased by approximately 0.1% to 900,342 TEUs (2023: 900,142 TEUs). Among them, the shares of local and trans-shipment cargoes were about 40.7% and 59.3% respectively. The gateway cargoes throughput increased by approximately 14.2% to 366,412 TEUs (2023: 320,905 TEUs) and the trans-shipment cargoes throughput decreased by approximately 7.8% to 533,930 TEUs (2023: 579,237 TEUs).



The increase in overall container throughput was mainly attributable to a 14.2% increase in gateway cargo containers, which offset the decrease in trans-shipment containers. The increase in gateway cargo containers was mainly due to the completion of acquisition of the controlling interests of the Group by Hubei Port since January 2022 and the successful integration of Phase I, Phase II and Phase III of Yangluo Port area, resulting in the cessation of price cutting competition and exertion of synergetic effect. Besides, a new trans-shipment route between Yangluo and Huanggang region and Ezhou intercity trans-shipment route were added during the year ended 2023.

### ***Market share***

The Group's market share of container throughput in Wuhan for the year ended 31 December 2024 was approximately 25.7% (2023: 32%) based on a total of 3,500,000 TEUs (2023: 2,790,000 TEUs) handled for the whole of Wuhan Ports in 2024.

### **Integrated logistics service**

The integrated logistics service business of the Group provides agency and logistics services mainly at the WIT Port and the Hannan Port, including provision of freight forwarding, customs clearance, transportation of containers and logistics management services. Revenue generated from the integrated logistics service business for the year ended 31 December 2024 increase by 30.8% to HK\$49,990,000 (2023: HK\$38,230,000). The relevant revenue accounted for approximately 12.6% of the Group's total revenue for the year ended 31 December 2024 (2023: 10.6%).

The increase in revenue was mainly attributable to the increase in business volume from the WIT Port for the year ended 2024.

### **Supply chain management and trading business**

The revenue of the Group's supply chain management and trading business increased by 16.8% to HK\$184,797,000 (2023: HK\$158,281,000) which accounted for approximately 46.6% of the Group's total revenue for the year ended 31 December 2024 (2023: 43.8%).

The increase mainly due to the continued strong demand for the rice and broken rice trading business for the year ended 2024 as well as the introduction of paddy rice products in the second half of 2024.

## **Property business**

Revenue for the Group's property business was mainly generated from the port and warehouse leasing business of the Hannan Port, Wuhan which owns investment properties of leasehold lands, berth, commercial buildings and pontoon, as well as the leasing of a stacking yard and certain warehouses at the WIT Port during the year ended 31 December 2024. The port and warehouse leasing income for property business decreased by 5.6% to HK\$12,034,000 (2023: HK\$12,748,000) which accounted for approximately 3.0% of the Group's total revenue for the year ended 31 December 2024 (2023: 3.5%).

The decrease was mainly due to the decrease in revenue from the leases for the stacking yard at the WIT Port and the Hannan Port resulted from the decrease in rental area.

## **Gross profit and gross profit margin**

For the year ended 31 December 2024, gross profit decreased by 20.7% to HK\$61,613,000 (2023: HK\$77,653,000) and gross profit margin was 15.5% (2023: 21.5%). The decrease in gross profit and gross profit margin is primarily due to the increase in revenue from supply chain management and trading business with relatively lower gross profit margins, as well as the increase in direct labor costs for the year ended 2024 and a write down of inventories of approximately HK\$2,257,000.

## **Other income**

Other income for the year ended 31 December 2024 increased by approximately 71.5% to HK\$37,934,000 (2023: HK\$22,117,000). The increase was mainly attributable to (i) the disposal of equity interest in a subsidiary by the Group with a gain of approximately HK\$4,901,000 (ii) the Group has received a compensation income in the amount of approximately HK\$18,910,000 in relation to a historic construction contract.

## **Net change in fair value of investment properties**

The Group holds certain investment properties, including (i) the port and warehouse in the Hannan Port; (ii) the logistics centre adjacent to the Shayang Port; and (iii) a stacking yard and certain warehouses at the WIT Port. The Group's investment properties are revalued at the end of the reporting period on an open market value basis by an independent property valuer. Changes in fair value arising from such revaluations are accounted for as "change in fair value of investment properties" through the consolidated statement of profit or loss and other comprehensive income. For the year ended 31 December 2024, the Group recorded a fair value loss in the value of investment properties of HK\$1,734,000 (2023: a fair value loss in the value of investment properties of HK\$993,000).

The increase in fair value loss of investment properties is mainly due to a moderation in the decrease in market rent of the warehouse properties in the logistics centre adjacent to the Shayang Port as compared to year ended 31 December 2023.

## **Profit attributable to owners of the Company for the year**

Profit attributable to owners of the Company for the year decreased by HK\$2,666,000 or approximately 17.4% to HK\$12,694,000 (2023: HK\$15,360,000). The decrease in profit attributable to owners of the Company was mainly driven by the offsetting effects of (i) the decrease in gross profit of approximately HK\$16,040,000; (ii) the increase in a fair value loss from investment properties of approximately HK\$741,000 as compared to the corresponding year; (iii) the increase in other income of approximately HK\$15,817,000 (iv) the decrease in net finance costs of approximately HK\$4,373,000; and (v) the increase in income tax expense of approximately HK\$5,520,000 due to a one-off non-recurring gain on disposal of equity interest in a subsidiary and the deferred tax assets arising from the fair value loss on investment properties and the increase in expected credit loss of receivables.

Earnings per share (basic and diluted) attributable to owners of the Company for the year ended 31 December 2024 was HK0.74 cents (2023: HK0.89 cents), representing a decrease of 16.9% as compared with that for the year ended 31 December 2023.

## **Financial resources and liquidity**

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

As at 31 December 2024, the Group has cash and cash equivalents of approximately HK\$58,662,000 (2023: approximately HK\$56,648,000).

As at 31 December 2024, the Group had total outstanding interest-bearing borrowings of HK\$251,614,000 (2023: HK\$375,434,000). The Group had net assets of HK\$814,289,000 (2023: HK\$864,757,000).

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

As at 31 December 2024, the Group's net current liabilities was HK\$131,644,000 (2023: HK\$101,393,000), with current assets of HK\$161,770,000 (2023: HK\$283,028,000) and current liabilities of HK\$293,414,000 (2023: HK\$384,421,000), representing a current ratio of 0.6 times (2023: 0.7 times). The net current liabilities as at 31 December 2024 increased mainly due to the decrease of asset of the disposal group held for sale.

## **Exchange rate risk**

The Group mainly operates in the PRC and its principal activities are mainly transacted in RMB. Therefore, the Directors consider the Group has no significant foreign currency risk. The Group did not use any financial instruments for hedging purpose, but will continue to monitor foreign exchange rate changes to best preserve the Group's cash value.

## **Capital commitments**

As at 31 December 2024, the Group had capital commitments in respect of the construction of port facilities contracted but not provided for amounting to HK\$40,640,000 (2023: HK\$45,603,000). Capital commitments for the year was mainly attributable to the capital commitment related to the construction projects in the logistics centre adjacent to the Shayang Port.

## **Contingent liabilities**

The Group had no material contingent liabilities as at 31 December 2024 (2023: nil).

## **Pledge of assets**

As at 31 December 2024, the Group has pledged certain of its port facilities, terminal equipment and land use rights with carrying amount of approximately HK\$3,681,000 (2023: HK\$4,297,000), HK\$15,451,000 (2023: HK\$16,417,000) respectively, to secure bank borrowings granted to the Group.

## **Future plans for material investments or capital assets**

The Group has no concrete future plans for material investments and capital assets as at 31 December 2024.

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

The Group did not have any other significant investments, material acquisitions or disposals of subsidiaries and associates and joint ventures during the year ended 31 December 2024.

## **Employees and remuneration policies**

As at 31 December 2024, the Group had an aggregate of 328 full-time employees (2023: 357). The Group has maintained good relationship with its staff and has not experienced any major disruptions of its operations due to labour disputes. The Group participates in retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC and makes contributions to the Mandatory Provident Fund Scheme of Hong Kong for its employees in Hong Kong. The Group remunerates its employees in accordance with their work performance and experience. The Board has designated the duties of determining Directors' service contracts, the reviewing of Directors' and senior management's emoluments and the awarding of discretionary bonuses of the Company to the remuneration committee of the Company.

The Group conducts a range of targeted training and development programs through various institutions to strengthen employees' skills and knowledge, with an aim to well equip them to cope with its development in the industry.

The Company has also adopted a share option scheme on 25 May 2018 to recognise and acknowledge the contributions of eligible employees and directors of the Company or its subsidiaries.

## **FUTURE OUTLOOK**

Hubei Port Group Company Limited (湖北港口集團有限公司 (formerly known as “湖北省港口集團有限公司”), the holding company of Hubei Port, (“**Hubei Port Group**”) pays high attention to the operation and development of CIL, and has convened multiple dedicated coordination meetings to advance the high-quality development of CIL. Hubei Port Group has mobilized all resources to substantially support CIL in optimizing resource allocation and strengthening internal synergies.

In 2025, CIL will focus on achieving high-quality development, strengthen core functions and enhance core competitiveness. With reform and innovation as key drivers and steady operations as a foundational support, CIL will emphasize five priorities: industrial transformation, deepening reforms, innovation-driven development, risk prevention, and value creation. It will strive to accomplish the targets outlined in the 14th Five-Year Plan while building momentum for a good start to the 15th Five-Year Plan.

The WIT Port will comprehensively advance the construction of intelligent and green port facilities in port management, customer services, safety and environmental protection, and production operations. It will continue to deepen cooperation with international ports to enhance international competitiveness, strengthen collaboration with cities along the Yangtze River, promote coordinated development of port, industry, and city, and continuously consolidate its status as a central shipping hub in the middle reaches of the Yangtze River. Hannan Port will fully leverage its role as a national first-class port in service, driving force, and regional influence. Centered on port-proximate industries, Hannan Port will focus on the integrated development of port, industry and city, and is fully committed to building a modern logistics industry development system, thereby supporting the high-quality development of China's auto valley in the new era. In terms of the domestic and international supply chain business, CIL will concentrate on primary responsibilities and core businesses, and steadily conduct business by leveraging resources of Hubei Port Group such as ports, railways, and vessels, while actively exploring new growth drivers.

### **Dividend**

The Directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

### **Significant events after the reporting period**

There are no significant events after the end of the reporting period.

### **Sufficiency of Public Float**

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained sufficient public float throughout the Year as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time (the “**Listing Rules**”).

### **Purchase, sale, or redemption of the Company's listed securities**

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2024, the Company has no treasury shares.

## **Compliance with code of corporate governance practices**

The Company is committed to achieving high standards of good corporate governance practices and procedures with a view to enhance corporate value and accountability, and safeguard the interests of its shareholders.

The Company has adopted and applied the Corporate Governance Code (the “**CG Code**”) contained in part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance. To the best knowledge of the Directors, the Company had complied with all the code provisions as set out in the CG Code for the year ended 31 December 2024.

## **Compliance with Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) and devised its own code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the Model Code.

Specific enquiry has been made to all Directors, who have confirmed that, during the year ended 31 December 2024, each of them was in compliance with the required standards set out in the Model Code and the Company’s code of conduct.

## **Review by Audit Committee**

The audit committee of the Company (the “**Audit Committee**”) has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting and internal control and risk management principles of the Group and to assist the Board to fulfill its responsibilities over audit. The Audit Committee has reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control, risk management and financial reporting matters. The annual results of the Group for the year ended 31 December 2024 have also been reviewed by the Audit Committee. The Audit Committee consists of one non-executive Director, namely, Ms. Yu Ling, and three independent non-executive Directors, namely, Mr. Chau Kwok Keung, Mr. Fu Xinping and Dr. Mao Zhenhua. Mr. Chau Kwok Keung serves as the chairman of the Audit Committee.

## **Scope of work of Crowe (HK) CPA Limited**

The figures in respect of the results of the Group for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Company's auditor, Crowe (HK) CPA Limited (“**Crowe**”), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Crowe in this respect was limited and did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements and consequently no assurance has been expressed by Crowe in this announcement.

## **Publication of final results announcement and annual report**

This annual results announcement is published on the website of Stock Exchange at <http://www.hkexnews.hk> and on the Company's website at [www.cilgl.com](http://www.cilgl.com). The annual report of the Group for the year ended 31 December 2024 containing all the information required by the Listing Rules will also be published on the same websites and be dispatched to the shareholders of the Company (if requested) in due course.

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

Hong Kong, 26 March 2025

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

*\* for identification purpose only*