



中國通商

中國通商集團有限公司

China Infrastructure & Logistics Group Ltd.

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1719



2024

Annual Report

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





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Corporate information

Directors

Executive Directors:

Ms. Zhou Wei
Mr. Qiao Yun

Non-executive Directors:

Mr. Xu Aoling (*Resigned on 10 January 2025*)
Mr. Li Wei
Ms. Yu Ling (*Appointed on 10 January 2025*)

Independent non-executive Directors:

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

Audit committee members

Mr. Chau Kwok Keung (*Chairman*)
Mr. Xu Aoling (*Resigned on 10 January 2025*)
Mr. Fu Xinping
Dr. Mao Zhenhua
Ms. Yu Ling (*Appointed on 10 January 2025*)

Remuneration committee members

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

Nomination committee members

Ms. Zhou Wei (*Chairman*)
Mr. Chau Kwok Keung
Mr. Fu Xinping
Dr. Mao Zhenhua

Authorised representatives

Ms. Zhou Wei
Ms. Hui Wai Man, Shirley (*Resigned on 30 September 2024*)
Ms. Lai Yeung Fun (*Appointed on 30 September 2024 and resigned on 10 January 2025*)
Mr. Yiu Chun Wing (*Appointed on 10 January 2025*)

Company secretary

Ms. Hui Wai Man, Shirley (*Resigned on 30 September 2024*)
Ms. Lai Yeung Fun (*Appointed on 30 September 2024 and resigned on 10 January 2025*)
Mr. Yiu Chun Wing (*Appointed on 10 January 2025*)

Auditor

Crowe (HK) CPA Limited
Registered Public Interest Entity Auditor

Legal advisers

Sidley Austin
Maples and Calder

Company website

www.cilgl.com

Principal bankers

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

China Merchants Bank
Wuhan Branch, the PRC

Bank of Hankou
Yangluo Branch, the PRC

Rural Commercial Bank
Yangluo Branch, the PRC

Industrial Bank
Hong Kong

China CITIC Bank International Limited
Hong Kong

Corporate information

Head office

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

Principal share registrar and transfer office

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

Hong Kong branch share registrar and transfer office

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

Registered office

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
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Stock Code

1719

Financial highlights

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).

Financial highlights

MANAGEMENT DISCUSSION AND ANALYSIS

Results

	2024 HK\$'000	2023 HK\$'000
Revenue	396,529	361,301
Profit before taxation	27,618	22,991
Income tax	(14,723)	(9,203)
Profit for the year	12,895	13,788
Non-controlling interests	201	(1,572)
Profit for the year attributable to owners of the Company	12,694	15,360
Basic and diluted earnings per share attributable to owners of the Company (HK cents)	0.74	0.89

Chairman's Statement



Chairman's statement



On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Infrastructure & Logistics Group Ltd. (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024.



Review of operations and results

For the year ended 31 December 2024, profit attributable to owners of the Company was HK\$12,694,000 (2023: HK\$15,360,000).

The WIT Port of China Infrastructure & Logistics Group Ltd. (“**CIL**”) is located along the Yangtze River in the Yangluo Economic Development Zone, Wuhan, Hubei Province, the PRC, stands as one of the important ports in the middle reaches of the Yangtze River, and serves as a core component of new ports in Wuhan. Holding a pivotal position in the development of Yangtze River Economic Belt, the WIT Port serves as a vital force driving the economic growth in the middle reaches of the Yangtze River, and functions as a crucial node in the “Belt and Road” Initiative, bridging connectivity between the central and western regions of China and global markets.

Wuhan has a solid and developed industrial base, with production facilities established by industrial operators across multiple sectors including automobile and parts, chemical products, grain, wood, textiles, machinery and equipment. The WIT Port significantly enhances the economic development of Wuhan and adjacent areas, by facilitating regional trade and industrial growth. Due to the channel passage capacity limitations along the upstream regions of the Yangtze River, large vessels are unable to pass through and transport normally. The WIT Port also offers a more economical alternative for customers in the middle and upper reaches of the Yangtze River, 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.

Chairman's statement

In 2024, CIL achieved parallel progress in four core business segments, namely port operations, agency services, leasing, and supply chain, demonstrating stable growth trajectories. CIL newly launched the “Indonesia – Wuhan” international break bulk line, and pioneered a sea-river intermodal transportation featuring “point-to-point” connectivity and “one ship to the end” from Indonesia directly to Hubei Province, which effectively reduced logistics durations and costs while elevated Hubei’s competitiveness within global industrial and supply chains. Direct container routes were newly opened such as “Rugao Port – Yangluo Port”, “Rizhao Port – Yangluo Port”, “Dalian Port – Yangluo Port”, and “Huangshi Port – Yangluo Port”, providing customers with more convenient and efficient logistics services. The Hannan Port of CIL has obtained approval as a national first-class port, and strategically focuses on cross-border logistics for high-value-added industries such as automotive and optoelectronics, forming a “dual-core driving force” in synergy with the WIT Port. CIL facilitated exports of products in “new three” industries, namely new energy vehicles, lithium-ion batteries and photovoltaic products, with automotive container shipments reaching 1,367 TEUs and lithium battery export volumes amounting to 1,600 TEUs, representing a year-on-year increase of 3.2% and 7%, respectively. CIL fully leverages the platform role of Hong Kong subsidiary.

Future outlook

Hubei Port Group Company Limited* (湖北港口集團有限公司, “**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.

Chairman's statement

Acknowledgement

Finally, I would like to extend my heartfelt gratitude to all our shareholders for their continued support and to our customers and banks for their trust, encouragement and recognition. Meanwhile, I would also like to thank all members of the Board for their valuable contributions and support, and all our staff and the management team for their hard work and devotion.

Ms. Zhou Wei

Chairman

Hong Kong, 26 March 2025

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 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

Management discussion and analysis

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 (武汉大通) 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.

Management discussion and analysis

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, the Directors consider that it is in the interests of the Group to make further investments in its port businesses in the Wuhan area.

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

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

Management discussion and analysis

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

Leveraging the Group's resources in the operation and management of various ports and terminals located within the Yangtze River Basin in Hubei Province, coupled with its solid customer and supplier network cultivated during its many years of business operation, Tongshang Supply Chain 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".

Management discussion and analysis

Operating results

Revenue

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

Management discussion and analysis

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)
	900,342	100.0	900,142	100.0	200	0.1

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.

Management discussion and analysis

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; and (ii) the Group has received a compensation income in the amount of approximately HK\$18,910,000 in relation to a historic construction contract.

Management discussion and analysis

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.

Management discussion and analysis

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.

Management discussion and analysis

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. Further details of the share option scheme is set out in the section headed "Share Option Scheme" on pages 83 to 84 of this annual report.

Key risks and uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those known to the Group or which may not be material now but could turn out to be material in the future.

Operational risk

The operation of a port may be adversely affected by many factors, including the breakdown of essential machinery or equipment (such as quay cranes, RTG cranes and trucks), labour disputes, inclement weather and natural disasters. In addition, cargo and container movements into and out of the ports rely on third party trucking and barge and shipping companies which contract directly with importers, exporters or shipping companies. The failure or inability of all or some of these companies to provide the requisite services efficiently could disrupt the Group's operations and result in a loss of revenues.

Management discussion and analysis

Business risk

Disruptions to the Group's operations could affect the Group's existing business plan. The expected principal source of revenue are (i) tariffs paid by the vessels, shipping companies and feeders from WIT; and (ii) rental income from the investment properties of the Group. The Group's stream of revenue is limited by the amount of tariffs which may be charged by and the throughput capacity of WIT. The volume of throughput which may be handled by a port is generally limited by its capacity, its integration in relation to other parts of the local and national traffic network, competition with competing ports and the availability of adjoining land for expansion and for accommodating ancillary facilities. The distributable profits of the Company would be constrained by such limited stream of revenue.

Industrial risk

The business is cyclical, with periodic overcapacity, and price competition is steep. Over the long term, many companies cover their cost of capital but do not earn a profit. The industry is also very fragmented, although recent signs indicate a move toward consolidation.

The competition on tariff, services and the turnaround time is fierce within Yangluo where there are in total three ports and customers may choose rail and road as substitutes for transportation if the tariff of rail and road become more competitive.

Manpower risk and personnel retention

The competition for talents in the region where the Group operates has led to the risk that the Group is not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will continue to provide attractive remuneration package to attract, retain and motivate suitable candidates and personnel.

Further, the Group's business is also subject to reputation risk and significant change in customer relationship.

Delay in the completion of the development and construction

The Group has commenced the pre-construction work of Phase II of the Hannan Port prior to the year under review. Considerable capital expenditure is required for these port projects during the construction period and it generally takes over one year for a project to be completed and start to accrue income. The construction period and the capital required to complete any given projects may be affected by different factors such as shortages of construction materials, availability and efficiency of equipment and labour, inclement weather, natural disasters, disputes with workers or contractors, accidents, changes in government policies and unforeseen difficulties or circumstances. Delays in completion of a project are likely to result from such events and may cause losses in revenue and cost over-runs. Ports in the PRC are required to be built in accordance with construction standards laid down by the PRC government which, through its delegated departments and agencies, inspects and accepts projects on completion. Any postponement in the issue or grant of licences, permits and approvals by the relevant authorities or other governmental agencies will lead to an increase in cost and delay in the commencement of operation and receipt of revenue. Capacity of the port and the cash flow of the project may be affected by various factors referred to above.

Management discussion and analysis

Financial risk

Port-related infrastructure developments and investments require significant amounts of capital resources, particularly at the initial stage. As soon as the Group resolves to undertake a project, it has to commit a substantial amount of capital resources to invest in the project prior to its commencement of operation and before the project is capable of generating sufficient returns to pay back its capital investment, such as Phase II of Hannan Port. The Group recognised the financial risks arising from the unique business nature and put great effort in budgeting, management and control of funds.

Valuation risk of investment properties

The Group holds certain investment properties, including (i) 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. These investment properties are located in Wuhan and the values of the properties depend, to a large extent, on the performance of the economy, property market conditions, industry development trends and conditions and government policies in Hubei Province.

Associated risks of the supply chain management and trading business

Business risk

The supply chain management industry is highly competitive and fragmented with a number of service providers providing similar services, which may affect the Group's ability to attract and retain customers and may adversely affect the Group's business and operation.

Credit risk

During the supply chain operation, there is a time difference between making payments to suppliers and receiving payments from customers. The Group does not have access to all information of its customers to determine their creditworthiness.

There is no assurance that the customers will make payments on time and in full. If the Group experiences any difficulty in collecting a substantial portion of its trade receivables, the Group's cash flows and financial position could be materially and adversely affected.

Inventory risk

Although the Group adopts the practice of back-to-back orders, the Group's customers may cancel orders with the Group and the Group may not be able to resell those products. In such a case, the Group may have to pile up the products in its inventory, which may adversely affect the Group's financial position.

Working capital risk

The Group is required to maintain sufficient level of working capital on a continuous basis to support this business model, including the purchase of commodities from suppliers. In the event that the Group fails to maintain sufficient level of working capital, the Group's business operations and financial performance may be materially and adversely affected.

Directors and senior management

Directors

As at the date of this report, the Board comprises two executive Directors, two non-executive Directors and three independent non-executive Directors. Their biographical details are set out below:

Chairman and Executive Director

Ms. Zhou Wei (周薇), aged 37, was appointed as a non-executive Director of the Company since May 2022, re-designated as an executive Director of the Company since May 2023 and has been the Chairman of the Board of the Company since June 2023. From July 2020 to July 2022, she has also been the deputy head of the investment and development department of Hubei Port Group Company Limited*. From April 2021 to October 2022, Ms. Zhou has been a supervisor of Wuhan Comprehensive Transportation Research Institute Co., Ltd* (武漢綜合交通研究院有限公司), a subsidiary of Hubei Port Group Company Limited* and principally engaged in comprehensive transportation planning and technical consultation. From July 2022 to August 2023, Ms. Zhou has also served as the deputy general manager of Wuhan Port Group Co., Ltd.* (武漢港務集團有限公司). From September 2023 to March 2025, Ms. Zhou served as the general manager of the investment development department of Hubei Port Group Company Limited*. Since March 2025, Ms. Zhou has also served as a member of the party committee and the chief accountant of Hubei Port Group. Ms. Zhou has been a member of The Association of Chartered Certified Accountants since September 2015. She obtained her bachelor's degree of management science from the Fudan University* (復旦大學) in July 2010 and her postgraduate's degree of international accounting and finance from the City University of London in October 2011.

Executive Director

Mr. Qiao Yun (喬雲), aged 54, was appointed as an executive Director and general manager of the Company since May 2022. Since November 2020, he has been the party secretary and chairman of Wuhan Xingang Hanjiang Container Co., Ltd.* (武漢新港漢江集裝箱股份有限公司), a company indirectly controlled by Hubei Port Group and principally engaged in the provision of freight and warehousing logistics related services. Mr. Qiao obtained the qualification as a senior engineer conferred by Wuhan Municipal Human Resources and Social Security Bureau* (武漢市人力資源和社會保障局) in October 2005. He obtained his bachelor's degree from the Wuhan Jiaotong University* (武漢交通科技大學) in June 1994, majoring in hoisting, transportation and construction machinery.

Non-executive Directors

Ms. Yu Ling (喻玲), aged 39, was appointed as a non-executive Director of the Company since January 2025. Ms. Yu is currently the general manager of the finance department of Hubei Port Group Company Limited* ("**Hubei Port Group**"). Hubei Port Group is the controlling shareholder of Hubei Port (Hong Kong) International Limited and an indirect controlling shareholder of the Company, which is principally engaged in infrastructure investment and construction, port operation, and provision of integrated logistics, supply chain management and other services. Since April 2023, Ms. Yu has also been serving as a director of Hubei Port Capital Company Limited, a wholly-owned subsidiary of Hubei Port Group, which is principally engaged in investment management and asset management. Ms. Yu has over 16 years of experience in financial management, treasury management, tax management and fund raising. From July 2008 to September 2009, Ms. Yu worked as an accountant of Wuhan Port Group Company Limited, Hanyang Port Branch. From October 2009 to July 2016, Ms. Yu worked as the chief accountant of Wuhan Port Group Company Limited. From August 2016 to July 2020, Ms. Yu served as the supervisor of Hubei Port Group. From August 2020 to July 2022, Ms. Yu served as the first-level supervisor of Hubei Port Group. From August 2022 to November 2024, Ms. Yu served as the deputy general manager of the finance department of Hubei Port Group. In June 2008, Ms. Yu graduated from Wuhan University of Science and Technology with a bachelor's degree, majoring in accounting. In December 2019, Ms. Yu was awarded the qualification of senior accountant by the Wuhan Vocational Reform Office.

Directors and senior management

Mr. Li Wei (李偉), aged 52, was appointed as a non-executive Director on 28 June 2023. Mr. Li is currently the head of the production business department of Hubei Port Group Company Limited* (“**Hubei Port Group**”), which is the controlling shareholder of Hubei Port (Hong Kong) International Limited and an indirect controlling shareholder of the Company. Hubei Port Group is mainly engaged in infrastructure investment and construction, port operations, and provides services such as integrated logistics and supply chain management. Since January 2022, Mr. Li has also served as the chairman of the supervisory board of Wuhan New Port JiangBei Railway Co., Ltd.* (武漢新港江北鐵路有限責任公司), which is an associate of Hubei Port Group and is mainly engaged in railway transportation. Mr. Li graduated from the Central Party School Correspondence College in the People's Republic of China with a major in economics and management in December 2005. From December 2004 to January 2007, Mr. Li served as manager of Jingzhou Port First Port Company* (荊州港第一港埠公司), a subsidiary of Jingzhou Port Group Company* (荊州港務集團公司) which is in turn a wholly-owned subsidiary of Hubei Port Group, and is principally engaged in businesses such as waterway transportation, cargo loading and unloading, transit shipment, water transportation and transportation. From January 2007 to March 2010, Mr. Li served as director of Jingzhou Port Group Company, which is a large-scale public wharf operator in Jingzhou City, the People's Republic of China, and manager of Jingzhou Port First Port Company, its subsidiary. From March 2010 to July 2011, Mr. Li served as director of Jingzhou Port Group Company and general manager of Liulin Port Management Company* (荊州港柳林港務公司). From July 2011 to October 2021, Mr. Li served as deputy general manager of Jingzhou Port Group Company. From November 2021 to August 2022, Mr. Li assumed the role of deputy head of the production business department of Hubei Port Group. From August 2022 to December 2024, Mr. Li served as the head of the production business department and the general manager of the business operations management department of Hubei Port Group. Since December 2024, he has been serving as the chief dispatcher of the operations and dispatch centre of Hubei Port Group.

Independent non-executive Directors

Mr. Chau Kwok Keung (鄒國強), aged 48, was appointed as independent non-executive Director of the Company since May 2022. He is the chief financial officer of Laekna, Inc., a company listed on the Stock Exchange (Stock Code: 2105), since January 2024. Mr. Chau served as the chief financial officer and an executive director of BetterLife Holding Limited, a company listed on the Stock Exchange (Stock Code: 6909) from September 2020 and December 2020 to January 2024 respectively, where he was mainly responsible for overall financial planning and management, company secretarial affairs, coordination of investors relations and administrative work. From November 2007 to January 2020 and June 2008 to January 2020, Mr. Chau served as the chief financial officer and an executive director, respectively, of Comtec Solar Systems Group Limited, a company listed on the Stock Exchange (Stock Code: 712), where he was responsible for its corporate financial and general management. Mr. Chau was also appointed as (i) an independent non-executive director and the chairman of the audit committee of Qingdao Port International Co., Ltd., a company dual-listed on the Stock Exchange (Stock Code: 6198) and the Shanghai Stock Exchange (Stock Code: 601298) from May 2014 to May 2019; (ii) an independent director of The9 Limited, whose shares are listed by way of American Depositary Shares on NASDAQ (NASDAQ: NCTY), since October 2015; (iii) an independent non-executive director and the chairman of the audit committee of China Xinhua Education Group Ltd., a company listed on the Stock Exchange (Stock Code: 2779), from October 2017 to November 2022; (iv) an independent non-executive director of China Tobacco International (HK) Company Limited, a company listed on the Stock Exchange (Stock Code: 6055.HK), from December 2018 to May 2024; (v) an independent non-executive director and the chairman of the audit committee of Forward Fashion (International) Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 2528) from December 2019 to August 2021; (vi) an independent non-executive director of Bank of Zhangjiakou Co., Ltd (張家口銀行股份有限公司), since April 2020; (vii) an independent non-executive director and the chairman of the audit committee of Suzhou Basecare Medical Corporation Limited, a company listed on the Stock Exchange (Stock Code: 2170), from October 2021 to June 2023; (viii) an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee of Laekna, Inc., a company listed on the Stock Exchange (Stock Code: 2105), from June 2023 to January 2024. Mr. Chau also acted as a member of supervisory board of RIB Software AG, a software company in Germany, which was listed on Frankfurt Stock Exchange (Stock Code: RIB), from May 2010 to June 2013.

Directors and senior management

Mr. Chau has been a member of the Association of Chartered Certified Accountants (ACCA) since June 2002, a Chartered Financial Analyst of CFA Institute since September 2003 and a member of Hong Kong Institute of Certified Public Accountants (HKICPA) since July 2005. He also obtained a certificate of Qualified Independent Director from the Shanghai Stock Exchange since August 2017 and was approved by China Banking Regulatory Commission (中國銀行業監督管理委員會) as qualified director of banking institutions in China since March 2020. Mr. Chau has been a fellow member of the Institute of Public Accountants (IPA) of Australia and Institute of Financial Accountants (IFA) since June 2020. Mr. Chau obtained his bachelor's degree of business administration from the Chinese University of Hong Kong in December 1998.

Mr. Fu Xinping (付新平), aged 62, was appointed as independent non-executive Director of the Company since May 2022. He works for the Wuhan University of Technology* (武漢理工大學) (one of its predecessors is Wuhan Institute of Water Transport Engineering* (武漢水運工程學院) which was later renamed as Wuhan University of Transportation and Technology* (武漢交通科技大學)) since July 1987, with his current position as the professor of the School of Economics. Since December 2016, Mr. Fu has also been an independent director of Wuhan Express Holding Group Co., Ltd.* (武漢運通控股集團有限公司), a company owned by Hubei Port Group as to 7.5 percent equity interest and principally engaged in investment in transportation, logistics and real estate. Mr. Fu. was admitted as a professor in transportation by the Assessment Committee on Qualifications for Professional and Technical Positions of Wuhan University of Transportation and Technology* (武漢交通科技大學專業技術職務評審委員會) in November 1999. In December 1999, Mr. Fu was also recognised as a certified supervisory engineer* (專業監理工程師) by the Transportation Department of the PRC. Mr. Fu completed his postgraduate study from the Department of Management Engineering of Wuhan Institute of Water Transport Engineering* (武漢水運工程學院), majoring in Transportation Management Engineering in July 1987. He obtained his bachelor's degree in engineering from the Department of Marine Mechanical Engineering of Wuhan Institute of Water Transport Engineering* (武漢水運工程學院) in July 1983.

Dr. Mao Zhenhua(毛振華), aged 61, was appointed as an independent non-executive Director of the Company since January 2016. He has been a member of the Nomination Committee, Audit Committee and Remuneration Committee of the Company since January 2016. Dr. Mao graduated from Wuhan University with a Doctorate Degree in Economics. Dr. Mao had carried out economic analysis and policies research for the Statistics Bureau of Hubei Province, Hubei Provincial Policy Research Office, Hainan Provincial Government Research Office and the Research Office of the State Council. Dr. Mao is the founder of China Chengxin Credit Management Co. Ltd., who has successively served as its general manger, chairman and general manager, chief executive officer and chairman, and a substantial shareholder and controlling party of China Chengxin International Credit Rating Co., Ltd.. Dr. Mao also serves as a professor of Renmin University of China, a director of Institute of Economic Research of Renmin University of China, a professor of Wuhan University and the dean of Dong Fureng Economic & Social Development School of Wuhan University, and has been engaged to serve as a professor of Faculty of Economics and Business Administration of the University of Hong Kong since 2022. Dr. Mao has served as a non-executive director, a member of the audit committee and the chairman of the strategy committee of Meilleure Health International Industry Group Limited (formerly known as U-Home Group Holdings Limited, stock code: 2327), a company listed on the main board of the Stock Exchange, since October 2015. Dr. Mao has also served as an independent non-executive director as well as the chairman of the nomination and the remuneration committee of China Bohai Bank Co., Ltd. (a company listed on the main board of the Stock Exchange, stock code: 9668), from June 2016 to January 2025.

Currently, Dr. Mao also serves as an independent non-executive director of Airstar Bank Limited and Gravitation Fintech HK Limited.

Directors and senior management

Senior management

Mr. Qiao Yun (喬雲), aged 54, appointed as the general manager of the Company since May 2022, also serves as senior management of the Group. Please refer to his biographical details as set out under the section of Executive Director.

Mr. Guo Wenchuan (郭文川), aged 49, was appointed as the deputy general manager of the Company since July 2022. Mr. Guo has joined Wuhan Port's container industry in 1996 and currently serves as general manager of Wuhan Port Container Co., Ltd.* (武漢港集裝箱有限公司) and Wuhan Port International Container Co., Ltd.* (武漢港務國際集裝箱有限公司), as well as deputy general manager of Wuhan Port Group Co., Ltd.* (武漢港務集團有限公司), all of which are subsidiaries of Hubei Port Group, principally engaged in container handling, freight forwarding, and other relevant businesses.

Mr. Guo has over 22 years of experience in container feeder ports management, and obtained an undergraduate degree in economic management from College of Military Economic Management in June 2009.

Lei Zhen (雷珍), aged 45, a Chinese Certified Public Accountant and a senior accountant. Lei Zhen graduated from Hubei Economic Management Cadre College (湖北經濟管理幹部學院) with a bachelor's degree in adult higher education in 2007. Lei Zhen has been engaged in financial auditing for 24 years and has accumulated rich experience in financial management. Lei Zhen served as an auditor, project manager and manager of the audit department of Wuhan Hong Xin CPA Ltd.(武漢宏信會計師事務所) from February 2000 to April 2011, the person in charge of accounting and deputy director of the finance department of Wuhan New Harbor Construction and Investment Development Group Co., Ltd. (which is now absorbed by and merged with Hubei Port Group), and the chief accountant of Hubei Highway and Passenger Transportation Group (湖北公路客運集團) (formerly a subsidiary of Hubei Port Group) from May 2011 to April 2019. Since March 2023, Lei Zhen has been the chief financial officer of China Infrastructure & Logistics Group Ltd..

Liu Qing (劉勅), age 48, is a Chinese economist and senior logistics specialist. Ms. Liu was appointed as the deputy general manager of the Company since February 2024. Ms. Liu served as the supervisor of finance department of Hubei Port Group from June to August 2021, and served as deputy general manager at Wuhan New Port Yangluo Bonded Zone Development Management Co., Ltd.* (武漢新港陽邏保稅園區開發管理有限公司) from September 2021 until March 2024, which is the subsidiary of Hubei Port Group.

Mr. Yiu Chun Wing (姚俊榮) has been a member of The Hong Kong Institute of Certified Public Accountants since 2010. He obtained a bachelor's degree of business administration in accounting from the Hong Kong University of Science and Technology in November 2004. Mr. Yiu has extensive experience in the field of accounting and auditing. He first joined the Group in January 2025 and is currently the financial controller and company secretary of the Company.

Save as disclosed in the section headed "Directors and Senior Management" in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules during the year ended 31 December 2024 and up to the date of this annual report.

Corporate governance report

The Board is pleased to present this corporate governance report for the year ended 31 December 2024.

Introduction

The Board and the management team of the Company are committed to maintain a high standard of corporate governance and the accountability and transparency of its management. The Company has been in compliance with a high standard of corporate governance practices and the Directors take seriously their duty to implement good corporate governance practices to ensure their duties are discharged in a transparent and accountable manner. The Board believes that by running the business in a way which is responsible to the shareholders of the Company (the “**Shareholders**”) and of high level of integrity, the long-term benefit of the Group and the Shareholders as a whole would be achieved and safeguarded.

Compliance with corporate governance code

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 Appendix C1 to the Listing Rules as its own code on corporate governance. To the best knowledge of the Directors, Company had complied with all the code provisions as set out in the CG Code for the year ended 31 December 2024.

The Board of Directors

The Board, which currently comprises seven Directors, is primarily responsible for formulating the business strategy, reviewing and monitoring the business performance of the Group, preparing and approving the consolidated financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to management by the Board.

The composition of the Board during the year ended 31 December 2024 and up to the date of this annual report is set out below:

Executive Directors:

Ms. Zhou Wei (*Chairman*)
Mr. Qiao Yun

Non-executive Directors:

Mr. Xu Aoling (*Resigned on 10 January 2025*)
Mr. Li Wei
Ms. Yu Ling (*Appointed on 10 January 2025*)

Independent non-executive Directors:

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

Biographical details of the Directors are set out in the section headed “Directors and Senior Management” of this annual report.

Corporate governance report

Non-executive Directors currently represent two-sevenths of the Board. The term of appointment of non-executive Director, Mr. Li Wei, is three years commencing from 28 June 2023, and the term of appointment of non-executive Director, Ms. Yu Ling, is three years commencing from 10 January 2025, subject to termination in accordance with their respective terms. Independent non-executive Directors currently represent three-sevenths of the Board.

Ms. Yu Ling was appointed as non-executive Director on 10 January 2025. She had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 10 January 2025 and has confirmed that she understood her obligations as a director of a listed issuer under the Listing Rules.

To the best knowledge of the Company, the Board members have no financial, business, family or other material or relevant relationship with each other.

Board independence and refreshment

There are several mechanisms in place to ensure that independent views are available to the Board:

1. Appointing independent non-executive Directors who are not affiliated with the Company or any of its connected persons and have the requisite knowledge and experience to provide independent views to the Board. In full compliance with Rules 3.10 (1) and (2) of the Listing Rules, the Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional accounting qualifications. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and every guideline set out in Rule 3.13 of the Listing Rules.
2. Conducting External Reviews. The Board has engaged external experts to conduct periodic reviews on specific matters, such as risk management and internal controls. These external reviews can provide independent views and insights to the Board.
3. Encouraging Whistleblowing. The Board has adopted a whistleblowing policy that encourages employees or stakeholders to report any concerns or issues they have regarding the Group's operations. The Board is able to consider such feedbacks as a means of obtaining independent views on the Group's activities.

The Nomination Committee is chaired by the chairman of the Board and comprises a majority of independent non-executive Directors. To assess the effectiveness of above mechanisms, the Board has reviewed the independence of the independent non-executive Directors, the internal controls assessment report and the enterprise risk assessment report provided by the external experts, and the whistleblowing policy. The Board conducts annual review on the effectiveness of these mechanisms to ensure that they are providing independent views to the Board. After gathering such independent views from various sources, the Board is able to make necessary adjustments or improvements to the existing mechanisms of the Group, such as risk management and internal control systems. The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2024.

Corporate governance report

Board Proceedings

The Board meets regularly to discuss the overall strategy as well as the operations and financial performance of the Group. The Board also meets to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with by the Board. Relevant senior executives are invited to attend Board meetings to make presentations and answer the Board's enquiries. Business and financial updates were provided to all Directors regularly for their assessment of the Company's performance, position and prospects so as to enable them to discharge their duties.

All Directors have access to the Company's senior management to fulfill their duties and, in furtherance of their duties, take independent professional advice, where necessary, at the expense of the Company. All Directors also have access to the company secretary to ensure that all Board procedures, applicable rules and regulations are followed. An agenda and accompanying Board papers are distributed to the Directors with reasonable notice in advance of the meetings. The minutes of Board meetings are prepared by the company secretary with details of the decisions reached, any concerns raised and dissenting views expressed. The draft minutes are sent to all Directors for their comments. The final minutes are available for inspection by Directors. This arrangement also applies to meetings of the Board committees.

Appointment and re-election of Directors

The terms of reference of the Nomination Committee include a nomination procedure specifying the process and criteria for selection and recommendation of candidates for directorships of the Company.

Every newly appointed Director will receive an induction package on the responsibilities and ongoing obligations to be observed by a Directors. The package will also include materials briefly describing the operations and business of the Company, the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board.

Pursuant to Article 16.2 of the Articles of Association of the Company ("**Articles**"), any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the first AGM of the Company after her appointment and shall be eligible for re-election at that meeting. Accordingly, Ms. Yu Ling will retire and, being eligible, will offer herself for re-election as non-executive Director at the Company's forthcoming AGM.

Pursuant to Article 16.18 of the Articles, at every AGM of the Company, not less than one-third of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 of the Articles shall not be taken into account in determining which Directors are to retire by rotation. All retiring Directors shall be eligible for re-election. Accordingly, Mr. Fu Xinping and Dr. Mao Zhenhua will retire and, being eligible, will offer themselves for re-election as independent non-executive Director at the Company's forthcoming AGM.

None of the Directors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Corporate governance report

Directors and officers liabilities insurance

Appropriate insurance has been arranged by the Company to cover potential liabilities of Directors and Officers of the Company regarding legal actions against said Directors and Officers, arising out of corporate activities of the Company.

Chairman and chief executive officer

In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Group, the role of the chairman is separate from that of the chief executive. During the year ended 31 December 2024, Ms. Zhou Wei held the position of Chairman of the Board. Mr. Qiao Yun served as the general manager during the year. The Chairman focuses on the overall corporate development and strategic direction of the Group and provide leadership to and oversight of the efficient functioning of the Board. The general manager oversees all day-to-day corporate management matters. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority.

Remuneration committee

As at the date of this annual report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Chau Kwok Keung (Chairman), Mr. Fu Xinping and Dr. Mao Zhenhua and one non-executive Director, namely Mr. Li Wei.

The terms of reference of the Remuneration Committee have been determined with reference to the CG Code. Under the terms of reference of the Remuneration Committee, the responsibilities of the Remuneration Committee include, inter alia, assisting the Company in the administration of a formal and transparent procedure for developing remuneration policies, reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and ensuring that no Director or any of his associates is involved in deciding his own remuneration.

During the year ended 31 December 2024, the Remuneration Committee met three times to review the remuneration policy of the Company, including the structure and level of remuneration payable to the Directors and senior management of the Company and making recommendations to the Board on the remuneration packages of individual Directors.

Pursuant to Code Provision E.1.5, the remuneration of the members of the senior management by band for the year ended 31 December 2024 is set out below:

Remuneration band	Number of individuals
HK\$1 – HK\$1,000,000	2

Further particulars regarding Directors' emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix C1 to the Listing Rules are set out in notes 9 and 10 to the consolidated financial statements.

Corporate governance report

Audit committee

As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Chau Kwok Keung (Chairman), Mr. Fu Xinping and Dr. Mao Zhenhua, and one non-executive Director, namely Ms. Yu Ling.

The terms of reference of the Audit Committee have been determined with reference to the CG Code. Under its terms of reference, the Audit Committee is required, among other things, to oversee the relationship with the independent auditor, to review the Group's interim and annual results as well as the effectiveness of the systems of risk management and internal control and the risk of the Group which covers financial, operational and compliance controls and risk management qualified functions. The Audit Committee has liaised with the Directors, senior management and the financial controller as well as reviewed the "Report to the Audit Committee" from and discussed with the auditor on the audit and internal control related issues of the Group.

The Company has a whistleblowing policy in place in order to allow its employees to raise concerns in confidence with the Audit Committee about possible improprieties related to the Company or to report alleged malpractices or misconduct pertaining to the Company. The Audit Committee has the overall responsibility such as monitoring and reviewing the operation of the policy and providing recommendations for action resulting from the investigations.

During the year ended 31 December 2024, the Audit Committee held two meetings. During the meetings, the committee reviewed and considered matters including the interim and annual results, the interim and annual reports, the risk management report and internal control systems and report, the audit related matters, the whistleblowing policy and change of auditor. Management and external auditor are available at these three meetings to assist with any information and resources as may be required to enable committee members to carry out their functions. The Company had engaged an independent professional firm to conduct an internal audit on the systems of internal control of the Multi-Purpose Port to ensure compliance with procedures laid down by the Company and a review of the overall systems of internal control and risk management functions of the Group.

Nomination committee

As at the date of this annual report, the Nomination Committee comprises one executive Director, namely Ms. Zhou Wei (Chairman) and three independent non-executive Directors, namely Mr. Chau Kwok Keung, Mr. Fu Xinping and Dr. Mao Zhenhua.

The terms of reference of the Nomination Committee have been determined with reference to the CG Code. Under its terms of reference, the Nomination Committee is responsible for reviewing the board structure, size and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The Nomination Committee is also responsible for identifying potential directors and making recommendations to the Board on the appointment or re-appointment of directors of the Company. Potential new directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

Corporate governance report

As set out in the nomination policy adopted by the Board pursuant to the CG Code, in assessing the suitability of a proposed candidate, the following factors would be considered by the Nomination Committee:

- Reputation for integrity
- Accomplishment and experience
- Compliance with legal and regulatory requirements
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

As set out in the nomination policy, the nomination procedure is as follows:

- (1) The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.
- (2) For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- (3) Pursuant to the Articles of the Company, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the company secretary of the Company (the "**Company Secretary**") notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.
- (4) A candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.
- (5) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

During the year ended 31 December 2024, the Nomination Committee met twice to review the structure, size and composition of the Board, the implementation and effectiveness of the Board Diversity Policy, and the independence of the Independent Non-executive Directors, and resolved to recommend appointment/re-designation of Directors and to recommend all the retiring Directors for re-election at the 2024 AGM.

Corporate governance report

Corporate Governance Function

The Board recognises that corporate governance duties should be the collective responsibility of the Directors and have delegated such duties to Audit Committee. The corporate governance duties include:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Attendance records at meetings

The attendance records of each Director at the various meetings of the Company during the year ended 31 December 2024 are set out as below:

	Attended/Eligible to Attend				
	General meetings	Board meetings	Remuneration committee meetings	Audit committee meetings	Nomination committee meetings
Number of meetings	2	7	3	2	1
Chairman and executive Director					
Ms. Zhou Wei	1/2	6/7	N/A	N/A	N/A
Executive Director					
Mr. Qiao Yun	2/2	7/7	N/A	N/A	N/A
Non-executive Directors					
Mr. Xu Aoling (<i>Resigned on 10 January 2025</i>)	1/2	7/7	N/A	2/2	N/A
Mr. Li Wei	1/2	6/7	3/3	N/A	N/A
Ms. Yu Ling (<i>Appointed on 10 January 2025</i>)	N/A	N/A	N/A	N/A	N/A
Independent non-executive Directors					
Mr. Chau Kwok Keung	2/2	7/7	3/3	2/2	1/1
Mr. Fu Xiping	2/2	7/7	3/3	2/2	1/1
Dr. Mao Zhenhua	2/2	7/7	3/3	2/2	1/1

Corporate governance report

Directors' securities transactions

The Company adopted a code of conduct regarding securities transactions by directors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code for dealing in securities of the Company by the Directors. The Company has also made specific enquiry to all Directors, who have confirmed that, during the year ended 31 December 2024, each of them were in compliance with the Code of Conduct and the Model Code. The Company also has guidelines on no less exacting terms than the Model Code for its employees who are likely to be in possession of inside information relating to the Company and its securities.

Specific employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company during the year ended 31 December 2024.

Continuous professional development

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials would also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to ensure Directors, upon reasonable request, to seek independent professional advice in appropriate circumstance, at the Company's expenses.

The Directors confirmed that they have complied with the Code Provision C.1.4 of the CG Code on Directors' training. All Directors have participated in continuous professional development by the following means to develop and refresh their knowledge during the year under review.

Name of Directors

Ms. Zhou Wei
Mr. Qiao Yun
Mr. Xu Aoling (*Resigned on 10 January 2025*)
Mr. Li Wei
Ms. Yu Ling (*Appointed on 10 January 2025*)
Mr. Chau Kwok Keung
Mr. Fu Xinping
Dr. Mao Zhenhua

Training received

Reading materials/attending training course
Reading materials/attending training course
Reading materials/attending training course
Reading materials/attending training course
N/A
Reading materials/attending training course
Reading materials/attending training course
Reading materials/attending training course

Corporate governance report

Accountability and Audit

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 December 2024 which give a true and fair view of the state of affairs of the Group. The Directors consider that the consolidated financial statements of the Group for the year ended 31 December 2024 have been prepared in conformity with all applicable accounting standards and requirements. The auditor's statement on reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 87 to 91 of this annual report.

Auditor's remuneration

Remuneration in respect of audit and non-audit services provided by the auditor to the Group for the year ended 31 December 2024 was HK\$1,280,000 and HK\$175,000 respectively. The non-audit services included the agree-upon procedures to the 2024 interim results announcement and interim report and assurance report on continuing connected transactions.

Company secretary

The Board is of the view that Mr. Yiu Chun Wing, the Company Secretary, is qualified and has appropriate experience to discharge his duties. Mr. Yiu Chun Wing had received not less than 15 hours of relevant professional training during the year ended 31 December 2024 and up to the date of this report. The Company will provide Mr. Yiu Chun Wing with sufficient resources to receive not less than 15 hours of professional training for every financial year as required by the Rule 3.29 of the Listing Rules.

Risk management and internal control

The Board acknowledged that it is responsible for maintaining sound and effective systems of internal control and risk management to safeguard the Group's assets and shareholders' interests, as well as reviewing the effectiveness of the risk management and internal controls of the Company, including material financial, operational and compliance controls, risk management functions and particularly the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting function as well as those relating to ESG performance and reporting. The Board, assisted by the Audit Committee, is required to assess the effectiveness of the risk management and internal control systems on an ongoing basis.

The internal control and risk management system of the Group is designed for the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure maintenance of proper books and record for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations. It is also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimize (though not eliminate) risks of failure in operation systems.

Corporate governance report

The Group does not have an internal audit department. During the year, the Group had engaged an independent professional consultant to provide risk management and internal controls assessment services to assist the Board and the Audit Committee to review the risk and effectiveness of its internal control systems. The review included interviews with relevant management and key process owners and performing walkthrough tests to identify the major risk and significant deficiencies, resolve any material internal control defects (as appropriate), and making recommendations for improving the internal control systems to the Audit Committee for further approval. The Audit Committee, together with the Board, have reviewed, considered and discussed the findings and recommendations of the internal controls assessment report (the “**Internal Controls Report**”) and the enterprise risk assessment report (the “**Enterprise Risk Assessment Report**”) prepared by the independent professional consultant for the year ended 31 December 2024. Having taken the recommendations in the Internal Controls Report and the Enterprise Risk Assessment Report into consideration, the Group will continue to improve its risk and internal management and control systems. In addition, the independent professional consultant had also performed a follow-up assessment on the findings as identified in the Internal Controls Report for the year ended 31 December 2023 to assess the remediation status.

During the year ended 31 December 2024, as part of its review of the systems of internal control process, the independent professional consultant had conducted an internal audit on the systems of internal control of the Multi-Purpose Port to ensure compliance with procedures laid down by the Company and the Group.

The independent professional consultant conducts reviews on the risk management framework and processes and assess the effectiveness of the internal controls of the Group, including material financial, operational and compliance controls. Any material noncompliance or lapses in internal controls together with corrective measures are reported to the Audit Committee.

In performing its audit of the financial statements, the external auditors perform tests over operating effectiveness of certain controls that they intend to rely on which are relevant to the Group’s preparation of its financial statements. The external auditors report any significant deficiencies in such internal controls to the Audit Committee.

Based on the framework established and the reviews conducted by the independent professional consultant and external auditors, the Board opines, with the concurrence of the Audit Committee, that there are adequate and effective risk management and internal control systems in place within the Group in addressing material financial, operational, compliance and information technology control risks in its current business environment.

The Board has received confirmation from its management and the independent professional consultant that the systems of internal control and risk management are effective and adequate and there are no irregularities, improprieties, fraud or other deficiencies that suggest there is no material deficiency in the effectiveness of the Group’s internal control and risk management system. The Group has complied with the relevant code provisions of the CG Code relating to risk management and internal control.

Corporate governance report

The Group has established an effective risk governance and management framework in line with the requirements set out by the Listing Rules and other regulations. This framework was built around a structure that enables the Board and the management to discharge their risk management-related responsibilities with appropriate delegation as well as checks and balances. These responsibilities included defining risk appetite in accordance with the Group's business strategies and objectives, formulating risk policies that govern the execution of those strategies, and establishing procedures and limits for the approval, control, monitoring and remedy of risks.

The Board considers the economic environment and the industry risk in assessing business risk. The management also meets at least annually to review the operations of the Group and discuss any identified issues.

The Board had direct involvements in formulating the Group's risk appetite, and determined the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions and regulatory requirements.

The Board will continuously ensure the Group's risk appetite is realistically reflected in the policies and procedures that the management adopted in executing its business functions. The Board will regularly review the Group's risk management framework and ensure that all important risk-related tasks are performed according to established policies and with appropriate resources.

The Board will review the need for an internal audit function at least once a year. Overall, the Board and the Audit Committee consider that the risk management and internal control system of the Group are effective and adequate. The Board will continue to assess the effectiveness and adequacy of risk management and internal controls through consideration of the reviews and recommendations made by the Audit Committee, senior management and independent professional consultant.

The Company has the procedures and internal controls for the handling and dissemination of inside information. In practice, employees of the Group who become aware of any events and/ or matters which he/she considers potentially inside information, will report to the designated personnel of the Company who, if considered appropriate, will pass such information to the Board for the purpose of considering and deciding whether or not such information constitutes inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Electronic dissemination of corporate communications

Pursuant to the new amended Rule 2.07A1 of the Listing Rules effective from 31 December 2024, the Company has adopted new arrangement to disseminate Corporate Communications electronically. No printed copies of Corporate Communications will be mailed out to Shareholders except by request. All future Corporate Communications both in English and Chinese will be available electronically on the Company's website and the Stock Exchange's website.

Corporate governance report

Board diversity

The Company recognises the importance of having qualified and competent Directors that possess a balance of skill set, experience, expertise and diversity of perspectives appropriate for its strategies, which can enhance decision-making capability and the overall effectiveness of the Board to achieve corporate strategy as well as promote shareholder value.

Pursuant to Rule 13.92 of the Listing Rules, the Board adopted the board diversity policy (the “**Board Diversity Policy**”) to assess the composition of the Board so as to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. The Nomination Committee, when selecting candidates, would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The Nomination Committee, on an annual basis, discusses and agrees on the measurable objectives set (in terms of gender, age, skills and experience) for achieving diversity on the Board, where necessary, and recommends them to the Board for adoption. Board nomination and appointments will continue to be made on merit basis based on the Company’s business needs from time to time while taking into account diversity as set out in the Board Diversity Policy.

The Board has reviewed, through the Nomination Committee, the structure, size, composition and diversity of the Board as well as the nomination and appointment procedure of directors during the year. The Nomination Committee took the view that the measurable objectives were achieved to a large extent. It paid particular attention to the cultural and educational background, professional and technical experience, and skills of the members of the Board and also reviewed the composition of Executive Directors, Non-executive Directors and Independent Non-Executive Directors, so as to ensure appropriate independence within the Board. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Nomination Committee will review the Board Diversity Policy from time to time and as appropriate to ensure its continued effectiveness.

As at the date of this annual report, two out of seven of our Directors and two out of five of our senior management and 21.5% of employee are female. In order to ensure gender diversity at the Board level, the Nomination Committee regularly reviews the Board composition. The Board aims to maintain at least the current level of female representation and achieve a balanced gender diversity based on stakeholders’ expectations and best practices. The Board believes that the current composition of the Board satisfies the Company’s specific needs for gender diversity. The Board will regularly review its policies and procedures for board diversity, taking into account relevant data and feedback from stakeholders, and will take appropriate action as needed to ensure that it is achieving its gender diversity goals.

Corporate governance report

Dividend Policy

According to the dividend policy of the Company, the Company may propose a dividend subject to the restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the Articles. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into consideration the following factors:

- (i) financial results;
- (ii) cash flow situation;
- (iii) business conditions and strategies;
- (iv) future operations and earnings;
- (v) capital requirements and expenditure plans;
- (vi) shareholders' interest;
- (vii) any restrictions on payment of dividends; and
- (viii) any other factors that the Board may deem relevant.

The Board may, from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preferential rights.

The Board may also pay half-yearly or at other intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment. The Board may in addition from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as they think fit.

No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution including share premium. No dividend shall carry interest against the Company.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment or that members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Corporate governance report

Shareholders' value

The Board and senior management recognise their responsibility to represent the interests of all Shareholders and to enhance Shareholder value and have made the following commitments to the Groups' Shareholders:

- Continuing effort to maintain long-term stability and growth in shareholder value and return on investment;
- Responsible planning, construction and operation of the Group's core businesses;
- Responsible management of the Group's investment and business risks; and
- True, fair, in depth and timely disclosure of the financial position and operating performance of the Group.

Shareholders' rights

Procedures for convening an extraordinary general meeting and putting forward proposals at general meeting by Shareholders

In accordance with the requirements under Article 12.3 of the Articles, extraordinary general meetings shall be convened as follows:

- On the written requisition of any one or more shareholders holding together, as at the date of deposit of the requisition, share representing at least one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company, at general meetings of the Company;
- The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s);
- If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner within three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Proposals to be put forwarded by Shareholders at a general meeting shall be submitted in written form to the Board, which shall clearly and concisely set out the proposal for discussion and be relevant to the Company's business scope.

Corporate governance report

Procedures for directing Shareholders' enquiries to the Board

Shareholders can enquire or make comments by putting their views to the Board by the following means:

Attention:	The Company Secretary China Infrastructure & Logistics Group Ltd.
By post:	Unit A, 7/F, On Hing Building, No. 1 On Hing Terrace, Central, Hong Kong
Email:	cilgroup@cilgl.com

The Company Secretary shall forward the Shareholders' enquiries and concerns to the Board and/or relevant Board committees of the Company, where appropriate, to answer the questions of the Shareholders with the Director's instruction.

Constitutional documents

There were no changes made to the Company's constitutional documents during the year ended 31 December 2024. A copy of the Second Amended and Restated Memorandum and Articles of Association of the Company is posted on the designated website of the Stock Exchange and the website of the Company.

Communication with Shareholders of the Company

The Board and senior management recognise the responsibility of safeguarding the interest of Shareholders and provide highly transparent and real-time information on the Company so as to keep the Shareholders and investors abreast of the Company's position and help them to make the best investment decision.

The Company has in place a shareholders' communication policy which encourages all forms of communication and welcomes feedback, questions, or concerns from shareholders and aims to ensure that shareholders are provided with timely access to the Company's information. The policy sets out various channels to communicate with the shareholders as follows:

- corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Stock Exchange and on the website of the Company at www.cilgl.com;
- announcements are published on the websites of the Stock Exchange and the Company;
- corporate information is made available on the Company's website; and
- annual and extraordinary general meetings, if any, provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The general meetings are valuable forums for direct communications between the Board and Shareholders. The Directors and members of various Board committees will attend the general meetings of the Company. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group. At other times, Shareholders and investors can put enquires by writing to the Company for the attention of an Executive Director, or the Company Secretary, whose contact channels are set out above under "Procedures for directing Shareholders' enquiries to the Board". The Company regularly reviews its shareholders' communication policy and evaluates its implementation and effectiveness. In light of the above, the Company considered that its shareholders' communication policy is relevant and effective during the year ended 31 December 2024.

Environmental, social and governance report

I. Purpose of this Report

ABOUT THIS REPORT

The purpose of the environmental, social and governance report (the “**Report**” or “**ESG Report**”) presented with pleasure by China Infrastructure & Logistics Group Ltd. (the “**Company**”) and its subsidiaries (“**CIL**”, the “**Group**” or “**we**”) is to disclose the Group’s performance on environmental, social and governance (“**ESG**”) issues over the past year, scheme and performance in an open and transparent manner to respond to the concerns and expectations of our stakeholders for the sustainable development of the Group, and demonstrate its commitments to sustainable development. The Group will continue to optimise its data collection and reporting system of ESG performance and gradually expand the disclosure scope to improve the quality and comprehensiveness of the report in the long term.

Reporting Scopes

The directors of the Group are responsible for determining the scope of work of this Report. The Reporting Period of this Report is from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”, the “**Year**” or the “**2024**”). This Report focuses on the management policies, performance and measures of the Group regarding ESG issues. In which, the key performance indicators (“**KPIs**”) disclosed in the Report has covered the principal operating activities of the Group. The principal operating activities of the Group include investment in and development, operation and management of container, and the provision of port related, logistics and other services including integrated logistics, port and warehouse leasing, supply chain management and trading business, mainly conducted through its various ports. The scope includes the offices and operating terminals of 7 subsidiaries (including (I) Wuhan International Container Company Limited, (II) CIG Wuhan Multipurpose Port Limited, (III) Wuhan Yangluo Logistic Company Limited, (IV) Tongshang Supply Chain, (V) Hubei Hannan Port Enterprise Company Limited, (VI) Hubei Hannan Port Logistics Company Limited, and (VII) Hanjiang Port Logistics Centre Company Limited.) which have a significant profit contribution to the Group. The service areas cover the WIT Port, the Multi-Purpose Port and the Hannan Port, located within the Yangtze River Basin in Hubei Province, Central China, the People’s Republic of China (the “**PRC**” or “**China**”). The social key performance indicators has covered the business scope of the Group as a whole.

Reporting Framework

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Reporting Guide**”) as set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and based on the actual conditions of the Group. In preparing this Report, the Group has applied the reporting principles as stipulated in the Reporting Guide as set out below:

Environmental, social and governance report

Reporting Principles	Definitions	Our Responses
Materiality	The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported.	The Report sets out the way to determine materiality and uses a materiality matrix, demonstrating the priorities of both internal and external issues. According to the “comply or explain” provisions, we have provided reasons for our judgement that we did not disclose as they were not considered material.
Quantitative	KPIs need to be measurable. Targets can be set to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, and impacts, and giving comparative data where appropriate.	This Report discloses the KPIs quantitatively and the information on the standards, methodologies, assumptions or calculation tools and source of conversion factors used for emissions and energy consumption. Comparative data have been provided under certain circumstances.
Balance	The ESG report should provide an unbiased picture of the issuer’s performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Report provides an overview of the ESG performance of the Group in an unbiased manner, discussing our achievements and challenges faced in terms of sustainable development.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The issuer should disclose in the ESG report any changes to the methods used or any other relevant factors affecting a meaningful comparison.	The Report is consistent with that of last year as much as possible and explains any changes to the methods used last year.

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Forward-Looking Statements

This Report contains forward-looking statements based on the current expectations, estimates, projections, beliefs, and assumptions about the businesses and the markets in which the Group operates. The forward-looking statement is not a guarantee of future performance and is subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ materially from the assumptions and statements in this Report.

Contact Us

The information disclosed in this Report are derived from the Group's official documents, statistics or publicly available information. The Board is responsible for the truthfulness, accuracy and completeness of the Report. We welcome comments and suggestions from our stakeholders. You can provide comments on the ESG report or our sustainability performance by emailing cilgroup@cilgl.com.

II. PHILOSOPHY AND GOVERNANCE OF SUSTAINABLE DEVELOPMENT

Sustainable Governance and Development Objectives

While promoting healthy business growth, the Group believes that addressing social and environmental responsibilities may lead to its long-term development. Our goal is to create long-term value for all stakeholders in the society, maintaining our high-quality services and operating standards and having a profound and positive impact on the communities in which we operate. Therefore, we will actively manage the impact of our operations on the environment and society and strive to fulfil our environmental and social responsibilities. Furthermore, we will improve the sustainability and transparency of the Group and create a green and sustainable future for the next generation.

The Board Statement

The Board is committed to incorporating sustainable development into its business development, and assumes overall responsibility for the following:

- to assess and determine the Group's risks and opportunities in relation to ESG;
- to ensure that the Group has appropriate and effective risk management and internal control systems in place;
- to develop the Group's ESG management approach, strategy, priorities and objectives;
- to review the progress and performance of ESG tasks on a regular basis; and
- to review the disclosures in the Group's ESG Report.

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ESG Governance Structure

The Board regularly evaluates, identifies and manages sustainability risks and seeks to create long-term value for our stakeholders by exploring potential opportunities in compliance with regulatory requirements and industry practices. In addition, the Board regularly reviews the implementation of ESG objectives and adjusts the objectives as appropriate and practicable, and strives to minimise our adverse impact on the environment and society.

The ESG Working Group

The Board primarily executes relevant tasks through the ESG Working Group (the “**Working Group**”). Comprised of key members from different departments and operational teams, the Working Group is responsible for personnel management, safety and environmental protection, engineering construction and business operations respectively. Upon approval by the Board, the Working Group assists in conducting risk assessments and effectively implementing policies.

The Working Group is tasked with collecting and analyzing ESG data, preparing related reports, supervising and evaluating ESG performance in these areas to ensure compliance with regulatory requirements. The Working Group convenes regular meetings to assess the effectiveness of current policies in ESG aspects and incorporates relevant issues into the formulation of risk management and opportunity optimization strategies. Additionally, the Working Group regularly reports to the Board, assisting in evaluating and identifying ESG risks and opportunities, assessing the implementation and effectiveness of internal control mechanisms, and reviewing the progress of objectives and indicators.

The Group has been making remarkable efforts on various aspects of corporate social responsibility, including energy conservation, greenhouse gas reduction, provision of employees’ development and training opportunities, environmental compliance as well as provision of safe and healthy work environment for employees.

III. COMMUNICATION WITH STAKEHOLDERS

CIL attaches great importance to the feedback from each of the stakeholders who care about the Group on business and ESG issues. Therefore, we actively communicate with key stakeholders, including Shareholders and investors, the government, employees, customers, suppliers and the community, through various communication channels such as meetings, workshops, opinion surveys or other platforms to continuously improve our sustainable development strategy by having a better understanding of their concerns. To ensure the effectiveness of communications with stakeholders, the Group is committed to establishing transparent, honest and accurate communication and providing timely responses. Looking forward, we will continuously strengthen the interaction with stakeholders, creating a greater value for the communities.

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The table below summarises the ways of communication of the Group with stakeholders during the year, their concerns and our plans of action.

Stakeholder	Channels	Concerns	Our Plans of Action
Shareholders and Investors	<ul style="list-style-type: none"> • Company's website and announcements • General meetings • Investor relations roadshows • Annual and interim reports 	<ul style="list-style-type: none"> • Return on investments • Financial situations • Business prospects • Future development plans • Governance 	<ul style="list-style-type: none"> • Comply with relevant laws and regulations • Publish latest corporate information timely • Financial results • Corporate sustainable development
Government	<ul style="list-style-type: none"> • Meetings • Workshops 	<ul style="list-style-type: none"> • Satisfy the compliance requirements of regulatory authorities • Rectify issues raised by regulatory departments • Pay taxes on time and in accordance with the law • Maintain good relationship with the government • Promote employment • Non-compliance with laws and regulations 	<ul style="list-style-type: none"> • Comply with national laws and regulations • Create employment opportunities • Pay taxes on time and in full according to the law • Optimise corporate governance management to ensure legal compliance • Regularly arrange staff of the authority to work at grassroots stations, focus on the front line workforce, and enhance the power of tax source management
Employees	<ul style="list-style-type: none"> • Meetings • Online feedback 	<ul style="list-style-type: none"> • Optimising employees' trainings and developing internal communication • Employees' benefits • Promotion mechanism 	<ul style="list-style-type: none"> • Optimise internal management system to facilitate development in the long run • Organise trainings and seminars • Provide internal communication channels, including intranet and emails
Customers	<ul style="list-style-type: none"> • Written opinions • Individual meetings • Opinion survey 	<ul style="list-style-type: none"> • Provision of quality services to customers • Thorough understanding of customers' needs • Responding to customers' complaints • Service quality assurance • Being a good chief service officer 	<ul style="list-style-type: none"> • Plan and cooperate together to achieve a win-win situation • Optimise customer complaint channels • Define service procedures and service standards • Respond to and handle customer's complaints on time • Collect more reasonable opinions and adopt them to form a friendly cooperation in a good state • Provide more appropriate solutions and better services to cater for different needs

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Stakeholder	Channels	Concerns	Our Plans of Action
Suppliers	<ul style="list-style-type: none"> • Individual meetings • Round table discussion • Meetings 	<ul style="list-style-type: none"> • Enhancing day-to-day communication • Open and fair tendering process • Fulfillment of contract terms 	<ul style="list-style-type: none"> • Maintain a good negotiation attitude to achieve mutual benefits • Establish a complete up-stream and downstream supply chain system • Set up an open and transparent tendering system to provide suppliers with equal opportunities for competition
Community	<ul style="list-style-type: none"> • Round table discussion • Meetings 	<ul style="list-style-type: none"> • Participating in community building, supporting construction of a civilised and hygienic community • Creating a good business environment and atmosphere 	<ul style="list-style-type: none"> • Organise community activities for employees to actively participate in, with party members taking the lead • Enhance the overall strength of the corporation and provide employment opportunities • Prioritise the hiring of local talents

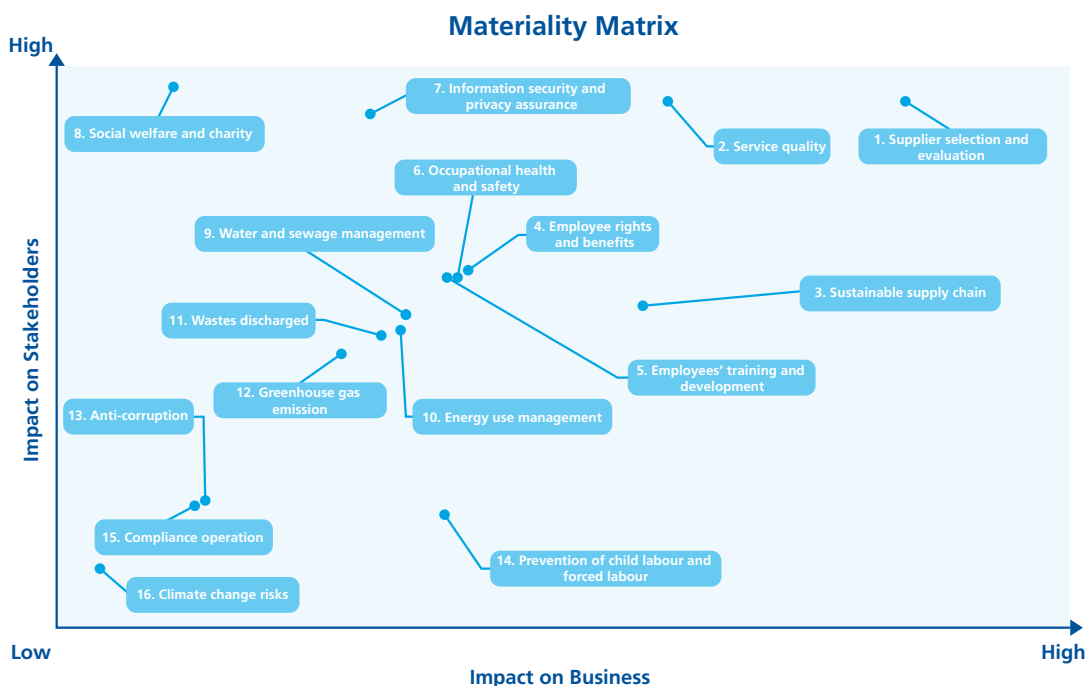
IV. MATERIALITY ASSESSMENT

The Company refers to business development strategies, industry practices, and past assessments of key areas to identify significant ESG issues and prepares surveys accordingly. Through distributing questionnaire surveys, stakeholders, major functional management and employees of the Group assist in reviewing operations, identifying relevant ESG issues, and assessing their importance to the Group's business and stakeholders.

Major issues in this report refer to those that may have a significant impact on the Group's business operations or have actual implications for stakeholders. The Group analyzed survey results and presented them in a materiality matrix. The results of the materiality assessment are ultimately reviewed by the Board and senior management to ensure alignment with the Group's business nature and broad representativeness. To effectively address stakeholders' concerns, we will focus on discussing material issues, fully considering all stakeholders' opinions, and earnestly improving its long-term development strategy.

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During the Reporting Period, the stakeholders and operation performance of CIL have not undergone significant changes. Accordingly, the Group confirms that the results of the materiality matrix in the previous year's ESG Report remain applicable to the year of 2024, and could continue to respond to stakeholders' expectations. The Group's matrix of significant ESG issues is as follows:



V. ENVIRONMENTAL ASPECT

As a responsible corporation, the Group is committed to mitigating carbon emissions through the implementation of internal policies integrated with sustainable development. The Group has monitored our progress in environmental protection by setting a series of goals related to environmental management. During the year, the Group has adjusted and improved environmental protection in a timely manner by monitoring the completion of the goals. In addition, we continued to proactively integrate environmental protection concept into our core business to minimize the pollution on the environment by business operations.

During the Reporting Period, no non-compliance with the laws and regulations relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group was identified.

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A1: Emissions

The Group strictly complies with the laws and regulations such as the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the PRC Law on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) and the PRC Law on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), which clearly stated the related requirements of corporate pollutants discharge and energy conservation management. In view of this, we have established and strictly implemented internal policies such as the Practices for Energy Saving and Consumption Reduction (《節能降耗實施辦法》), the Contingency Plan for Oil Spill Incident of Terminal Vessels (《碼頭船舶洩油污染事故預案》), Emergency Plan for Environmental Emergencies (《突發環境事件應急預案》) and Employee Handbook (《員工手冊》) to manage exhaust gas, wastewater, wastes and greenhouse gas emissions from terminal sites, while working on the aspects such as electricity, water, paper, office supplies and company vehicle management to provide the employees with clear guidelines in day-to-day environmental protection operation. In addition, we strive to create an environmentally conscious workplace and raise employees' environmental awareness through regular training. We have entered into receiving service agreements for maritime bunker pollutant emission with external units to improve environmental protection.

Air Pollutants and Greenhouse Gas Emissions

Air Pollutants

The Group's air pollutants primarily originate from fuel consumption of company vehicles used in operations, port operating machinery (such as reach stackers, empty container handlers, and forklifts), cooking stoves in staff canteens, and air-conditioning equipment. These emissions include nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), and particulate matters ("PM"). The performance data will be disclosed in detail in the "KPIs Overview" section.

During the Reporting Period, the emissions of NO_x, SO_x, and PM of the Group decreased significantly by approximately 99.15%, 15.73%, and 99.27%, respectively compared with the previous year. The main reason for these reductions is that, in order to protect the Yangtze River environment and reduce carbon emissions, the Group has been upgrading and renovating equipment during port operations. In particular, the "Electricity Changed from Oil" solution and the full-scale application of electric container trucks have correspondingly reduced the emissions of air pollutants generated by the Group. In addition, the number of employees of the Group dining in company canteens during the Reporting Period decreased compared with the previous year. As a result, there was also a decrease in the use of liquefied petroleum gas (LPG) cooking stoves.

Greenhouse Gas Emissions

The greenhouse gas emissions of the Group primarily originate from the following sources: direct greenhouse gas emissions (Scope 1) from company vehicles used in operations, port operating machinery (such as reach stackers, empty container handlers, and forklifts), cooking stoves in staff canteens, and air-conditioning equipment; energy indirect greenhouse gas emissions (Scope 2) from purchased electricity (including photovoltaic power); and other indirect greenhouse gas emissions (Scope 3) from electricity consumed by utility companies in the treatment of water and sewage. The performance data will be disclosed in detail in the "KPIs Overview" section.

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During the Reporting Period, the greenhouse gas emission intensity of the Group increased by approximately 15.51% compared with the previous year. Among them, Scope 1 emissions decreased by approximately 15.93%, while Scope 2 emissions increased by approximately 58.93%. The primary reason for these changes stemmed from the Group's continuous equipment upgrades in port operations, where the "Electricity Changed from Oil" solution and the full-scale application of electric container trucks reduced the Group's greenhouse gas emissions in Scope 1 and concurrently contributed to the upward trend in Scope 2. Additionally, the Scope 3 emissions of the Group grew by approximately 41.24%, mainly attributable to increased water consumption resulting from construction activities of the Group's tenants within its properties. Although water expenses were borne by the Group, the actual water usage was generated by the tenants. To mitigate environmental impacts, the Group plans to achieve a reduction in greenhouse gas emission intensity of no less than 5% in 2027 compared with the current year.

During the Reporting Period, the Group integrated a series of environmental management measures into its daily operation to manage air pollutants and greenhouse gas emissions from office premises, operating terminals, factories, warehouses and stacking yards, so as to meet the needs of green Yangtze and green port development and implement the concept of environmental protection, energy saving and emission reduction into all aspects of port development. In addition, energy saving improvements are ongoing to ensure a net reduction in greenhouse gas emissions. The environmental management measures taken by the Group include:

- Operate pure electric container trucks, resulting in a reduction of CO₂ emissions, and achieve 100% coverage ratio of electric trucks;
- All the high pole lamp at the port have been replaced by LED energy-efficient lamps, which can save significant amount of electricity every year. Carry out the "Frugal Operation and Management" campaign, reduce engineering outsourcing maintenance and lower costs and expenditure;
- Install shore-based power supply facilities with a unified interface standard, establish and improve a corresponding management system and operation procedures, and gradually promote the use of shore-based power supply systems at terminals for vessels in port to use shore-based power, enabling which to use shore-based power during their in-port, which can effectively reduce air pollutants and noise pollution;
- Ensure preparation work such as berthing and loading is completed before actually starting the overhead bridge crane operation to reduce waiting time;
- Improvement measures to control dust pollution generated at piers and stacking yards, or generated by bulk cargo loading and unloading operations and construction sites, including screening, covering and cleaning;
- Perform regular analysis of fuel consumption;
- Employees are encouraged to maintain even speed during vehicle operation for business purpose to reduce number of braking and open windows for ventilation as much as possible instead of air-conditioning, and switch off engine if waiting exceeds 5 minutes;
- The temperature of the central air conditioners has been set a 25 degrees Celsius in office;

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- Employees are required to switch off air-conditioners, computers, etc. when leaving the office, so as to reduce the daily power consumption of the office;
- Projects such as smart power swap station, photovoltaic power generation, Rubber Tyre Gantry Crane (RTG) “Electricity Changed from Oil” and LED energy-efficient lamps transformation will be launched to vigorously develop the application of clean energy projects, save energy and reduce costs, and strive to improve the green level of the port area;
- Set emission reduction targets for operational machinery;
- The Safety and Quality Supervision Department and the Engineering and Technology Department are responsible for monitoring; and
- Adopt the mode of self-generation & self use, energy storage and backup and surplus electricity to grid to build photovoltaic power generation projects.

Hazardous Waste

Due to the nature of our business, the Group did not generate hazardous wastes during the Reporting Period. However, the Group has established guidelines in respect of the management and disposal of hazardous wastes. In case of any generation of hazardous wastes, the Group will dispose of such waste by a professional body or engage a qualified chemical waste collector to dispose of such wastes in order to comply with relevant environmental laws and regulations.

Non-hazardous Waste

The non-hazardous waste of the Group primarily consists of waste paper and household waste. The categorized performance data will be disclosed in detail in the “KPIs Overview” section.

During the Reporting Period, the Group’s total non-hazardous waste intensity increased significantly by approximately 183.82% compared with the previous year. The increase was attributable to the Group’s initiation of data collection and disclosure of household waste during the Reporting Period, which resulted in a substantial increase in total density. In order to improve the environment of the port area, ensure sustainable economy and social development as well as promote the construction of ecological civilisation, the Group plans to achieve a reduction in total non-hazardous waste intensity of no less than 5% in 2027 compared with the current year. Therefore, the Group has implemented a number of saving measures according to the Implementation Plan for Solid Waste Classification in Wuhan (《武汉市生活垃圾分类实施方案》) to raise awareness of waste reduction among our staff, including:

- Supervise and manage the waste separation, collection, transportation and disposal;
- Encourage employees to use electronic document and duplex printing;
- Promote paper recycling among employees;
- Establish recycle spots in offices to encourage paper recycling;

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- Encourage employees to use email or notice board for internal communication; and
- Encourage employees to bring their own drinking cups to reduce the use of disposable paper cups.

In addition, we provide waste separation and recycling facilities within the office area to facilitate our employees to participate in the classification of waste sources, thus increasing the collection volume of recycled materials and reducing the amount of waste to be disposed of. The Group has maintained records of solid household waste reception and treatment for operation vessels in the port area, with all terminal shore power reception facilities and household waste sorting and recycling device operating effectively.

A2: Use of Resources

Increasing resource utilisation efficiency is also an environmental protection topic that the Group attaches great importance to. To fulfil the corporate environmental protection responsibility, we review and assess the efficiency and result of environmental protection plan from time to time, so as to reduce energy consumption and facilitate us to strike a good balance between environmental protection and business growth.

Energy Consumption

The direct energy consumption of the Group primarily derives from gasoline used by company vehicles, diesel consumed by air-conditioning equipment and port operating machinery (such as reach stackers, empty container handlers, and forklifts), as well as LPG used by cooking stoves in staff canteens. The indirect energy consumption mainly originates from purchased electricity (including photovoltaic energy usage). The performance data will be disclosed in detail in the “KPIs Overview” section.

During the Reporting Period, the energy consumption intensity of the Group remained largely consistent with the data of the previous year, showing only a marginal 1.29% increase. There was a approximately 15.81% reduction in direct energy consumption alongside a 55.83% growth in indirect energy consumption. The change was primarily attributable to the Group’s continuous equipment upgrades in port operations, where the “Electricity Changed from Oil” solution and the full-scale application of electric container trucks reduced direct energy consumption and concurrently contributed to the upward trend in indirect energy consumption of the Group.

In order to reduce the impact of carbon footprint, we encourage employees to conduct meetings via video conferencing or teleconferencing instead of business trips. If business trips were required, it is better to travel with public transportation such as buses or subways. The Group plans to achieve a reduction in the energy consumption intensity by not less than 5% in 2027 compared with the current year, thereby improving energy efficiency.

To achieve the energy efficiency targets, we have formulated and strictly implemented internal policies such as the Practices for Energy Saving and Consumption Reduction and the Regulations on the Use of Air Conditioning, and cultivated a good awareness among our staff of “Love the Port, Respect Our Work and Be Prudent in Spending”, in order to build CIL into a conservation-oriented enterprise.

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In the operation of terminals, the Group has also taken the following measures to reduce energy consumption:

Overhead Bridge Crane:

- Determine the reasonable loading and unloading process flow and crane positioning to reduce the number of movements of large, small or empty vehicles;
- Control lifting heights to reduce unproductive work;
- Develop reasonable operating plans to reduce unproductive work; and
- Control lifting range to avoid excessive power wastage due to excessive torque.

Gantry Crane, RTG, On-site Container Truck, Empty Container Handler and Forklift:

- Assign operation at work sites reasonably, try to minimize the frequency of changing work sites and avoid long range work site changes;
- Control the on/off lighting during night-time operations to reduce unnecessary power consumption;
- Operate within speed limits and reasonably control acceleration from rest. Hard acceleration and hard braking are prohibited;
- Avoid long period of idling;
- Operate within the speed limits of the site; and
- Control the lifting and lowering speeds of container handlers.

We also require all staff to implement the following to save electricity in office, including:

- Do not turn on lights during the day when there is sufficient light in the room and do not turn on lights in nonworking areas at night, and “lights that stay on all the time” are strictly prohibited;
- Turn off lights, central air-conditioning fans, computers and monitors at the end of workdays;
- Use air-conditioning strictly in accordance with the temperature limits set by the Group;
- On-duty security guards are responsible for the inspection of lights in the office complex during night time;
- Always close doors and windows when turning on the air conditioner, and turn off stand-alone air conditioners that will be idle for more than half an hour; when the central air-conditioning in the office complex is turned on, the fans in unoccupied office areas should be turned off; and
- Computers that will be left idle for more than half an hour should be turned off.

Water Management

All the domestic fresh water used by the Group comes from the municipal water supply and therefore, there is no problem in accessing water. The performance data will be disclosed in detail in the “KPIs Overview” section.

During the Reporting Period, the water consumption intensity of the Group increased by approximately 46.96% compared with the previous year. This increase was attributable to the surge in water usage caused by clients from one of our subsidiaries who commenced construction operations in Hannan. To manage water resources in an efficient manner, the Group plans to achieve a reduction in water consumption intensity of no less than 5% in 2027 compared with the current year. To ensure that water efficiency is under control and to curb wasteful use of water, we will regularly review and update the Practices for Energy Saving and Consumption Reduction to provide employees with the most comprehensive guidance on how to save water, continuously strengthen daily water management and advocate water saving.

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Business activities after the epidemic resume and use of water increased and the Group continues to improve its vessels sewage collection facilities, with emergency sewage collection device in the Yangluo port area covering the whole port. For sewage collection, we have also signed agreements on receiving vessel domestic sewage with qualified third party waterborne mobile receiving vessel companies, which allows for the emergency discharge and storage of domestic sewage from vessels in port when no sewage receiving vessel is available for transfer.

Additionally, the Group vigorously promotes the “Frugal Operation and Management” campaign, focusing on cost reduction. Through measures such as innovation and reutilization of waste, we effectively improve resource utilization. We conduct activities related to frugal operation and management, posting water-saving slogans in administrative buildings, dispatch buildings, engineering facilities, office complex and other areas, advocating for cost reduction in daily work, eliminating waste, installing water-saving faucets in restroom sinks, and preventing water wastage. In order to advocate water saving, the Group implemented a number of water-saving measures to achieve water efficiency goals set, including:

- Check water usage regularly and make timely arrangements to deal with any water leakage;
- Always check the conditions of time-delay water valves and arrange for timely repair of faulty or malfunctioning valves;
- Make reasonable arrangements when watering greeneries, use sprinklers instead of flood irrigation;
- Set water consumption limits for canteens;
- Use water meters to record water consumption by administrative vehicles in car-washing;
- Provide routine maintenance of water-using equipment to prevent leakage; use cleaning equipment such as wet and dry sweepers and sweeping machines;
- Install water flow controllers in water taps;
- Install high pressure faucets in the pantries; and post signs to promote reduction in water consumption.

A3: The Environment and Natural Resources

Due to the scarcity of natural resources, the Group pursues best practices for protecting the environment to achieve its corporate social responsibility despite that its business activities do not have a significant impact on the environment and natural resources. As part of our corporate social responsibility, we have established the Practices for Energy Saving and Consumption Reduction to govern the operation of our staff and to provide guidelines for managing resources at our terminal platforms and warehouses. When using overhead bridge cranes, we require our staff to determine the reasonable loading and unloading process flow and crane positioning and operate the handle smoothly so as to reduce the impact load of inertia on mechanical components and steel cables; when using gantry cranes, staff should carefully control the landing points and landing speed of oversized and overweight items to prevent damage to the sill plates of pier platforms without unnecessary loss of resources; when using forklifts, the operators should reasonably control the turning radius so as to extend the service life of steering tyres; when unpacking boxes in warehouses, operating personnel should properly collect all packing materials such as wood, nails, packing tapes and ropes at the end of the operation and notify the maintenance workshop personnel for retrieval and use as materials for production. In addition, we only burn weeds in winter for use as fertiliser in the coming year. As usual, the Group is committed to the concept of green development and will continue to explore innovative ways to reduce our impact on the environment and natural resources in order to build an environmentally friendly enterprise. Meanwhile, we will improve the environmental monitoring and early warning system, and establish an emergency response mechanism for environmental emergencies.

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Part D: Climate-related Disclosures

CIL recognises that global warming is becoming more and more critical, posing significant and far-reaching impacts and challenges to people and the global environment. Climate change phenomena such as extreme weather, rising temperatures and warming oceans will inevitably affect the Group's port, logistics and other related business operations. In view of this, we identified and assessed a range of climate change-related risks in the industry with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as well as adopted a series of action plans to manage and review climate-related risks and seize related opportunities. The Group has developed a safety warning mechanism for poor weather condition such as wind, rain and snow to prevent potential security risks.

Risks and impacts associated with climate change identified by the Group are as follows:

Risks	Potential Impacts
Physical Risks	
Acute physical risk (from weather-related events such as storms, floods, fires or heat waves)	<ul style="list-style-type: none"> • Damage to terminals caused by storm surges, wind and waves, which increases the risk of damage to port infrastructure; • Flooding caused by high water may affect the operation of port facilities; • Additional unplanned costs for maintenance or relocation of facilities during the time of storm surge; and • Extreme weather conditions which cause vessels to be diverted from their routes, making it difficult for them to arrive in port on time.
Chronic physical risks (from long-term climate change, e.g. temperature change, rise of water level, reduced water source, biodiversity loss and changes in land and soil productivity)	<ul style="list-style-type: none"> • Increase in costs for cooling as a result of rising temperatures; • Difficulty for staff to work outdoors for extended periods of time in hot weather, which affects operational efficiency; and • Increase in droughts and high temperatures have made it difficult to grow crops, resulting in reduced volumes of cargoes from customers and potentially lower profits from port business as business volumes decline.
Transition Risks	
Technical risks	<ul style="list-style-type: none"> • Energy efficiency technology is the key to mitigating climate change and a core element of future development. Failure to master renewable energy or energy efficiency technology will have an impact on business development.
Market Risks	<ul style="list-style-type: none"> • Consumers and business customers are increasingly turning to products and services that are less damaging to the climate.

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Risks	Potential Impacts
Reputation Risks	<ul style="list-style-type: none"> It would be difficult to attract and retain customers, employees, business partners and investments if a company is accountable for damaging impact on the climate.
Legal Risks	<ul style="list-style-type: none"> With the increase in climate change-related laws and regulations, we may incur in additional compliance costs and may be exposed to the risk of negative findings from relevant government authorities if our existing compliance procedures and business operations do not fully comply with the new legal and regulatory requirements.

In response to the risks posed by climate change, the Group's ports have been transforming and upgrading from traditional terminal operations to intelligent terminal operations in recent years. We have been actively exploring energy-saving technologies and retrofitting our terminal equipment, such as implementing RTG "Electricity Changed from Oil" solutions, adopting shore-based power supply systems for birthing vessels and switching to pure electric container trucks. We are also closely monitoring updates to the climate change legislation and our compliance procedures to avoid adverse impact on our financial position and reputation due to non-compliance with relevant regulations or industry standards, thereby creating new opportunities for the Group's sustainable development in the future.

VI. Social Aspect

B1: Employment

CIL firmly believes that our staff is one of the most important factors driving a long-term business success. To maintain the quality, professionalism and business integrity of the Group, we strictly comply with the laws and regulations relating to staff employment, such as the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Law of the PRC on Employment Promotion (《中華人民共和國促進就業法》) and Employment Ordinance (《僱傭條例》) in Hong Kong. These laws and regulations protect our employees' legal interests in aspects such as working hour policy, holidays policy, welfare and remuneration management, dismissal of employees and signing of labour contracts. To achieve efficient transferring and monitoring of the relevant requirements, we have established various internal policies, such as "Employee Handbook" (《員工手冊》), "Employee Attendance Management System" (《員工考勤管理制度》) and "Employee Remuneration Management System" (《員工薪酬管理制度》), which are reviewed and amended on a regular basis, endeavouring to provide a work-life balance, reasonable, fair and discrimination-free working environment for our employees, that is supportive, inclusive and covered with their diverse interests and backgrounds, thereby achieving the mutual growth of both the employees and the Group.

During the year, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group.

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Recruitment, Promotion and Dismissal

To continuously enhance the overall human resources standard of the Group, we are based on internal regulations on employment and selection of personnel, during the recruitment process, whereby those who are unqualified will not be employed, we carry out inspection and judgment in terms of the integrity, self-discipline, and cooperative spirit of candidates. The Group adheres to an open, fair and impartial recruitment policy, and opposes all forms of discrimination on gender, age, disability, race and religion, endeavouring to maintain a friendly working environment. Our internal promotion mechanism also adheres to an open and fair principle in providing competitive remuneration packages (including performance bonuses) and implementing promotion policies. Based on employees' work performance and internal assessment results, we provide them with opportunities for promotion and development so as to explore their potential in terms of work, thereby promoting sound development of the business, increasing the standards of business performance and management, so as to benefit both the Group and the employees.

In addition, any unreasonable dismissal of employees from office without any reasons is not allowed by the Group. The dismissal process will only be carried out on a reasonable basis (such as serious misconduct by the employee) and ensure that the issue is fully communicated with the employee concerned prior to official dismissal.

Remuneration and Welfare

To fully exert the incentive function of remunerations, we have established the Employee Remuneration Management System to standardize relative usage according to the respective wage standard of each employee position and functional level. Meanwhile, we will conduct regular performance assessments on work performance, skills and experience of employees and adjust remuneration packages based on the assessment results to encourage and reward them. We also take this opportunity to provide feedback on employees' performance, listen to their opinions and help them to integrate into our corporate culture. In order to increase the sense of belonging and morale of our staff, in traditional festivals such as Lunar New Year and Mid-Autumn Festival, we will give out festive foods such as mooncakes to our staff, and also organise regular and festive activity or gatherings. We will also make birthday columns with birthday wishes, birthday cards and gifts to staff during their birthday month. For major family occasions such as weddings, we will distribute money gifts to the employees as a return for their contributions and efforts to the Group, in order to improve the harmonious atmosphere in the working environment as well as to facilitate the assimilation of employees from different levels.

Working Hours and Holidays

The Group pays overtime wages to employees' overtime work in accordance with the national standards and internal management standards, apart from that, our internal policies stipulate that employees are entitled to various paid holidays, including statutory holiday, marriage leave, bereavement leave, maternity leave, family planning leave, workplace breastfeeding leave, annual leave, etc. The Group implements flexible working hours system according to the nature of the Group's operation and the job responsibilities of individual employees, and adopts rotating days off and shifting rests, as well as flexible working hours to reasonably arrange work and rotate day off, safeguarding the employees' right of rest and ensuring the Company can complete its production.

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Equal Opportunity, Diversity, Anti-discrimination

CIL puts emphasis on creating a workplace with the concepts of equal opportunity, diversity and anti-discrimination. When hiring, we avoid using personal characteristics such as sex, age, marital status and physical fitness as necessary factors for selection, so to ensure employees can enjoy fair treatment in aspects such as recruitment and promotion, dismissal process, trainings, performance assessments, remuneration and welfare, working hours, annual leave and other holidays (including marriage leave, maternity leave), etc. Furthermore, all our employees enjoy fair treatment and job opportunities, and we respect their lifestyle, religion, and freedom of speech. We provide regular training to employees to ensure they understand any potential triggers for discrimination. Additionally, we strictly penalize all unethical behaviors such as malicious attacks, defamation, and slander. If such behavior is discovered, the disciplinary committee will issue written warnings and deduct partial bonuses according to the specific circumstances, with severe cases resulting in termination of employment.

As of 31 December 2024, we had in total 321 employees, of which male and female employees accounted for approximately 79% and 21%, respectively. There was no recorded case of discrimination during the Reporting Period.

B2: Health and Safety

The Group aims at providing a healthy and safe working environment to employees so as to protect their physical and mental health. In view of this, the Group organizes various activities regularly to promote the relationship between employees, improve their life quality, and enrich their spare time life. Meanwhile, we are in strict compliance with relevant laws and regulations on labour safety and health such as the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Production Safety Law of the PRC (《中華人民共和國安全生產法》), Fire Prevention Law of the PRC (《中華人民共和國消防法》) and the Regulation on Work-Related Injury Insurance of the PRC (《中華人民共和國工傷保險條例》). To ensure that employees can work in a healthy and safe working environment, internal policies such as “Fire Prevention Inspection and Patrol System”, “Management Systems for Loading and Unloading of Dangerous Goods and Safety Production” and “Emergency Plan for Environmental Emergencies” have been established in order to provide guidelines on occupational health and safety.

In 2024, the Group organized 83 safety trainings. Furthermore, the Group has engaged third-party companies to conduct fire and lightning assessments in the port area, and conducted major hazard investigations and special inspections for gas and fire safety. We organized comprehensive, seasonal, before and after holiday special safety inspections internally, and underwent safety inspections supervised by government functional departments, achieving a 100% rectification rate for identified hazards. Additionally, the Group has established a duty manager safety inspection system, conducting daily checks to ensure all office area power sockets are switched off after work hours and unplugging sockets during thunderstorm weather to eliminate safety hazards.

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CIL also endeavours to protect employees from potential occupational hazards through the following measures including but not limited to:

- equipping labour protection products required for all front-line employees;
- performing irregular work safety checks to ensure the implementation of safety measures;
- installing air purifiers in relatively crowded areas such as conference and meeting rooms;
- prohibiting smoking and abuse of alcohol and drugs in the workplace to take care of the physical and mental health of employees;
- providing regular safety trainings to employees; and
- conducting fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency.

For newly hired employees, the Group will provide induction programs and safety training programs such that they can be familiar with the relevant company policies as soon as possible, which will help increase the safety awareness of employees and minimize accidents caused by human. Meanwhile, we have already purchased social insurance and commercial insurance for our employees in accordance with the law to ensure employees are protected in the event of occupational injuries. Including the Reporting Period, the number and rate of work-related fatalities and the number of days lost due to work injuries of the Group in the past three years were nil.

B3: Development and Training

CIL understands that an excellent team of talents is one of the keys to corporate sustainable development. Therefore, we strive to improve our employees' training system and provide various professional and technical training for employees based on their job duties through the "Development and Training Management System" and "Administrative Measures of Internal Trainers", with the aim of achieving the business target of the Company and assisting employees in enhancing their skills and career development.

For newly hired employees, we will ensure that every new employee receives various trainings according to the induction programs, including induction training, technical skills training and pre-post training, ensuring that they can adapt to the new working environment swiftly and possess the required qualities and skill-sets for the job. We advocate a culture of continuous learning to strengthen the capabilities of our employees by providing various training courses to employees of every employment level, and ensure that every employee can receive continuous trainings, achieving personal growth and development while enhancing the competitiveness of the Group. For the management, we also organised a series of soft skill development courses. By strengthening their leadership and management skills, promoting teamwork and bringing in new perspectives to the Group, they can help foster the sustainable development of the Group. In addition, we also encourage employees to pursue continuous and lifelong learning, and provide subsidies for the expenses incurred by employees to obtain relevant certificates after completion of external training.

During the Reporting Period, the average training hours completed per employee of the Group were 24.97 hours, and the training data will be disclosed in detail in the "KPIs Overview" section.

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B4: Labour Standards

Preventing Child and Forced Labor

The Group is in strict compliance with the laws and regulations relating to protecting the legitimate rights and interests of employees as well as prohibiting the employment of persons under the age of 18, such as the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》), the Law on the Protection of Minors of the PRC (《中華人民共和國未成年人保護法》), and the Employment of Children Regulations of Hong Kong (《僱用兒童規例》). We have established standardised recruitment procedures and comprehensive employment policies to prohibit engaging suppliers who employ child labour and forced labour in any business, and value the legitimate rights and interests of employees. We put emphasis on the privacy of employees and avoid asking personal questions that are irrelevant to work performance during interviews, and ensure information regarding the cognitive ability assessments of the candidates can only be accessed by personnel related to the selection process. During the recruitment process, we will conduct background checks on candidates to examine their age through reviewing their medical examination certificates, academic certificates and identity cards in order to avoid illegal use of child labour. We also regularly update and verify the personal data of our employees to ensure that there is not any violation of provisions and policies. The Group also adheres to not engaging any suppliers and contractors who employ child labour or forced labour to provide administrative supplies and services. The Group was not aware of any material non-compliance of relevant child and forced labour laws and regulations during the Reporting Period.

For employees who need to work overtime and be on duty due to work needs, we will pay overtime wages in accordance to the national standards and the Group's internal employment policies. Once violation of the laws and regulations regarding labour standards is found, we will penalise the responsible personnel and make a public announcement depending on the severity of the situation. We will also dissect and investigate the cause of the problem in order to review, update and adjust the current systems or management practices to address the existing problems.

We also highly value employees' opinions and care for their physical and mental health. We are strongly convinced that a harmonic and compliant corporate culture and working environment can help increase sense of belonging of employees, so as to facilitate employee retention and improve productivity.

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B5: Supply Chain Management

A steady and sustainable supply chain is a solid foundation for CIL to create value for customers. Therefore, we strive to develop business relationships with suppliers and business partners as well as to improve supply chain management so as to maintain our service quality and business integrity. We have formulated the Procurement Management System and established a set of standardised procurement procedures to clearly regulate the procurement behavior and responsibilities of the supply chain management team, and require the tendering to be conducted in an open, fair and transparent manner. When selecting suppliers, the Group adopts the quotation model with at least three suppliers, and evaluates and selects suppliers based on their product or service quality, price, availability, and after-sales service. Before considering cooperation with any suppliers, we will request them to provide documents such as business licenses, certificates of professional qualifications, permits of safety production, and other recognised certificates in relation to management systems, ensuring that its quality is in line with the procurement requirements of the Group. In addition, we take environmental and social impacts into consideration when selecting and evaluating suppliers, and conduct environmental and social risk assessments on potential suppliers to ensure that suppliers are in line with the requirements of relevant laws and regulations in terms of operational compliance, human rights protection, employees' safety and health, social responsibility, business ethics, and environmental protection. We will also prioritise suppliers with philosophy of sustainable development to reduce potential environmental and social risks in the supply chain.

The Group believes that effective communication is the key to maintaining long-term relationships with suppliers. We evaluate and provide feedback to the suppliers after the completion of the procurement agreements or contracts through our supplier supervision mechanism and comprehensive quantitative indicators. We also monitor the performance of the suppliers on an on-going basis. At the end of each year, we assess the performances of the suppliers who are in the process of fulfilling or have completed procurement contracts during the year. The assessment on suppliers for the year will be performed with scores based on a number of aspects including execution of plans, coordination, occupational safety, on-site quality management, customer satisfaction, environmental protection, major incidents of safety responsibilities to ensure that suppliers comply with laws and regulations related to safety, environment and social aspects, and maintain good corporate governance and monitoring. If a supplier's performance is not up to standard, or if bribery or other commercial misconduct occurs, a supplier who is rated as non-conforming will no longer be selected as a supplier throughout the Group. During the year, the Group has no suppliers or business partners with major violations and anti-business ethics behaviors. The Group has a total of 182 suppliers, of which 179 suppliers are from China, 2 suppliers are from Hong Kong, and 1 supplier is from Switzerland.

The Group will continue to advance a green supply chain, the benefits of which include reducing carbon emissions, saving resources, improving air and water quality, ensuring compliance and sustainability, as well as enhancing brand image and market competitiveness. These benefits not only help the Group achieve environmental and social benefits but also bring long-term sustainable development and competitive advantages to the container business.

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B6: Product Responsibility

The Group strictly complies with the laws and regulations relating to product responsibility, maintenance and protection of intellectual property rights, consumer data and privacy protection, including the Port Law of the PRC (《中華人民共和國港口法》), the Law of the PRC on Product Quality (《中華人民共和國產品質量法》), the Production Safety Law of the PRC (《中華人民共和國安全生產法》), the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), the Regulations on Safety Management of Dangerous Goods at Ports (《港口危險貨物安全管理規定》), the Patent Law of the PRC (《中華人民共和國專利法》), and the Personal Data (Privacy) Ordinance of Hong Kong (《個人資料(私隱)條例》). Therefore, we have established internal guidelines on service quality and safety with reference to the above laws and regulations to regulate customer service quality, clarify production safety management goals, and protect customers' privacy and rights. During the Reporting Period, we did not identify any material non-compliance incidents of the laws and regulations related to service quality.

Customer Satisfaction

CIL understands the importance of service quality and corporate reputation to the sustainable development of business and therefore, we have always focused on "Customer Requirements", and are committed in maintaining bilateral communication with customers. We highly value customer satisfaction and their feedbacks on our services, and regard it as a key driver of continuous business improvement. We have set up various complaints and feedback channels, such as telephone hotline, emails and websites, to collect suggestions and advice from customers as well as take appropriate improvement measures in a prompt manner to avoid similar situations. Meanwhile, our internal policies are effective to guide the process of handling complaints and ensure that our employees can systematically handle complaints and resolve related issues in a fair, consistent and prompt manner. During the Reporting Period, the Group did not receive any related complaints regarding our services.

Protection of Intellectual Property Rights

To strengthen the protection of intellectual property rights, we have established a comprehensive internal system to standardise the procedures for the maintenance and protection of intellectual property rights, clarified the responsibilities of the intellectual property management department, and improved for the application, registration, renewal, transfer, evaluation as well as guidance or the settlement of intellectual property infringement and disputes. We will continue to reform and improve the intellectual property protection system and promote the optimization of the business environment.

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Privacy Protection

We are also strongly committed to the confidentiality protection of personal and sensitive business data. In handling critical and confidential data, the Group has set up privacy protection management measures to ensure that only authorised personnel can handle confidential data. To protect the data of suppliers, customers and the Group itself, the Group strictly forbids employees to remove data storage equipment, maintenance equipment, removable storage devices or other information from the office without approval. We also control the access rights to data and ensure that collected and saved data are free of unauthorised or accidental access, processing, erasure or uses for other purposes. During the Reporting Period, we did not receive any complaints regarding breaches of customer privacy or leakage of customer information.

B7: Anti-Corruption

Any form of corruption and bribery is not allowed by the Group in stringent compliance with the laws and regulations concerning business ethics and prohibiting operators from reaching monopoly agreements or abusing market dominance, such as the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》), the Regulations of the PRC for Suppression of Corruption (《中華人民共和國懲治貪污條例》), and the Prevention of Bribery Ordinance of Hong Kong (《防止賄賂條例》). In order to operate business without undue influence, we have set out a series of anti-fraud and anti-bribery internal policies, including guidelines regarding employees' acceptance of benefits. We regularly conduct anti-fraud and anti-corruption training for directors and employees through video education, document learning and party branch work meetings to ensure that employees understand and comply with relevant internal policies, and to convey the spirit of anti-corruption to directors and employees. During the Reporting Period, we have provided approximately 24 hours and 444 hours of anti-corruption training to 2 directors and 37 staffs of the Group, respectively.

As a state-owned enterprise, we take the primary responsibility for promoting the construction of clean and honest government, fully leveraging the "dual responsibility" of party members. All party members have signed the Commitment to Integrity and Self-discipline and received the Notice on Strengthening Discipline and Style Construction in Yangluo Port, sternly prohibiting any bribery or corruption behavior. We combine style construction with "special governance", conduct integrity education activities, enhance the awareness of cadres' integrity and self-discipline, and resolutely eliminate any corrupt behavior. The Group's relevant rules and systems include an employee code of conduct, with anti-corruption content incorporated into the integrity commitment.

The Group has installed an anonymous suggestion box at the entrance of the administrative building to extensively collect employee opinions and suggestions, welcoming employee supervision and reporting. Integrity education activities are conducted, utilizing platforms such as "Xuexi Qiangguo" for centralized learning and exchange seminars, adhering to strict governance within the enterprise, with priorities on discipline, education, warning, and prevention throughout all aspects of ideological and political work.

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The Group strictly prohibits any form of corruption, including but not limited to accepting benefits and kickbacks from business partners, collusion with suppliers, fraud and misrepresentation of business volume. Once violations of guidelines or other regulations are found, the offenders will be subject to disciplinary action. During the Reporting Period, the Group abides by the laws and regulations relating to bribery, extortion, fraud and money laundering mentioned above, as well as the corporate policies on anti-corruption. We have not been penalised as a result of violation of laws and regulations relating to anti-corruption, we also have not terminated or brought disciplinary actions against our employees due to cases of corruption, and we have not terminated or declined to extend any contract with business partners due to corruption.

Whistleblowing System

The Group encourages its employees and relevant third parties who have dealings with the Group, such as customers and suppliers, to report all sorts of conflicts of interests and misconducts, such as bribery, extortion, fraud and money laundering through the various channels such as the whistle-blowing hotline and mailbox we have established, to ensure that employees abide by the relevant regulations, principles, and requirements of professional ethics in the agreement. Pursuant to the Group's internal policies, employees can report any conflicts of interests and non-compliance found to the Audit Committee, which will review each complaint and decide how the investigation should be conducted. The management will take immediate action to investigate the issue. The Group is committed to handling any whistleblowings in a confidential and cautious manner and will keep the identity of all whistle blowers and employees and/or third parties who make whistleblowings confidential.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning bribery, extortion, fraud and money laundering, and there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

B8: Community Investment

The Group strives to fulfil its social responsibilities and endeavours to give back to the society while developing its business. We encourage employees to actively participate in various social welfare activities and help local communities and people in need, expressing their love and contributing to the society with practical actions. In addition, the Group pays attention to the physical and mental health of employees, and believes that employees are one of the important assets for corporate sustainable development. We sincerely hope that we can get through the difficulties encountered by our employees hand in hand. Therefore, we will also provide a pension with our condolence for critically ill employees and those with family issues to express our sincere gratitude.

In 2024, the Group carried out an exchange activity themed "Community-Enterprise Collaboration for Harmonious Development" in Xinhong Community (新紅社區), Yangluo Street, China. This initiative actively studied and implemented the guiding principles of the third plenary session of the 20th Central Committee of the Communist Party of China (CPC) and the important speech of Xi Jinping, general secretary of the CPC Central Committee, during his inspection in Hubei, reinforcing party member education and fostering a sense of responsibility. The Group visited five impoverished households in Xinhong Community, and donated a total of RMB500. Meanwhile, the Group worked with the community to organize clean home volunteer service. These actions demonstrated the Group's deep commitment to social responsibility, as a way to boost high-quality development of the Yangtze River Economic Belt, and contribute to the rise of central Hubei region.

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In addition, the Group's Labor Union Committee organised visits and consolation activities to model worker representatives, employees in difficulty, party members in difficulty, veteran party members and elderly cadres during the Spring Festival of this year. This initiative not only combines safety production inspection, but also coordinates with the practical activities of "going down to the grassroots, observing people's conditions, resolving people's worries, and warming people's hearts" (下基层、察民情、解民忧、暖民心) carried out by party members and cadres. We donated a total of RMB8,500 to express our concern for and responsibility to society.

The Group has always been committed to community investment and actively promotes the development of social welfare. Through these activities, we not only focus on the difficulties and needs of our employees but also strive to create a more harmonious social environment. We believe that the success of a business is not only reflected in economic gains, but also in its contributions and responsibilities to society.

We encourage employees to raise their social awareness as citizens and establish correct values through participating charitable activities, as demonstrated by their willingness to participate in giving back to the society and making contributions towards building a better homeland with the Group. Looking forward, as a member of the community, the Group will continue to actively engage in community activities to give back to the society to promote volunteering and dedication, to create caring atmosphere in the neighborhoods and striving to promote harmony and prosperity in the communities.

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VII. KPIs Overview

A. Environmental Performance

Aspects	KPIs ¹	Unit	2024	2023 ²
A1.1 Emissions³	Nitrogen Oxides (NO _x)	Kg	10.19	1,192.13
	Sulphur Dioxide (SO _x)	Kg	13.24	15.71
	Particulate Matters (PM)	Kg	0.84	115.52
A1.2 Greenhouse Gas⁴	Scope 1: Direct Greenhouse Gas Emissions			
	Stationary sources (air-conditioning facilities and liquefied petroleum gas consumed in canteens)	CO ₂ e (tonne)	62.65	60.97
	Mobile combustion sources (company vehicles and other port operation machinery)	CO ₂ e (tonne)	2,109.19	2,522.39
	Scope 2: Indirect Greenhouse Gas Emissions			
	Purchased electricity (including photovoltaic power usage)	CO ₂ e (tonne)	2,942.11	1,851.21
	Scope 3: Other Indirect Greenhouse Gas Emissions			
	Electricity used for processing fresh water and sewage by government department	CO ₂ e (tonne)	46.75	31.76
	Business air travel by employees	CO ₂ e (tonne)	–	1.34
	Total Greenhouse Gas Emissions			
	Total Greenhouse Gas Emissions (Scope 1, Scope 2 and Scope 3)	CO ₂ e (tonne)	5,160.70	4,467.67
	Total Greenhouse Gas Emissions Intensity	CO ₂ e (tonne)/employee ⁵	16.08	13.92

¹ During the year, the Group has renewed its disclosure in respect of greenhouse gas emissions, non-hazardous waste and energy consumption to better respond to the disclosure requirements of the Stock Exchange.

² The Group has revised the data of emissions, Scope 1 and Scope 3 of greenhouse gas emissions and direct energy consumption for the year of 2023 based on more accurate data recording and enhanced statistical approach.

³ Emissions data is calculated based on the “How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.

⁴ Greenhouse gas emission data is presented in terms of carbon dioxide equivalent and is calculated with reference to, including but not limited to, the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD); the “2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories” and the “Sixth Assessment Report” issued by the Intergovernmental Panel on Climate Change (IPCC); the “How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange; the “Notice on the Reporting and Verification of Greenhouse Gas Emissions of Enterprises in Selected Key Industries for 2023-2025” issued by the Ministry of Ecology and Environment of the PRC; the Annual Report 2022/23 published by the Water Supplies Department of Hong Kong and the Sustainability Report 2022-23 published by the Drainage Services Department of Hong Kong.

⁵ As of 31 December 2024, the Group had a total of 321 employees (2023: 321 employees). The number would also be used for calculating other intensity data.

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Aspects	KPIs ¹	Unit	2024	2023 ²
A1.4 Non-hazardous Wastes⁶	Waste Paper	tonne	0.04	3.56
	Household Waste	tonne	10.07	Not Applicable
	Total Non-hazardous Wastes			
	Total Non-hazardous Wastes	tonne	10.11	3.56
	Total Non-hazardous Wastes Intensity	tonne/employee	0.03	less than 0.01
A2.1 Energy Consumption	Direct Energy Consumption⁷			
	Liquefied Petroleum Gas	MWh	97.18	125.20
	Petrol	MWh	14.35	25.65
	Diesel	MWh	8,781.58	10,411.94
	Direct Energy Consumption⁸			
	Purchased electricity (including photovoltaic power usage)	MWh	5,158.88	3,310.69
	Total Energy Consumption			
A2.2 Water Consumption	Total Energy Consumption	MWh	14,051.99	13,873.48
	Total Energy Consumption Intensity	MWh/employee	43.78	43.22
	Fresh Water Consumption	m ³	106,816.00	72,684.56
	Fresh Water Consumption Intensity	m ³ /employee	332.76	226.43
	Sewage Generated ⁹	m ³	356.75	Not Applicable
	Sewage Generated Intensity	m ³ /employee	1.11	Not Applicable

⁶ Household waste was newly disclosed as non-hazardous waste during the year.

⁷ The unit conversion method of direct energy consumption data is based on the "Energy Statistic Manual" issued by the International Energy Agency.

⁸ The Group has revised the type of indirect energy consumption during the year. We do not sell or develop electricity, heating, cool air and steam, but photovoltaic power is included in the purchased electricity consumed.

⁹ Sewage generated was newly disclosed during the year, which is mainly generated from living activities.

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B. Social Performance

Aspects	KPIs	Unit	2024	2023
B1.1 Total Employees	Total Employees	Person	321	321
	By Employee Type			
	Full-time	Person	321	321
	Part-time	Person	–	–
	By Geographical Region			
	Mainland China	Person	319	320
	Hong Kong	Person	2	1
	By Gender			
	Male	Person	252	259
	Female	Person	69	62
	By Age			
	30 Years Old or Below	Person	33	47
	31-40 Years Old	Person	150	148
	41-50 Years Old	Person	92	81
	51 Years Old or Above	Person	46	45
	By Employee Category			
	Directors and Senior Management	Person	3	3
	Middle Management	Person	19	18
	Ordinary Employee	Person	299	300
B1.2 Employee Turnover Rate	Total Employee Turnover Rate ¹⁰	%	7.17	Not Applicable
	By Geographical Region			
	Mainland China	%	6.90	5.00
	Hong Kong	%	50.00	100
	By Gender			
	Male	%	6.75	5.02
	Female	%	8.70	6.45
	By Age			
	30 Years Old or Below	%	9.09	2.13
	31-40 Years Old	%	5.33	4.73
	41-50 Years Old	%	5.43	4.05
	51 Years Old or Above	%	15.22	2.03

¹⁰ During the year, the Group has renewed its disclosure in respect of employee turnover rate to better respond to the disclosure requirements of the Stock Exchange.

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Aspects	KPIs	Unit	2024	2023	2022
B2.1 Number and Rate of Work-related Fatalities	Number of work-related fatalities	Person	–	–	–
	Rate of work-related fatalities	%	–	–	–
B2.2 Lost Days Due to Work Injury	Lost days due to work injury	day	–	–	–

Aspects	KPIs	Unit	2024	2023
B3.1 Number of Employees Trained¹¹	Number of Employees Trained	Person	4,651	Not Applicable
	By Gender			
	Male	Person	4,052	Not Applicable
	Female	Person	599	Not Applicable
	By Employee Category			
	Directors and Senior Management	Person	27	Not Applicable
	Middle Management	Person	114	Not Applicable
	Ordinary Employee	Person	4,510	Not Applicable
B3.2 Average Training Hours Completed Per Employee	Average Training Hours Completed Per Employee	Hour	24.97	4.86
	By Gender			
	Male	Hour	26.76	4.00
	Female	Hour	18.44	8.50
	By Employee Category			
	Directors and Senior Management	Hour	11.30	24.00
	Middle Management	Hour	10.01	13.90
	Ordinary Employee	Hour	26.06	4.20
B5.1 Number of Suppliers	Number of Suppliers By Region			
	Mainland China	Number	179	233
	Hong Kong	Number	2	–
	Switzerland	Number	1	–
B6.2 Number of Products and Service Related Complaints	Number of products and service related complaints received	Number	–	–

¹¹ The Group has renewed the disclosure in respect of employee training data during the year in response to internal data recording adjustment.

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Aspects	KPIs	Unit	2024	2023
B7.1 Legal Cases Regarding Corrupt Practices	Number of filed and concluded legal cases regarding corrupt practices	Number	–	–
B7.3 Anti-corruption Training Provided to Directors and Staff¹²	Total number of directors and staff trained	Person	39	Not Applicable
	Total number of training hours completed by directors and staff trained	Hour	468.00	18.00
B8 Community Investment	Total Donation (Combined with the statistics of the Group's Labor Union Committee and by Focused Contribution Area)			
	Underprivileged Groups	RMB	9,000	7,800
	Total Hours of Volunteer Service	Hour	–	Approximately 200

¹² Total number of directors and staff trained was newly disclosed during the year to improve the transparency of the report.

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VIII. REFERENCE TO STOCK EXCHANGE ESG REPORTING GUIDE

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
A. Environment			
Aspect A1: Emissions			
General Disclosure		Disclosed	V. Environmental Aspect
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer.			
KPI A1.1	Types of emissions and respective emissions information.	Disclosed	V. Environmental Aspect, VII. KPIs Overview
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	V. Environmental Aspect, VII. KPIs Overview
KPI A1.3	Total hazardous waste generated (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable	Our operation does not generate a significant amount of hazardous waste, thus this KPI is not applicable to our business.
KPI A1.4	Total non-hazardous waste generated (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	V. Environmental Aspect
KPI A1.5	Description of the emission targets set and steps taken to achieve them.	Disclosed	V. Environmental Aspect
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, and description of the waste reduction targets set and steps taken to achieve them.	Disclosed	V. Environmental Aspect

Environmental, social and governance report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Aspect A2: Use of Resources			
General Disclosure		Disclosed	V. Environmental Aspect
Policies on efficient use of resources including energy, water and other raw materials.			
Note: Resources may be used in production, in storage, in transportation, in buildings, electronic equipment, etc.			
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility).	Disclosed	V. Environmental Aspect, VII. KPIs Overview
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	V. Environmental Aspect, VII. KPIs Overview
KPI A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Disclosed	V. Environmental Aspect, VII. KPIs Overview
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	V. Environmental Aspect
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable	Our operations do not involve the use of packaging materials and therefore this KPI is not applicable to our business.
Aspect A3: The Environment and Natural Resources			
General Disclosure		Disclosed	V. Environmental Aspect
Policies on minimising the issuer's significant impact on the environment and natural resources.			
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	V. Environmental Aspect
Aspect A4: Climate Change			
General Disclosure		Disclosed	V. Environmental Aspect
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.			
KPI A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and how they are dealt with.	Disclosed	V. Environmental Aspect

Environmental, social and governance report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure		Disclosed	VI. Social Aspect
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.			
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	VI. Social Aspect, VII. KPIs Overview
Aspect B2: Health and Safety			
General Disclosure		Disclosed	VI. Social Aspect
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.			
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B2.2	Lost days due to work injury.	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Disclosed	VI. Social Aspect
Aspect B3: Development and Training			
General Disclosure		Disclosed	VI. Social Aspect
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.			
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	VI. Social Aspect, VII. KPIs Overview

Environmental, social and governance report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Aspect B4: Labour Standards			
General Disclosure		Disclosed	VI. Social Aspect
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.			
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	VI. Social Aspect
KPI B4.2	Description of steps taken to eliminate related practices when discovered.	Disclosed	VI. Social Aspect
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure		Disclosed	VI. Social Aspect
Policies on managing environmental and social risks of the supply chain.			
KPI B5.1	Number of suppliers by geographical region.	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Disclosed	VI. Social Aspect
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	VI. Social Aspect
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	VI. Social Aspect

Environmental, social and governance report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Aspect B6: Product Responsibility			
General Disclosure		Disclosed	VI. Social Aspect
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.			
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable	This KPI is not applicable to our business.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	VI. Social Aspect
KPI B6.4	Description of quality assurance process and recall procedures.	Not Applicable	This KPI is not applicable to our business.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	VI. Social Aspect
Aspect B7: Anti-corruption			
General Disclosure		Disclosed	VI. Social Aspect
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.			
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Disclosed	VI. Social Aspect, VII. KPIs Overview
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Disclosed	VI. Social Aspect
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	VI. Social Aspect, VII. KPIs Overview
Community			
Aspect B8: Community Investment			
General Disclosure		Disclosed	VI. Social Aspect
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration communities' interests.			
KPI B8.1	Focus areas of contribution (e.g. education, environmental matters, labour demand, health, culture, sports).	Disclosed	VI. Social Aspect
KPI B8.2	Resources contributed to the focus areas (such as money or time).	Disclosed	VI. Social Aspect, VII. KPIs Overview

Report of the board of directors

The Board submits herewith the report of the Board together with the audited consolidated financial statements of the Company for the year ended 31 December 2024.

Principal activities

The principal activities of the Company during the year under review was investment holding and those of the subsidiaries are set out in note 37 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Business review and performance

A review of the business of the Group and a discussion and analysis of the Group's performance during the reporting year and a discussion on the Group's future business development and outlook of the Company's business, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2024 are provided in the section headed "Chairman's Statement" on pages 6 to 9 and the section headed "Management discussion and analysis" on pages 10 to 21 of this annual report. An account of the Company's relationships with its key stakeholders is included in the paragraph headed "Relationships with employees, suppliers and customers" of the report of the board of the directors on page 79 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2024 using financial performance indicators is provided in the section headed "Management discussion and analysis" on pages 10 to 21 of this annual report.

In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Company are provided in the paragraph headed "Environmental, social and governance report" on pages 41 to 74 of this annual report.

This discussion forms part of this Report of the board of directors.

The analysis of the principal activities and geographical locations of the operations of the Group are set out in note 6 to the consolidated financial statements.

Results and share capital

The results of the Group for the year ended 31 December 2024 and the financial position of the Group together with notes thereto as at that date are set out on pages 92 to 189 of this annual report.

Details of the share capital of the Company and movements thereon during the year are set out in note 31 to the consolidated financial statements.

Report of the board of directors

Dividend

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

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

Distributable reserves

Distributable reserves of the Company as at 31 December 2024 amounted to HK\$341,608,000 (2023: HK\$345,561,000).

Pre-emptive rights

There is no provision for pre-emptive rights under the Articles or the Companies Law (revised) of the Cayman Islands.

Five year summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 191 to 192 of this annual report.

Purchase, sale, or redemption of the 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. As at 31 December 2024, the Company did not hold any treasury Shares.

Report of the board of directors

Directors

The Directors who held office during the financial year and as at the date of this report were:

Executive Directors:

Ms. Zhou Wei

Mr. Qiao Yun

Non-executive Directors:

Mr. Xu Aoling (*Resigned on 10 January 2025*)

Mr. Li Wei

Ms. Yu Ling (*Appointed on 10 January 2025*)

Independent non-executive Directors:

Mr. Chau Kwok Keung

Mr. Fu Xiping

Dr. Mao Zhenhua

According to article 16.18 of the Company's Articles, at every AGM one-third of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Directors and senior management's biographies

Biographical details of the Directors and senior management of the Group are set out on pages 22 to 25 of this annual report.

Directors' service contracts

None of the Directors offering for re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation other than statutory compensation.

Report of the board of directors

Directors' interest in contracts

Save as disclosed in this annual report, no other transaction, arrangement or contract of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024.

Directors', chief executives' interests in shares and short positions in the shares of the Company (The "Share(s)")

As at 31 December 2024, none of the Directors and chief executives of the Company had any interests or short positions in any of the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

Substantial shareholders and other persons

So far as was known to the Directors, as at 31 December 2024, the persons (not being Directors or chief executives of the Company) whose interests in Shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register to be kept under section 336 of the SFO, or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long and short positions in Shares

Substantial shareholders

As at 31 December 2024			
Name of shareholder	Capacity	Number of Shares (Notes 1, 2, 3, 4)	Approximate percentage of total number of Shares in issue (Note 5)
Hubei Port Group Company Limited*	Interest of controlled corporation & Security interest	1,343,429,911(L)	77.87%
Hubei Port (Hong Kong) International Limited ("Hubei Port")	Beneficial owner	1,293,429,911(L)	74.98%
Mr. Wang Kaiwei	Beneficial owner	99,140,600(L)	5.75%
Zall Holdings Company Limited	Interest of controlled corporation Beneficial owner	86,428,000(L)	5.01%

Report of the board of directors

Notes:

1. (L) represents long position.
2. Hubei Port is wholly owned by Hubei Port Group Company Limited* (“**Hubei Port Group**”), which in turn is owned as to approximately 50.8% and 49.2% by the State-owned Assets Supervision and Administration Commission of the People's Government of Hubei Province* (湖北省人民政府國有資產監督管理委員會) and the State-owned Assets Supervision and Administration Commission of the People's Government of Wuhan Municipality* (武漢市人民政府國有資產監督管理委員會).
3. Hubei Port Group Company Limited* is interested in 1,293,429,911 shares of the Company through Hubei Port, its wholly owned subsidiary and has security interest over 50,000,000 shares of the Company as these shares were charged by Mr. Wang.
4. Mr. Wang Kaiwei is the beneficial owner of 99,140,600 shares of China Infrastructure & Logistics Group Ltd. and he charged 50,000,000 shares of the Company to Hubei Port Group Company Limited* on 17 February 2025.
5. Based on 1,725,066,689 shares of the Company in issue as at 31 December 2024.

Major customers and suppliers

During the year ended 31 December 2024, services provided to the Group's five largest customers accounted for 49.2% of total revenue from continuing operations of the Group with services provided to the largest customer included therein accounted for 20.7% of total revenue from continuing operations of the Group. Purchases from the Group's five largest suppliers accounted for 44.5% of the total purchases from continuing operations of the Group for the year and purchases from the largest supplier included therein accounted for 13.9% of total purchases from continuing operations of the Group for the year.

During the year ended 31 December 2024, none of the Directors of the Company or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Relationships with employees, suppliers and customers

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group's business is built on a customer-oriented culture, and are focused on establishing relationships with blue-chip companies globally. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards of quality in the service to its customers. During the year under review, there was no material and significant dispute between the Group and its suppliers and/or customers.

The Group allows a credit period of 0 days to 90 days to customers. In extending credit terms to customers, the Group will carefully assess creditworthiness and financial standing of each individual customer. Management will also closely monitor all outstanding debts and review their collectability periodically. Details of customers with transactions exceeding 10% of the Group's revenue are set out in note 6 to the consolidated financial statements.

Report of the board of directors

Significant events after the reporting period

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

Sufficiency of public float

Rule 8.08 of the Listing Rules requires issuers to maintain at least 25% of their total number of issued shares to be held by the public at all times.

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules.

Independence of independent non-executive Directors

The Nomination Committee and the Board consider all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Company considered all the Independent Non-executive Directors to be independent.

Director's Interests in Competing Business

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2024 and up to the date of this annual report.

Emolument policy

The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The emoluments of the Directors are determined by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted share option scheme as incentives for Directors and eligible employees. Details of the schemes are set out in the section headed "Share Option Scheme" below.

Property, plant and equipment

Details of movements in property, plant and equipment during the year are set out in note 16 to the consolidated financial statements.

Retirement Schemes

The Group operates a defined contribution Mandatory Provident Fund Scheme for employees in Hong Kong. The Group's employees in the PRC, participate in a defined contribution central pension scheme operated by the local municipal government. Particulars of these schemes are set out in notes 8 and 9 to the consolidated financial statements.

Report of the board of directors

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

Connected transactions

During the year ended 31 December 2024, the Group conducted the following connected transactions or continuing connected transactions under the Listing Rules.

Continuing connected transactions

On 23 April 2023, the Company entered into a comprehensive port logistics services framework agreement (the “**2023 CIL Comprehensive Port Logistics Services Framework Agreement**”) with Hubei Port, pursuant to which the Company agreed to provide port logistics integrated services, including but not limited to port loading and unloading, stockpiling, storage, drayage, transportation and other services (the “**Comprehensive Port Logistics Services**”), with a greater focus on port loading and unloading to the Hubei Port and its subsidiaries but excluding the Group (“**Hubei Port and its subsidiaries**”) at Phase I of Yangluo Port area within the WIT Port (武漢陽邏港) from time to time, for a term commencing of three years commencing from 1 January 2023 to 31 December 2025 (both days inclusive).

On 23 April 2023, the Company entered into a comprehensive port logistics services framework agreement (the “**2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement**”) with Hubei Port, pursuant to which Hubei Port and its subsidiaries agreed to provide the Comprehensive Port Logistics Services with a greater focus on transportation and other services to the Group at Phase II and Phase III of Yangluo Port area within the WIT Port (武漢陽邏港) and the Hannan Port (漢南港) from time to time, for a term of three years commencing from 1 January 2023 to 31 December 2025 (both days inclusive).

As at the date of the 2023 CIL Comprehensive Port Logistics Services Framework Agreement and the 2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement, Hubei Port was the controlling shareholder of the Company, holding approximately 74.98% of the total issued share capital of the Company and is therefore a connected person of the Company. Hubei Port is a wholly owned subsidiary of Hubei Port Group and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of the Comprehensive Port Logistics Services by the Group to the Hubei Port Group and vice versa under the 2023 CIL Comprehensive Port Logistics Services Framework Agreement and the 2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the proposed annual caps under each of the 2023 CIL Comprehensive Port Logistics Services Framework Agreement and the 2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement respectively more than 5%, they are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company’s announcement dated 25 April 2023 and the circular dated 9 June 2023.

The annual cap for the service fees payable by the Hubei Port and its subsidiaries to the Group under the 2023 CIL Comprehensive Port Logistics Services Framework Agreement for the three years ending 31 December 2025 are expected not to exceed RMB15,520,000 (approximately HK\$17,690,000), RMB18,310,000 (approximately HK\$20,870,000) and RMB20,380,000 (approximately HK\$23,230,000) respectively.

Report of the board of directors

During the year ended 31 December 2024, the actual amount of service fees payable by the Hubei Port and its subsidiaries to the Group under the 2023 CIL Comprehensive Port Logistics Services Framework Agreement was approximately RMB10,987,000 (approximately HK\$11,681,000).

The annual cap for the service fees payable by the Group to the Hubei Port and its subsidiaries under the 2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement are expected not to exceed RMB22,070,000 (approximately HK\$25,160,000), RMB23,540,000 (approximately HK\$26,830,000) and RMB25,700,000 (approximately HK\$29,300,000) respectively.

During the year ended 31 December 2024, the actual amount of service fees payable by the Group to the Hubei Port and its subsidiaries under the 2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement was approximately RMB15,224,000 (approximately HK\$16,186,000).

Annual Review

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions and have confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 (Revised) Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter to the Board containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 81 to 83 of this report in accordance with Rule 14A.56 of the Listing Rules.

The Board confirms that the letter issued by the Company's auditor in respect of the disclosed continuing connected transactions in this report has covered each of the matters set out in Rule 14A.56 of the Listing Rules and the letter has stated that nothing has come to the auditor's attention that causes the auditor to believe that such continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) have exceeded the annual cap as set by the Company.

Other than disclosed above, no other contract of significance to which the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries was a party and in which a Director had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024.

Report of the board of directors

Save as the aforementioned connected transactions, no other related party transaction disclosed in note 41 to the financial statements constitutes a connected transaction or continuing connected transaction that should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. The Company has complied with the disclosure requirements in Chapter 14A of the Listing Rules.

Share Option Scheme

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

Details of the Share Option Scheme

(1) Purpose

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

(2) Participants

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

(3) The maximum number of Shares available for issue

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 172,506,668 Shares. 172,506,668 Shares represents approximately 9.99% of the total Shares in issue as at the date of this annual report.

(4) The maximum entitlement of each participant

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

Report of the board of directors

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

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

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

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

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

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

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, i.e. 25 May 2018 and has a remaining life of approximately 3 years and 1 month as at the date of this annual report.

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

(8) *Details of the share option granted*

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

As at 1 January 2024 and 31 December 2024, the aggregate number of options available for grant under the Share Option Scheme were 172,506,668 and 172,506,668, respectively. There was no service provider sublimit set under the Share Option Scheme.

Report of the board of directors

Remuneration of Directors and the highest paid employees

Details of the remuneration of Directors and the highest paid employees of the Group are respectively set out in notes 9 and 10 to the consolidated financial statements.

Bank and other borrowings

Particulars of bank and other borrowings of the Group as at 31 December 2024 are set out in notes 27 and 28 to the consolidated financial statements.

Code of conduct regarding securities transactions by Directors

The Company has adopted 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.

Permitted indemnity provision

At no time during the year under review and up to date of this report, there was or is any permitted indemnity provision being in force for the benefit of any Directors (whether made by Company or otherwise) or of its associated company (made by the Company).

Relief of taxation

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares. Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in the Shares.

Donations

Charitable and other donations made by the Group during the year ended 31 December 2024 amounted to nil (2023: nil).

Public float

From information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times during the financial year ended 31 December 2024 and up to the date of this annual report as required under the Listing Rules.

Report of the board of directors

Auditor

At the Company's AGM held on 28 June 2023, Grant Thornton Hong Kong Limited retired, and Crowe (HK) CPA Limited ("**Crowe**") was appointed as the auditor of the Company. There have been no other changes of auditors in the past three years.

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by Crowe who will retire and, being eligible, offer themselves for re-appointment at the Company's forthcoming AGM.

On behalf of the Board

Zhou Wei

Executive Director and Chairman

26 March 2025

Independent auditor's report



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

To the shareholders of

China Infrastructure & Logistics Group Ltd.

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China Infrastructure & Logistics Group Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 92 to 189, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the “**IESBA Code**”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Refer to Note 15 to the consolidated financial statements.

The Key Audit Matter

The Group held a portfolio of investment properties located in the PRC with a fair value of HK\$798 million as at 31 December 2024, representing 61% of the Group's total assets as at that date. The Group's investment properties includes leasehold lands, berth, commercial buildings, pontoon, stacking yard, warehouses and buildings under construction.

Management assessed the fair values of the investment properties as at 31 December 2024 based on valuations prepared by a firm of qualified external property valuers, in accordance with recognised industry standards. Assessing the fair values of investment properties requires management and the external property valuers to make a number of judgemental assumptions, particularly relating to the valuation methodology adopted, capitalisation rates and market rents.

We identified valuation of the Group's investment properties as a key audit matter because of the significance of investment properties to the Group's consolidated financial statements and because valuation of investment properties is inherently subjective and involves significant judgement and estimation, which increases the risk of error or potential management bias.

How the matter was addressed in our audit

Our audit procedures to assess the valuation of investment properties included the following:

- obtaining and inspecting the valuation reports prepared by external property valuers engaged by management and on which the management's assessment of the fair values of investment properties was based;
- assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity and independence;
- discussing with the external property valuer the valuation methodology and key estimates and assumptions adopted in the valuations;
- with the assistance of our internal property valuation specialists, on a sample basis evaluating the valuation methodology applied by the external property valuer and challenging the key estimates and assumptions adopted in the valuations, including capitalisation rates, prevailing market rents and comparable market transactions, by comparing the key estimates and assumptions used by the external property valuer in the valuation of each investment property with market available data and/or government produced market statistics; and
- comparing, on a sample basis, the tenancy information, including committed rents and occupancy rates, provided by the Group to the external property valuer with underlying contracts and documentation.

Independent auditor's report

Other Information

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

(Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

(Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 26 March 2025

Yau Hok Hung

Practising Certificate No.: P04911

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	396,529	361,301
Cost of services rendered and goods sold		(334,916)	(283,648)
Gross profit		61,613	77,653
Other income	7	37,934	22,117
Net change in fair value of investment properties	15	(1,734)	(993)
Net change in fair value of other financial assets	38.2(f)(i)	603	—
General and administrative expenses		(32,772)	(27,505)
Other operating expenses		(26,856)	(32,028)
Profit from operations		38,788	39,244
Finance income	11	187	355
Finance costs	11	(11,357)	(15,898)
Share of losses of associates		—	(710)
Profit before taxation	8	27,618	22,991
Income tax	12	(14,723)	(9,203)
Profit for the year		12,895	13,788
Profit for the year attributable to:			
Owners of the Company		12,694	15,360
Non-controlling interests		201	(1,572)
		12,895	13,788
Earnings per share (HK cents)	13		
— Basic		0.74	0.89
— Diluted		0.74	0.89

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

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

The notes on pages 100 to 189 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

At 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investment properties	15	798,251	824,480
Property, plant and equipment	16	317,701	354,135
Land use rights	18	15,451	16,417
Other financial assets	19	11,806	11,558
Deferred tax assets	30	2,406	1,599
		1,145,615	1,208,189
Current assets			
Inventories	20	5,802	8,167
Trade and other receivables	21	80,095	84,070
Amounts due from related companies	36(b)	9,574	1,466
Government subsidy receivables	22	4,502	1,840
Income tax recoverable		3,135	3,360
Cash and cash equivalents	23	58,662	56,648
Assets of the disposal group held for sale	34	—	127,477
		161,770	283,028
Current liabilities			
Trade and other payables	24	111,750	110,210
Contract liabilities	25	2,309	1,455
Deferred government subsidies	26	841	867
Bank borrowings	27	141,979	143,200
Loans from immediate holding company	28	7,000	7,000
Loans from ultimate holding company	28	23,342	106,252
Lease liabilities	29	2,507	2,332
Income tax payable		3,686	304
Liabilities directly associated with the disposal group held for sale	34	—	12,801
		293,414	384,421
Net current liabilities		(131,644)	(101,393)
Total assets less current liabilities		1,013,971	1,106,796

Consolidated statement of financial position

At 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Deferred government subsidies	26	7,854	8,219
Bank borrowings	27	79,293	118,982
Lease liabilities	29	5,271	7,122
Deferred tax liabilities	30	107,264	107,716
		199,682	242,039
NET ASSETS		814,289	864,757
EQUITY			
Share capital	31	172,507	172,507
Reserves	33	586,100	594,369
Equity attributable to owners of the Company		758,607	766,876
Non-controlling interests		55,682	97,881
TOTAL EQUITY		814,289	864,757

Approved and authorised for issue by the board of directors on 26 March 2025.

Zhou Wei
Director

Qiao Yun
Director

The notes on pages 100 to 189 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
Profit before income tax		27,618	22,991
Adjustments for:			
Net change in fair value of investment properties	15	1,734	993
Net change in fair value of other financial assets	38.2(f)(i)	(603)	—
Depreciation	16		
— property, plant and equipment		24,133	30,563
— right-of-use assets		2,549	2,094
Amortisation of intangible assets		—	153
Amortisation of land use rights	18	487	496
Provision for/(reversal of) impairment loss on trade and other receivables and government subsidy receivables, net	8	3,520	(2,010)
Government subsidies		(122)	(873)
Finance income	11	(187)	(355)
Finance costs	11	11,357	15,898
Gain on disposal of property, plant and equipment	8	(199)	(164)
Gain on disposal of a subsidiary	34(a)	(4,901)	—
Gain on disposal of associates	7	—	(3,549)
Share of losses of associates		—	710
Foreign exchange gain	8	(3,328)	(6,851)
Operating profit before working capital changes		62,058	60,096
Decrease/(increase) in inventories		2,365	(960)
Decrease in trade and other receivables		2,074	15,744
Decrease in amount due from an associate		—	414
Increase in amounts due from related companies		(8,108)	(665)
Decrease in government subsidy receivables		(2,555)	(771)
Increase/(decrease) in trade and other payables		9,966	(18,399)
Increase/(decrease) in contract liabilities		897	(2,642)
Cash generated from operations		66,697	52,817
Interests paid		(10,926)	(15,537)
Income tax paid		(8,463)	(13,928)
<i>Net cash generated from operating activities</i>		47,308	23,352
Cash flows from investing activities			
Purchase of property, plant and equipment		(496)	(8,767)
Proceeds from disposal of an associate		—	397
Payment for construction in progress		—	(1,574)
Proceeds from disposal of property, plant and equipment		1,439	6,019
Interests received		187	355
Proceeds from disposal of a subsidiary, net of cash disposed of	34(a)	74,721	—
<i>Net cash generated from/(used in) investing activities</i>		75,851	(3,570)

Consolidated statement of cash flows

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	2024 HK\$'000	2023 HK\$'000
Cash flows from financing activities			
Distribution to non-controlling interests		—	(2,858)
Repayment to ultimate holding company		(82,284)	—
Payment of lease rentals		(2,736)	(2,676)
Proceeds from bank borrowings		161,955	130,907
Repayment of bank borrowings		(195,781)	(166,422)
Repayment of other borrowings		—	(6,000)
<i>Net cash used in financing activities</i>		(118,846)	(47,049)
Net increase/(decrease) in cash and cash equivalents		4,313	(27,267)
Cash and cash equivalents as stated in the statement of financial position at beginning of year		56,648	86,298
Cash and cash equivalents of the disposal group held for sale at the beginning of the year		77	—
Effect for foreign exchange rate changes		(2,376)	(2,306)
Cash and cash equivalents at end of year	23	58,662	56,725
Analysis of cash and cash equivalents:			
Cash and cash equivalents as stated in the consolidated statement of financial position	23(a)	58,662	56,648
Cash and cash equivalents of a disposal group classified as held for sale	34	—	77
Cash and cash equivalents as stated in the consolidated statement of cash flows		58,662	56,725

The notes on pages 100 to 189 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000 (Note 31)	Share premium HK\$'000 (Note 33)	Merger reserve HK\$'000 (Note 33)	Other reserve HK\$'000 (Note 33)	Foreign exchange reserve HK\$'000 (Note 33)	Fair value reserve HK\$'000 (Note 33)	Safety production fee HK\$'000 (Note 33)	Statutory reserve HK\$'000 (Note 33)	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2023	172,507	597,322	(530,414)	117,121	(28,695)	46,808	—	22,663	379,232	776,544
Changes in 2023:										
Profit for the year	—	—	—	—	—	—	—	—	15,360	15,360
Other comprehensive income for the year	—	—	—	—	(24,843)	—	—	—	—	(24,843)
Total comprehensive income for the year	—	—	—	—	(24,843)	—	—	—	15,360	(9,483)
Appropriation to statutory reserve	—	—	—	—	—	—	—	2,628	(2,628)	—
Deregistration of a subsidiary	—	—	—	(871)	686	—	—	—	—	(185)
Provision for safety production fee	—	—	—	—	—	—	686	—	(686)	—
Balance at 31 December 2023	172,507	597,322	(530,414)	116,250	(52,852)	46,808	686	25,291	391,278	766,876
									97,881	864,757

Consolidated statement of changes in equity

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000 (Note 31)	Share premium HK\$'000 (Note 33)	Merger reserve HK\$'000 (Note 33)	Other reserve HK\$'000 (Note 33)	Foreign exchange reserve HK\$'000 (Note 33)	Fair value reserve HK\$'000 (Note 33)	Safety production fee HK\$'000 (Note 33)	Statutory reserve HK\$'000 (Note 33)	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2024	172,507	597,322	(530,414)	116,250	(52,852)	46,808	686	25,291	391,278	766,876
Changes in 2024:										
Profit for the year	—	—	—	—	—	—	—	—	12,694	12,694
Other comprehensive income for the year	—	—	—	—	(25,496)	—	—	—	—	(25,496)
Total comprehensive income for the year	—	—	—	—	(25,496)	—	—	—	12,694	(12,802)
Appropriation to statutory reserve	—	—	—	—	—	—	—	3,109	(3,109)	—
Disposal of a subsidiary (Note 34)	—	—	—	—	4,533	—	—	—	—	4,533
Utilisation of safety production fee	—	—	—	—	—	—	(622)	—	622	—
Balance at 31 December 2024	172,507	597,322	(530,414)	116,250	(73,815)	46,808	64	28,400	401,485	758,607
									55,682	814,289

The notes on pages 100 to 189 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2024

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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is Unit A, 7/F., On Hing Building, No. 1 On Hing Terrace, Central, Hong Kong.

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* (“**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, “**Hubei SASAC**”). Neither of them produces financial statements available for public use.

The Company is an investment holding company. Details of the principal activities of its subsidiaries are as set out in Note 37 to the consolidated financial statements. The Company and its subsidiaries' (together, the “**Group**”) operations are based in Hong Kong and the People's Republic of China (the “**PRC**”).

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved for issue by the board of directors on 26 March 2025.

Notes to the consolidated financial statements

For the year ended 31 December 2024

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”). Material accounting policies adopted by the Group are disclosed below.

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.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Basis of preparation of the financial statements *(Continued)*

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.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4.

2.3 Subsidiaries

(a) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and other parties) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary. Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(a) Consolidation (Continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained profits). Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2.8), or when applicable, the cost on initial recognition of an investment in an associate or joint venture.

(i) Business combinations

Except for business combinations under common control, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(i) Business combinations (Continued)

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are recognised in profit or loss as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as gain on bargain purchase.

(ii) Merger accounting for common control combination

In respect of business combination under common control, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(ii) Merger accounting for common control combination (Continued)

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised for goodwill or excess of acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter. A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains and losses on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

(b) Separate financial statements

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company and the group entities operating in the PRC is Hong Kong dollar ("**HK\$**") and Renminbi ("**RMB**") respectively. The consolidated financial statements are presented in HK\$ to align with the Group's presentation currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the foreign exchange reserve in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment other than cost of right-of-use assets as described in Note 2.13 comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation of property, plant and equipment is provided to write off the cost less their residual values over the estimated useful lives using the following methods and rates per annum:

Port facilities - foundation works	Over the remaining operating period, straight-line method
Terminal equipment	5 — 20 years, straight-line method
Furniture, fixtures and equipment	1 — 5 years, straight-line method
Motor vehicles	5 years, straight-line method
Leasehold improvements	Shorter of unexpired lease term or useful lives

Accounting policy for depreciation of right-of-use assets is set out in Note 2.13.

The assets' residual value, depreciation methods and useful lives are reviewed and adjusted if appropriate, at each reporting date.

Gain or loss arising from retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

2.6 Land use rights

Land use rights (which meet the definition of right-of-use assets) represent upfront payment for lease of lands located in the PRC for a period of 50 years. Land use rights are recognised as cost and amortised on a straight-line basis to profit or loss over the lease terms.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Investment properties

Investment properties, principally comprising land, buildings, berth, stacking yard, warehouse and pontoon, which are owned or held under a leasehold interest, are held to earn rental income or for capital appreciation or both, and that are not occupied by the Group. These also include properties that are being constructed or developed for future use as investment property.

On initial recognition, investment property is measured at cost and subsequently at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised at the reporting date reflect the prevailing market conditions at the reporting date.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

2.8 Financial assets

Recognition and derecognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables (including trade receivables and bills receivables) that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Classification and initial measurement of financial assets *(Continued)*

The Group's financial assets are classified as financial assets at amortised cost. The classification is determined by the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within "finance costs – net", except for expected credit losses ("ECL") of trade receivables which is presented within general and administrative expense.

Subsequent measurement of financial assets

Debt investments - Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "finance costs – net". Discounting is omitted where the effect of discounting is immaterial. The Group's restricted deposits, trade and other receivables, amounts due from related parties (including amounts due from an associate and related companies), government subsidy receivables and cash and cash equivalents fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, and trade and bills receivables measured under IFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Impairment of financial assets (Continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“**Stage 1**”); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“**Stage 2**”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month ECL” are recognised for the Stage 1 category while “lifetime ECL” are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and bills receivables

For trade and bills receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for factors specific to the debtors and the economic environment. To measure the ECL, trade and bills receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables with significant balance at the reporting date will be individually assessed for measurement of lifetime ECL.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

Other financial assets measured at amortised cost *(Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition of the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group); and (ii) the financial asset is 90 days past due.

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in Note 38.2(a).

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, lease liabilities, bank and other borrowings and loans from immediate holding company and ultimate holding company.

Financial liabilities (other than lease liabilities) are recognised when the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2.20) and included in the finance costs.

Accounting policies of the lease liabilities are set out in Note 2.13.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables, and loans from immediate holding company and ultimate holding company

Trade and other payable, and loans from immediate holding company and ultimate holding company are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 2.16). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2.13 Leases

(a) The Group as a lessee

Definition of a lease

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Leases *(Continued)*

(a) The Group as a lessee *(Continued)*

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists. Those right-of-use assets meet with the definition of investment properties to which revaluation model was applied are subsequently measured at fair value, in accordance with the Group's accounting policies.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Leases *(Continued)*

(a) The Group as a lessee (Continued)

Measurement and recognition of leases as a lessee (Continued)

On the consolidated statement of financial position, right-of-use assets that do not meet the definition of investment property have been included in property, plant and equipment. Right-of-use assets that meet the definition of investment property are presented within "Investment properties". The prepaid lease payments for leasehold land are presented as "Land use rights" under non-current assets.

(b) The Group as a lessor

The Group earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liability unless the probability of outflow of economic benefit is remote.

2.15 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued at the reporting date.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent that they are incremental costs directly attributable to such equity transaction.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.16 Revenue recognition

Revenue arises mainly from port operation, port and warehouse leasing, the provision of logistics services, supply chain management and trading.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group's revenue recognition policies are as follows:

Terminal service, container handling, storage and other service, integrated logistics service, general and bulk cargoes handling service are recognised when services are rendered.

Supply chain management and trading income is recognised when or as the Group transfers control of the goods to the customer. Control transfer at the point in time the customer takes undisputed delivery of the goods.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income is recognised according to accounting policy as set out in Note 2.13(b).

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.17 Government subsidies

Government subsidies are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions. Government subsidies are deferred and recognised in profit or loss over the period necessary to match them with the costs that the subsidies are intended to compensate. Government subsidies relating to the purchase of assets are included in liabilities as deferred government subsidies in the consolidated statement of financial position and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets.

Government subsidies that compensate the Group for expenses incurred are set-off with relevant expenses. Government subsidies relating to assets and those not directly attributable to any specific asset or expense is presented gross under "Other income" in profit or loss.

2.18 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets), intangible assets, land use rights, construction in progress, interest in the associates and the Company's investment in subsidiaries are subject to impairment testing.

Non-financial assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment loss recognised for cash-generating units are charged pro rata to non-financial assets in the cash-generating units, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Employee benefits

Retirement benefits scheme

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries or the maximum mandatory contributions as required by the MPF Scheme and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independent administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme except for the Group’s employer voluntary contributions, which will refund to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF scheme is available to reduce the contribution payable in future years.

The full time employees of the Group’s subsidiaries which operate in the PRC are entitled to an annual pension equal to a fixed portion of their basic salaries at their retirement dates. The PRC government is responsible for the pension liabilities payable to the retired staff. The Group has agreed to make annual contributions to the state-sponsored retirement plan at a fixed rate of the average salary of the local community which set by the local government to the employees. No forfeited contribution under the state-sponsored scheme is available to reduce the contribution payable in future years.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.20 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.21 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.21 Accounting for income tax *(Continued)*

For investment properties measured using the fair value model in accordance with the accounting policy above, the measurement of the related deferred tax liability or asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.22 Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

2.23 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a major of criteria.

Notes to the consolidated financial statements

For the year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.24 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party, is a person or a close member of that person's family and if that person,
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the consolidated financial statements

For the year ended 31 December 2024

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.

Notes to the consolidated financial statements

For the year ended 31 December 2024

3. CHANGES IN ACCOUNTING POLICIES *(Continued)*

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. ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Deferred tax arising from investment properties measured at fair value

There is a rebuttable presumption that the carrying amount of the investment property that is measured using the fair value model in IAS 40 "Investment Property" will be recovered entirely through sales. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The management determines the investment properties are recovered through use and details of deferred tax liabilities are set out in Note 30.

Notes to the consolidated financial statements

For the year ended 31 December 2024

4. ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(b) Sources of estimation uncertainty

Notes 15 and 38 contain information about the assumptions and their risk factors relating to valuation of investment property and financial instruments. Other significant sources of estimation uncertainty are as follows:

Depreciation and impairment of properties, plant and equipment

Property, plant and equipment (Note 16) are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during the reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

Property, plant and equipment (including port facilities and terminal equipment) are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and the amount of impairment of an asset is impaired involves management estimates on uncertain matters, such as the amount of tariffs which may have changed, the throughput capacity of the port, etc. Changes in the assumptions and estimates could materially affect the recoverable amount in the impairment assessment. The impairment reviews and calculations are based on assumptions that are consistent with the Group's business plan.

Details of the port facilities and terminal equipment included in the property, plant and equipment are set out in Note 16.

Notes to the consolidated financial statements

For the year ended 31 December 2024

5. 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 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of IFRS 15		
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
	149,708	152,042
— Integrated logistics service	49,990	38,230
— Supply chain management and trading business	184,797	158,281
	384,495	348,553
Revenue from other sources		
Property business — Gross rentals from investment properties	12,034	12,748
	396,529	361,301

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Note 6.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations arising from contracts with customers in existence at the reporting date that had an original expected duration of one year or less.

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. 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, and 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 HK\$'000	2023 HK\$'000
Customer A ^(aa)	N/A*	48,125
Customer B ^(aa)	N/A*	38,564
Customer C ^(aa)	N/A*	36,167
Customer D ^(aa)	82,252	N/A*

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

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

Details concentration of credit risks of the Group are set out in Note 38.2(a)(i).

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.

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

For the year ended 31 December 2024

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Elimination HK\$'000	Total HK\$'000
Disaggregation by timing of revenue recognition						
Point in time	—	149,708	49,990	184,797	—	384,495
Over time	12,034	—	—	—	—	12,034
Revenue from external customers	12,034	149,708	49,990	184,797	—	396,529
Inter-segment revenue	—	26,857	42	—	(26,899)	—
Reportable segment revenue	12,034	176,565	50,032	184,797	(26,899)	396,529
Reportable segment results	1,386	21,437	2,100	(1,810)	—	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)
Profit for the year						12,895

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

At 31 December 2024

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Unallocated corporate assets/ (liabilities) HK\$'000	Total HK\$'000
Segment assets	821,936	381,601	11,253	27,009	1,383	1,243,182
Cash and cash equivalents	5,871	35,956	10,445	3,276	3,114	58,662
Income tax recoverable	—	3,135	—	—	—	3,135
Deferred tax assets	1,860	346	200	—	—	2,406
Total assets	829,667	421,038	21,898	30,285	4,497	1,307,385
Segment liabilities	(55,973)	(62,133)	(9,656)	(710)	(2,060)	(130,532)
Bank borrowings	—	(210,640)	—	(10,632)	—	(221,272)
Loans from immediate holding company	—	—	—	—	(7,000)	(7,000)
Loans from ultimate holding company	(9,037)	(8,719)	—	—	(5,586)	(23,342)
Deferred tax liabilities	(105,597)	(1,667)	—	—	—	(107,264)
Income tax payable	(3,612)	—	(64)	(10)	—	(3,686)
Total liabilities	(174,219)	(283,159)	(9,720)	(11,352)	(14,646)	(493,096)
Net assets/(liabilities)	655,448	137,879	12,178	18,933	(10,149)	814,289

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2024

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Capital additions <i>(note)</i>	—	343	—	—	1,135	1,478
Net change in fair value of investment properties	(1,734)	—	—	—	—	(1,734)
Net change in fair value of other financial assets	—	—	—	—	603	603
Interest income	60	72	31	24	—	187
Interest expenses	(340)	(9,206)	(6)	(747)	(1,058)	(11,357)
Depreciation and amortisation	167	26,472	70	2	458	27,169
Provision for/(reversal of) impairment loss on trade and other receivables and government subsidy receivables, net	2,393	1,078	(151)	200	—	3,520

Note: Capital additions to non-current assets (other than financial instruments and deferred tax assets) during the year.

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

For the year ended 31 December 2023

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Elimination HK\$'000	Total HK\$'000
Disaggregation by timing of revenue recognition						
Point in time	—	152,042	38,230	158,281	—	348,553
Over time	12,748	—	—	—	—	12,748
Revenue from external customers	12,748	152,042	38,230	158,281	—	361,301
Inter-segment revenue	—	28,133	615	—	(28,748)	—
Reportable segment revenue	12,748	180,175	38,845	158,281	(28,748)	361,301
Reportable segment results	7,751	30,043	2,647	590	—	41,031
Net change in fair value of 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						(7,645)
Profit before taxation						22,991
Income tax						(9,203)
Profit for the year						13,788

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

At 31 December 2023

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

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

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2023

	Property business HK\$'000	Terminal & related business HK\$'000	Integrated logistics business HK\$'000	Supply chain management and trading business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Capital additions <i>(note)</i>	—	26,483	—	—	439	26,922
Net change in fair value of investment properties	(993)	—	—	—	—	(993)
Interest income	242	276	13	26	(202)	355
Interest expenses	(352)	(11,882)	(74)	(583)	(3,007)	(15,898)
Depreciation and amortisation	41	32,608	208	2	447	33,306
(Reversal of)/provision for impairment loss on trade and other receivables and government subsidy receivables, net	4	(574)	(1,431)	(9)	—	(2,010)

Note: Capital additions to non-current assets (other than financial instruments and deferred tax assets) during the year.

7. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Rental receivable from operating leases, other than those relating to investment properties	400	464
Compensation from a subcontractor <i>(note (ii))</i>	18,910	—
Gain on disposal of property, plant and equipment	199	164
Gain on disposal of a subsidiary <i>(Note 34)</i>	4,901	—
Gain on disposal of associates	—	3,549
Government subsidies <i>(note (i))</i>	9,988	8,423
Net foreign exchange gain	3,328	6,851
Sundry income	208	2,666
	37,934	22,117

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

Note (ii): The Group obtained compensation in the sum of HK\$18,910,000 from a subcontractor for the subcontractor's misconduct in a project in previous years.

Notes to the consolidated financial statements

For the year ended 31 December 2024

8. PROFIT BEFORE TAXATION

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

	2024 HK\$'000	2023 HK\$'000
Staff costs (including directors' emoluments (<i>Note 9</i>))		
— Salaries, wages and other benefits	51,948	51,890
— Pension contributions	9,281	7,092
	61,229	58,982
Cost of services rendered and goods sold	334,916	283,648
Auditors' remuneration:		
— Audit services	1,280	1,280
— Other services	175	175
Depreciation:		
— Owned assets	24,133	30,563
— Right-of-use assets	2,549	2,094
Amortisation of intangible assets	—	153
Amortisation of land use rights (<i>Note 18</i>)	487	496
Cost of inventories recognised as an expense (included in cost of services rendered and goods sold) (<i>Note 20</i>)	185,649	156,851
Gain on disposal of property, plant and equipment (<i>Note 7</i>)	(199)	(164)
Net foreign exchange gain (<i>Note 7</i>)	(3,328)	(6,851)
Lease charges — short-term leases	7	3
Provision for/(reversal of) impairment loss on trade and other receivables and government subsidy receivables, net (<i>Note 38.2(a)</i>)	3,520	(2,010)
Direct operating expenses arising from investment properties	400	464

Notes to the consolidated financial statements

For the year ended 31 December 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

Name of director		Fees	Salaries, allowance and other benefits	Retirement benefit scheme contribution	Discretionary bonus	Total
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2024						
<i>Executive directors:</i>						
Ms. Zhou Wei	(i), (iv)	—	—	—	—	—
Mr. Qiao Yun	(v)	360	187	71	—	618
<i>Non-executive directors:</i>						
Mr. Xu Aoling	(iv), (v)	—	—	—	—	—
Mr. Li Wei	(iii), (iv)	—	—	—	—	—
<i>Independent non-executive directors:</i>						
Mr. Chau Kwok Keung	(v)	300	—	—	—	300
Mr. Fu Xinping	(v)	173	—	—	—	173
Dr. Mao Zhenhua		339	—	—	—	339
		1,172	187	71	—	1,430

Notes to the consolidated financial statements

For the year ended 31 December 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows: (Continued)

Name of director		Fees	Salaries, allowance and other benefits	Retirement benefit scheme contribution	Discretionary bonus	Total
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2023						
<i>Executive directors:</i>						
Ms. Zhou Wei	(i), (iv)	—	—	—	—	—
Mr. Qiao Yun	(v)	360	80	65	—	505
Mr. Li Xiaoming	(ii), (iv)	—	—	—	—	—
<i>Non-executive directors:</i>						
Mr. Xu Aoling	(iv), (v)	—	—	—	—	—
Mr. Li Wei	(iii), (iv)	—	—	—	—	—
<i>Independent non-executive directors:</i>						
Mr. Chau Kwok Keung	(v)	300	—	—	—	300
Mr. Fu Xinping	(v)	160	—	—	—	160
Dr. Mao Zhenhua		360	—	—	—	360
		1,180	80	65	—	1,325

Notes:

- (i) Re-designated as an executive director on 5 May 2023 and appointed as Chairman on 28 June 2023.
- (ii) Resigned on 28 June 2023.
- (iii) Appointed on 28 June 2023.
- (iv) Mr. Li Xiaoming, Ms. Zhou Wei, Mr. Xu Aoling and Mr. Li Wei were appointed by Hubei Port Group, where they shall perform their duties. The remuneration of such directors were paid by Hubei Port Group.
- (v) Appointed on 25 May 2022.

Notes to the consolidated financial statements

For the year ended 31 December 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2024 and 2023.

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the years ended 31 December 2024 and 2023.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2023: three) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other two (2023: two) individuals are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other emoluments	1,382	1,333
Retirement scheme contributions	36	33
	1,418	1,366

The emoluments of the two (2023: two) individuals with the highest emoluments are within the following band:

	2024 Number of individuals	2023 Number of individuals
Nil — HK\$1,000,000	2	2

Notes to the consolidated financial statements

For the year ended 31 December 2024

11. FINANCE INCOME AND FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Finance income		
— Bank interest income	187	355
	187	355
Finance costs		
— Interests on bank and other borrowings	8,950	11,407
— Interest on lease liabilities	356	352
— Interest on loans from immediate holding company	256	270
— Interest on loans from ultimate holding company	1,752	3,860
— Bank charges	43	9
	11,357	15,898

During the year, the Group has not capitalised any borrowing costs (2023: nil) in the carrying amount of qualifying assets.

Notes to the consolidated financial statements

For the year ended 31 December 2024

12. INCOME TAX

	2024 HK\$'000	2023 HK\$'000
Current tax		
— Hong Kong profits tax	—	—
— PRC enterprise income tax	12,748	4,715
Under-provision in respect of previous years		
— PRC enterprise income tax	20	4
	12,768	4,719
Deferred tax		
Origination and reversal of temporary difference (Note 30)	1,955	4,484
	14,723	9,203

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) are qualified as small and low-profit enterprise and are entitled to the enterprise income tax rate of 5% (2023: 5%).

Notes to the consolidated financial statements

For the year ended 31 December 2024

12. INCOME TAX *(Continued)*

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	27,618	22,991
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	7,962	6,102
Tax effect of non-taxable income	(519)	—
Tax effect of non-deductible expenses	6,660	1,798
Tax effect of unused tax losses not recognised	696	2,246
Utilisation of previously unrecognised tax losses	—	(947)
Others	(96)	—
Under-provision in previous years	20	4
Actual tax expense	14,723	9,203

Notes to the consolidated financial statements

For the year ended 31 December 2024

13. 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 HK\$'000	2023 HK\$'000
Earnings		
Profit for the year attributable to owners of the Company	12,694	15,360
Number of shares		
Weighted average number of ordinary shares outstanding for basic earnings per share	1,725,066,689	1,725,066,689

(b) Diluted earnings per share

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

Notes to the consolidated financial statements

For the year ended 31 December 2024

14. DIVIDEND

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

15. INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

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

Fair value adjustment of investment properties is recognised in the line item "net change in fair value of investment properties" on the face of the consolidated statement of profit or loss and other comprehensive income.

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.

Notes to the consolidated financial statements

For the year ended 31 December 2024

15. INVESTMENT PROPERTIES *(Continued)*

(b) Fair value measurement of investment properties

(i) Fair value hierarchy

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

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

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

Level 3 valuations: Fair value measured using significant unobservable inputs

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

All of the Group's investment properties were revalued as at 31 December 2024. The valuations were carried out by an independent firm of professional valuers, Graval Consulting Limited (2023: B.I. Appraisals Limited), who have among their staff with recent experience in the location and category of properties being valued. The Group's management and finance team have discussion with the professional valuers on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

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

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

Notes to the consolidated financial statements

For the year ended 31 December 2024

15. INVESTMENT PROPERTIES (Continued)

(b) Fair value measurement of investment properties (Continued)

(ii) Information about Level 3 fair value measurements

Investment properties	Fair value at		Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of unobservable inputs	
	31 December 2024 HK\$'000	31 December 2023 HK\$'000				2024	2023
Berth and pontoon	54,330	32,436	Level 3	Income capitalisation	Monthly rental (HK\$/month)	327,110	255,686
					Rate of return	7%-8% per annum	11% per annum
Leasehold lands	80,697	112,429	Level 3	Income capitalisation	Monthly rental (HK\$/square meter/month)	3.7	4.5
					Rate of return	7%-8% per annum	6% per annum
Commercial buildings, stacking yard and warehouses	405,718	408,733	Level 3	Income capitalisation	Monthly rental (HK\$/square meter/month)	6.4-23.4	6.7-23.3
					Rate of return	5%-6% per annum	5%-6% per annum
	2,339	2,959	Level 3	Income capitalisation	Monthly rental (HK\$/month)	13,644	17,533
					Rate of return	7% per annum	5% per annum
Properties under construction	255,167	267,923	Level 3	Residual	Unit rate (HK\$/square meter)	2,552	2,411-3,287
	798,251	824,480					

Notes to the consolidated financial statements

For the year ended 31 December 2024

15. INVESTMENT PROPERTIES *(Continued)*

(b) Fair value measurement of investment properties *(Continued)*

(ii) Information about Level 3 fair value measurements *(Continued)*

Relationships of unobservable inputs to fair value are as follows:

- The higher the unit rate, the higher the fair value;
- The higher the monthly rental, the higher the fair value;
- The higher rate of return, the lower the fair value.

(c) Investment properties leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 15 years (2023: 1 to 15 years), with an option to renew the lease after that date at which time all terms are renegotiated.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024 HK\$'000	2023 HK\$'000
Within 1 year	12,953	12,357
After 1 year but within 2 years	12,705	8,904
After 2 years but within 3 years	12,611	8,818
After 3 years but within 4 years	10,045	9,476
After 4 years but within 5 years	5,904	9,476
After 5 years	213	5,793
	54,431	54,824

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16. PROPERTY, PLANT AND EQUIPMENT

	Port facilities HK\$'000	Terminal equipment HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
At 1 January 2023							
Cost	613,192	146,253	5,561	1,481	103	998	767,588
Accumulated depreciation	(171,687)	(93,286)	(5,487)	(1,441)	(103)	(164)	(272,168)
Net book amount	441,505	52,967	74	40	—	834	495,420
Year ended 31 December 2023							
Opening net book amount	441,505	52,967	74	40	—	834	495,420
Additions	592	7,738	439	—	—	10,644	19,413
Transferred from construction in progress	4,706	2,803	—	—	—	—	7,509
Disposals	(5,796)	(12)	(47)	—	—	—	(5,855)
Depreciation	(17,292)	(13,044)	(227)	—	—	(2,094)	(32,657)
Reclassification to assets held for sale (Note 34)	(104,306)	(10,704)	(12)	—	—	—	(115,022)
Exchange realignment	(12,473)	(2,123)	(13)	(1)	—	(63)	(14,673)
Closing net book amount	306,936	37,625	214	39	—	9,321	354,135
At 31 December 2023 and 1 January 2024							
Cost	450,009	157,816	2,543	1,409	—	11,466	623,243
Accumulated depreciation	(143,073)	(120,191)	(2,329)	(1,370)	—	(2,145)	(269,108)
Net book amount	306,936	37,625	214	39	—	9,321	354,135
Year ended 31 December 2024							
Opening net book amount	306,936	37,625	214	39	—	9,321	354,135
Additions	130	213	153	—	—	982	1,478
Disposals	(1,169)	(12)	(20)	(38)	—	—	(1,239)
Depreciation	(11,672)	(12,236)	(225)	—	—	(2,549)	(26,682)
Exchange realignment	(8,703)	(1,048)	(11)	(1)	—	(228)	(9,991)
Closing net book amount	285,522	24,542	111	—	—	7,526	317,701
At 31 December 2024							
Cost	434,097	151,582	2,107	272	—	11,239	599,297
Accumulated depreciation	(148,575)	(127,040)	(1,996)	(272)	—	(3,713)	(281,596)
Net book amount	285,522	24,542	111	—	—	7,526	317,701

Notes to the consolidated financial statements

For the year ended 31 December 2024

16. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 31 December 2024, certain of the Group's port facilities and terminal equipment with carrying amount of HK\$3,681,000 (2023: HK\$4,297,000) have been pledged to secure the Group's bank borrowings (Note 27).

17. RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2024 HK\$'000	2023 HK\$'000
Office buildings	859	335
Vehicles	6,667	8,986
Right-of-use assets as included in the "property, plant and equipment" (Note 16)	7,526	9,321
Land use rights with remaining lease term between 10 and 50 years (Note 18)	15,451	16,417
Ownership interests in leasehold investment properties with remaining lease term between 10 and 50 years (Note 15)	798,251	824,480
	821,228	850,218

Notes to the consolidated financial statements

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17. RIGHT-OF-USE ASSETS *(Continued)*

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 HK\$'000	2023 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Office buildings	458	498
Vehicles	2,091	1,596
	2,549	2,094
Land use rights	487	496
	3,036	2,590
Interest on lease liabilities <i>(Note 11)</i>	356	352

During the year, additions to right-of-use assets were HK\$982,000 (2023: HK\$10,644,000). This amount was primarily related to the capitalised lease payments payable under new tenancy agreements (2023: additions to vehicles).

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 23(d) and 29, respectively.

(i) Office buildings

The Group has obtained the right to use other properties as its office through tenancy agreements. The leases typically run for an initial period of 2 years.

(ii) Land use rights

The Group's interest in land use rights represents prepaid lease payments, which fall into the scope of IFRS 16 as they meet the definition of right-of-use assets.

(iii) Vehicles

The Group has obtained the right to use of vehicles to provide terminal and container handling an option to purchase the services. The leases typically run for an initial period of 5 years and contains vehicles at the end of the lease term.

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18. LAND USE RIGHTS

The Group's interest in land use rights represents prepaid lease payments, which fall into the scope of IFRS 16 as it meets the definition of right-of-use assets. The movements in net carrying amount are analysed as follows:

	2024 HK\$'000	2023 HK\$'000
Opening net carrying amount	16,417	17,491
Amortisation	(487)	(496)
Exchange realignment	(479)	(578)
Closing net carrying amount	15,451	16,417
At the reporting date		
Cost	24,574	23,858
Accumulated amortisation	(9,123)	(7,441)
	15,451	16,417

As at 31 December 2024 and 2023, the Group's land use rights have been pledged to secure bank borrowings (Note 27) granted to the Group. All the land use rights are located in the PRC.

Further details of land use rights are set out in Note 17.

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19. OTHER FINANCIAL ASSETS

	2024 HK\$'000	2023 HK\$'000
Financial assets measured at FVPL		
Unlisted investment	11,806	11,558

The unlisted investment represents approximately 12.7% equity interests in Wuhan Changjiang Zhilian (as defined in Note 36(a)), a company incorporated in PRC and engaged in port operations. No dividends were received on this investment in 2024 and 2023.

20. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Trading goods, at cost	—	2,282
Consumables, at cost	5,802	5,885
	5,802	8,167

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024 HK\$'000	2023 HK\$'000
Carrying amount of inventories sold	183,392	156,851
Write down of inventories	2,257	—
	185,649	156,851

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For the year ended 31 December 2024

21. TRADE AND OTHER RECEIVABLES

	Notes	2024 HK\$'000	2023 HK\$'000
Trade and bills receivables			
Trade receivables		78,405	78,037
Bills receivables		1,777	828
		80,182	78,865
Less: loss allowance		(6,928)	(5,879)
	(a)	73,254	72,986
Other receivables			
Deposits, prepayment and other receivables	(b)	6,702	13,872
Prepayment to suppliers		5,017	47
Value-added tax receivables		942	867
		12,661	14,786
Less: loss allowance		(5,820)	(3,702)
		6,841	11,084
		80,095	84,070
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and bills receivables"			
		70,560	67,246

Notes to the consolidated financial statements

For the year ended 31 December 2024

21. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(a) *Trade and bills receivables*

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

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

	2024 HK\$'000	2023 HK\$'000
0 — 30 days	14,166	20,135
31 — 60 days	30,046	14,297
61 — 90 days	7,072	8,170
Over 90 days	21,970	30,384
	73,254	72,986

(b) *Deposits, prepayment and other receivables*

The amount mainly represents the advance to staff and the prepayments for operating expenses.

22. GOVERNMENT SUBSIDY RECEIVABLES

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

Notes to the consolidated financial statements

For the year ended 31 December 2024

23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

At 31 December 2024, cash and cash equivalents comprised of bank balances and cash of HK\$58,662,000 (2023: HK\$56,648,000). Bank balances earn interest at floating rates based on daily bank deposit rates.

At 31 December 2024, included in bank balances and cash of the Group is HK\$55,599,000 (2023: HK\$54,505,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

(b) Significant non-cash transactions

In December 2023, in order to optimise the business structure of Wuhan Changjiang Zhilian (as defined in Note 36(a)), the shareholders of Wuhan Chang Sheng Gang Tong Supply Chain Management Company Limited ("**Wuhan Chang Sheng Gang Tong**") (note: a then associate of the Group) agreed that Wuhan Changjiang Zhilian merged all the assets, liabilities and business of Wuhan Chang Sheng Gang Tong (the "**Absorption and Merger**"). Upon the completion of the Absorption and Merger, the independent legal person status of Wuhan Chang Sheng Gang Tong was de-registered and Wuhan Changjiang Zhilian, as the surviving operating entity, proceeded to manage the combined assets and business and succeeded to the debts and liabilities of Wuhan Chang Sheng Gang Tong.

Upon the completion of the Absorption and Merger, the Group would own approximately 12.7% equity interests in Wuhan Changjiang Zhilian (see Note 19) and the Group had no significant influence on Wuhan Changjiang Zhilian.

The fair value of the Group's investments in Wuhan Changjiang Zhilian was approximately HK\$11,558,000 at the date of Absorption and Merger. The difference between the fair value of the Group's investments in Wuhan Changjiang Zhilian and the carrying amount of the Group's interests in Wuhan Chang Sheng Gang Tong at the date of Absorption and Merger was recognised as "gain on disposal of associates" in profit or loss (see Note 7).

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23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(c) Reconciliation of liabilities arising from financing activities

The table below set out the reconciliation of liabilities arising from financing activities.

	Bank borrowings HK\$'000	Other borrowings HK\$'000	Loans from immediate holding company HK\$'000	Loans from ultimate holding company HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2023	306,738	6,000	7,000	113,555	845	434,138
Cash flows						
— Repayment	(166,422)	(6,000)	—	—	—	(172,422)
— Proceeds	130,907	—	—	—	—	130,907
— Capital element of lease rentals paid	—	—	—	—	(2,324)	(2,324)
— Interest element of lease rentals paid	—	—	—	—	(352)	(352)
Non-cash transactions						
— New leases	—	—	—	—	10,644	10,644
— Interest expenses	—	—	—	—	352	352
— Exchange realignment	(9,041)	—	—	(7,303)	289	(16,055)
At 31 December 2023 and 1 January 2024	262,182	—	7,000	106,252	9,454	384,888
Cash flows						
— Repayment	(195,781)	—	—	(82,284)	—	(278,065)
— Proceeds	161,955	—	—	—	—	161,955
— Capital element of lease rentals paid	—	—	—	—	(2,380)	(2,380)
— Interest element of lease rentals paid	—	—	—	—	(356)	(356)
Non-cash transactions						
— New leases	—	—	—	—	982	982
— Interest expenses	—	—	—	—	356	356
— Exchange realignment	(7,084)	—	—	(626)	(278)	(7,988)
At 31 December 2024	221,272	—	7,000	23,342	7,778	259,392

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For the year ended 31 December 2024

23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(d) Total cash outflow for leases

Amounts included in the statement of cash flows for leases comprise the following:

	2024 HK\$'000	2023 HK\$'000
Within operating cash flows	7	3
Within financing cash flows	2,736	2,676
	2,743	2,679

These amounts relate to lease rentals paid.

24. TRADE AND OTHER PAYABLES

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

Note: Included in amount is HK\$855,000 (2023: HK\$746,000) of interest payable, HK\$3,384,000 (2023: HK\$3,106,000) of salaries payable, HK\$15,948,000 (2023: HK\$16,437,000) of deposits received and HK\$22,155,000 (2023: HK\$26,645,000) of sundry payables.

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24. TRADE AND OTHER PAYABLES *(Continued)*

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 HK\$'000	2023 HK\$'000
0 — 30 days	6,180	2,729
31 — 60 days	4,988	2,895
61 — 90 days	582	1,072
Over 90 days	7,405	5,719
	19,155	12,415

The amounts are short-term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of their fair value.

25. CONTRACT LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Contract liabilities		
Supply chain management and trading business		
— Billings in advance of performance	460	1,054
Integrated logistics service		
— Billings in advance of performance	1,849	401
	2,309	1,455

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Contracts in respect of supply chain management and trading business and integrated logistics business

When the Group receives a deposit before the delivering the goods and providing the logistics services this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the transaction exceeds the amount of the deposit. The Group typically receives a 15% deposit and 70% deposit on accepting orders from supply chain management and trading business and integrated logistics business respectively.

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25. CONTRACT LIABILITIES *(Continued)*

Movements in contract liabilities

	2024 HK\$'000	2023 HK\$'000
Balance at 1 January	1,455	4,894
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(1,455)	(4,894)
Increase in contract liabilities as a result of billing in advance	2,352	1,603
Exchange realignment	(43)	(148)
Balance at 31 December	2,309	1,455

All the contract liabilities are expected to be recognised as income within one year.

26. DEFERRED GOVERNMENT SUBSIDIES

Deferred government subsidies are government grants related to assets. The Group recognises the government grants as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the related assets.

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27. BANK BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Bank borrowings		
— Unsecured	105,830	114,161
— Secured	115,442	148,021
	221,272	262,182

At the reporting date, the Group's bank borrowings were repayable as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year or on demand	141,979	143,200
After 1 year but within 2 years	43,591	67,940
After 2 years but within 5 years	35,702	51,042
	221,272	262,182
Less: Amount due within one year shown under current liabilities	(141,979)	(143,200)
Amount due after one year shown under non-current liabilities	79,293	118,982

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

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment — Port facilities and terminal equipment (Note 16)	3,681	4,297
Land use rights (Note 18)	15,451	16,417
	19,132	20,714

As at 31 December 2024, all bank borrowings were denominated in RMB and interest-bearing at the range from 2.7% to 3.1% (2023: 3.1% to 3.9%) per annum.

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28. LOANS FROM IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The amounts due were unsecured, interest bearing at 3.65% (2023: 3.7%) per annum and repayable within one year.

29. LEASE LIABILITIES

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

	2024		2023	
	Present value of the lease payments HK\$'000	Total lease payments HK\$'000	Present value of the lease payments HK\$'000	Total lease payments HK\$'000
Within 1 year	2,507	2,797	2,332	2,662
After 1 year but within 2 years	4,705	4,926	2,089	2,332
After 2 years but within 5 years	566	566	5,033	5,248
	5,271	5,492	7,122	7,580
	7,778	8,289	9,454	10,242
Less: total future interest expenses		(511)		(788)
Present value of lease liabilities		7,778		9,454

Notes to the consolidated financial statements

For the year ended 31 December 2024

30. DEFERRED TAX

(a) Deferred tax assets and liabilities recognised:

(i) Deferred tax liabilities recognised:

The movement in the deferred tax liabilities and its components as at the reporting date during the year is as follows:

	Revaluation of property, plant and equipment <i>HK\$'000</i>	Revaluation of investment properties <i>HK\$'000</i>	Fair value adjustment in business combination <i>HK\$'000</i>	Right-of-use assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2023	18,683	91,791	1,729	—	112,203
Charged to profit or loss (<i>Note 12</i>)	—	379	—	2,574	2,953
Reclassification adjustment to liabilities held for sale (<i>Note 34</i>)	—	—	(1,416)	—	(1,416)
Exchange realignment	(963)	(2,450)	(313)	(17)	(3,743)
At 31 December 2023 and 1 January 2024	17,720	89,720	—	2,557	109,997
Charged to profit or loss (<i>Note 12</i>)	—	2,789	—	(457)	2,332
Exchange realignment	(449)	(2,820)	—	(67)	(3,336)
At 31 December 2024	17,271	89,689	—	2,033	108,993

The Group's investment properties are depreciable and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rates enacted or substantively enacted at the end of the reporting periods.

Notes to the consolidated financial statements

For the year ended 31 December 2024

30. DEFERRED TAX *(Continued)*

(a) Deferred tax assets and liabilities recognised: *(Continued)*

(ii) Deferred tax assets recognised:

The movement in the deferred tax assets and its components as at the reporting date during the year is as follows:

	Tax losses <i>HK\$'000</i>	ECL allowances <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2023	5,851	2,859	—	8,710
Charged to profit or loss (Note 12)	(3,688)	(140)	2,297	(1,531)
Reclassification adjustment to assets held for sale (Note 34)	(2,094)	(1,076)	—	(3,170)
Exchange realignment	(69)	(44)	(16)	(129)
At 31 December 2023 and 1 January 2024	—	1,599	2,281	3,880
Credited/(charged) to profit or loss (Note 12)	70	801	(494)	377
Exchange realignment	(1)	(63)	(58)	(122)
At 31 December 2024	69	2,337	1,729	4,135

(iii) Reconciliation to the consolidated statement of financial position

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net deferred tax asset in the consolidated statement of financial position	2,406	1,599
Net deferred tax liability in the consolidated statement of financial position	(107,264)	(107,716)
	(104,858)	(106,117)

Notes to the consolidated financial statements

For the year ended 31 December 2024

30. DEFERRED TAX *(Continued)*

(b) Deferred tax liabilities not recognised:

Deferred tax liabilities in respect of the PRC dividend withholding tax relating to unremitted earnings of the Company's PRC subsidiaries were not recognised as such earnings are expected to be retained in the PRC subsidiaries to operate and expand their business in the PRC and not to be remitted to a foreign investor in the foreseeable future.

(c) Deferred tax assets not recognised:

The Group did not recognise deferred tax assets in respect of cumulative tax losses of certain subsidiaries and mainly generated from PRC subsidiaries amounted to HK\$15,691,000 (2023: HK\$16,928,000). The tax effect on such tax losses has not been recognised as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The expiry dates of the unrecognised tax losses are listed as below.

	31 December 2024 HK\$'000	2023 HK\$'000
2024	N/A	5,573
2025	2,561	2,640
2026	3,082	3,177
2027	3,922	4,043
2028	1,465	1,495
2029	4,661	—
	15,691	16,928

31. SHARE CAPITAL

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

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For the year ended 31 December 2024

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Right-of-use assets	859	335
Investments in subsidiaries	405,867	405,867
	406,726	406,202
Current assets		
Deposits and prepayments	524	379
Amounts due from subsidiaries	212,294	212,453
Cash and cash equivalents	2,937	2,141
	215,755	214,973
Current liabilities		
Trade and other payables	342	1,601
Amounts due to subsidiaries	101,570	20,676
Loans from ultimate holding company	5,586	80,501
Lease liabilities	481	329
	107,979	103,107
Net current assets	107,776	111,866
Non-current liabilities		
Lease liabilities	387	—
Net assets	514,115	518,068
EQUITY		
Share capital	172,507	172,507
Reserves (note)	341,608	345,561
Total equity	514,115	518,068

Approved and authorised for issue by the board of directors on 26 March 2025.

Zhou Wei
Director

Qiao Yun
Director

Notes to the consolidated financial statements

For the year ended 31 December 2024

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

The movement of the Company's reserves are as follows:

	Share premium HK\$'000 (Note 33)	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	597,322	(249,673)	347,649
Loss and total comprehensive income for the year	—	(2,088)	(2,088)
At 31 December 2023 and 1 January 2024	597,322	(251,761)	345,561
Loss and total comprehensive income for the year	—	(3,953)	(3,953)
At 31 December 2024	597,322	(255,714)	341,608

33. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of shares of the Company over its par value and the excess of the fair value of the consideration shares issued by the Company over its par value for the common control combination in 2016.

The application of share premium account is governed by the Companies Law of the Cayman Islands. Share premium of the Company is distributable to shareholders subject to the provision of the Company's memorandum and articles of association.

(b) Merger reserve

Merger reserve represents the difference between the fair value of the consideration shares for the common control combination in 2016 and the amount of issued capital of the acquiree.

(c) Other reserve

Other reserve of HK\$116,250,000 represents the deemed contribution arising from waiver of an amount due to the controlling shareholder during the reorganisation of the common control combination in 2016 and the remaining balances arising from the acquisition of additional interests in a subsidiary from a non-controlling shareholder.

(d) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations. These reserves are dealt with in accordance with the policies set out in Note 2.4 to the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2024

33. RESERVES (Continued)

(e) Fair value reserve

Fair value reserve represents the revaluation surplus between the carrying amounts of the owner occupied properties and the fair values of those properties at the date of reclassification to investment properties.

(f) Statutory reserve

In accordance with the relevant laws and regulations for the Company's PRC subsidiaries, it is required to appropriate 10% of its annual net profit determined in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, after offsetting any prior years' losses, to the statutory reserve. When the balance of such a reserve reaches 50% of the registered capital of the respective company, any further appropriation is at the discretion of its shareholders. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of registered capital. The statutory reserve is non-distributable.

(g) Safety production fee

Pursuant to regulation No. [2022]136, "Management measures of accrual and use of safety production fee of business enterprises", issued by the Ministry of Finance and the State Administration of Work Safety, certain subsidiaries of the Group are required to accrue safety production fee. The fee is earmarked for improving the safety of production.

Relevant companies are required to set aside the provision to a fund for future development and work safety which they transferred certain amounts from retained profits/(accumulated losses) to a specific reserve. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from the specific reserve to retained profits.

34. 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 (see Note 36(a)).

Notes to the consolidated financial statements

For the year ended 31 December 2024

34. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

(a) Summary of the Disposal

	18 June 2024
	HK\$'000
Assets	
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
	127,391
Liabilities	
Trade and other payables	5,109
Contract liabilities	332
Income tax payable	153
Deferred tax liabilities	1,416
	7,010
Net assets disposed of	120,381
Gain on the Disposal	
Consideration received	74,733
Net assets disposed of	(120,381)
Amounts due to the Group upon disposal	14,464
Non-controlling interests	40,618
Release of reserve upon disposal	(4,533)
Gain on disposal	4,901
Net cash inflows arising from the Disposal	
Cash consideration received during the reporting period	74,733
Cash and cash equivalents disposed of	(12)
Net cash inflows during the reporting period	74,721

Notes to the consolidated financial statements

For the year ended 31 December 2024

34. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(Continued)*

(b) Assets and liabilities included in disposal group held for sale

Considering that the disposal group's fair value less costs to sell assessed by management as at 31 December 2023 were higher than its carrying amount, the assets and liabilities held for sale were measured at their carrying amounts. As at 31 December 2023, the disposal group comprised the following assets and liabilities after inter-company elimination:

	HK\$'000
Assets	
Property, plant and equipment	115,022
Intangible assets	6,203
Deferred tax assets	3,170
Inventories	30
Trade and other receivables	2,975
Cash and cash equivalents	77
Assets of disposal group held for sale	127,477
Liabilities	
Trade and other payables	10,900
Contract liabilities	332
Income tax payable	153
Deferred tax liabilities	1,416
Liabilities directly associated with the disposal group held for sale	12,801

Notes to the consolidated financial statements

For the year ended 31 December 2024

34. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(Continued)*

(b) Assets and liabilities included in disposal group held for sale *(Continued)*

Trade receivables are due within a credit period ranging from 0 days to 90 days from the date of billing. At 31 December 2023, the ageing analysis of trade receivables, based on the invoice date or transaction date and net of loss allowance, is as follows:

	2023 HK\$'000
0 – 30 days	185
31 – 60 days	45
61 – 90 days	—
Over 90 days	25
	255

The average credit period granted by the suppliers is 90 days. At 31 December 2023, the ageing analysis of trade payable based on the invoice/incurred date, is as follows:

	2023 HK\$'000
Over 90 days	935
	935

35. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

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

	2024 HK\$'000	2023 HK\$'000
Contracted but not provided for:	40,640	45,603

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For the year ended 31 December 2024

35. COMMITMENTS AND CONTINGENCIES *(Continued)*

(b) Financial guarantees issued

As at 31 December 2024 and 2023, a subsidiary of the Group, WIT (as defined in Note 37), has issued a guarantee to a bank in respect of a bank borrowing granted to another subsidiary of the Group, Tongshang Supply Chain Management (Wuhan) Company Limited of RMB10,000,000.

The management does not consider it probable that a claim will be made against the Group or the Company under any of the guarantees. The maximum liability of the Group or the Company at the end of the reporting period under the guarantees issued is the above outstanding borrowings granted to the subsidiaries of the Group.

Except for the above guarantees, the Group or the Company does not provide any guarantees which would expose the Group or the Company to credit risk.

Notes to the consolidated financial statements

For the year ended 31 December 2024

36. MATERIAL RELATED PARTY TRANSACTIONS

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

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

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

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

(a) Related parties information

Name of related party	Relationship with the Group
Hubei Port	Immediate holding company
Hubei Port Group	Ultimate holding company
Wuhan Changjiang Zhilian Port Development Co., Ltd. (武漢長江智聯港口發展有限公司, "Wuhan Changjiang Zhilian")	Associate company of the ultimate holding company

Notes to the consolidated financial statements

For the year ended 31 December 2024

36. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

(i) Amounts due from related companies

	2024 HK\$'000	2023 HK\$'000
Fellow subsidiaries	9,574	1,466

(ii) Balances with Wuhan Changjiang Zhilian

	2024 HK\$'000	2023 HK\$'000
Lease and other receivables (included in "Trade and bills receivables")	7,845	5,744

(iii) Amounts due to related companies

	2024 HK\$'000	2023 HK\$'000
Fellow subsidiaries (included in "Trade and other payables")	12,146	5,863

As of 31 December 2024, amount due from a fellow subsidiary amounting to HK\$3,181,000 was unsecured, interest bearing at 3.45% per annum and repayable within one year.

Except for those mentioned above, the other balances with fellow subsidiaries and Wuhan Changjiang Zhilian were unsecured, interest-free and repayable on demand as at 31 December 2024 and 2023.

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For the year ended 31 December 2024

36. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions between related parties and the Group:

		2024 HK\$'000	2023 HK\$'000
Wuhan Changjiang Zhilian	Revenue from property business	8,291	8,661
Fellow subsidiaries	Revenue from terminal and related services	2,563	3,103
	Revenue from logistics services	966	294
	Other income	88	97
	Cost of services for port logistics services	1,587	818
	Cost of services for container handling, storage and other services	14,913	12,898

Transactions with related parties carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

(d) Key management personnel remuneration

The remuneration of executive and non-executive directors and other members of key management during the year were as follows:

	2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	2,040	1,495
Post-employment benefits	204	118
	2,244	1,613

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of Note 36(c) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. Disclosures required by Chapter 14A of the Listing Rules are provided in the Director's Report.

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37. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and operation	Type of legal entity	Particulars of issued and paid-up capital/ registered capital	Proportion of ownership interest			Principal activities
				Group's effective interest	Held by the Company	Held by a Subsidiary	
Wuhan International Container Company Limited ("WIT")	The PRC	Sino-foreign equity joint-venture enterprise	RMB130,000,000	85%	—	85%	Port construction and operations
Yangluo Logistic	The PRC	Private limited company	RMB5,000,000	85%	—	85%	Provision of customs clearance and logistics services
武漢中基通用港口發展有限公司 CIG Wuhan Multipurpose Port Limited*	The PRC	Wholly-owned foreign enterprise	RMB56,000,000	100%	—	100%	Port construction and operations
通商實業投資集團有限公司 Tongshang Enterprise Investment Group Company Limited*	The PRC	Limited liability company	RMB1,000,000	99%	—	99%	Investment holding
湖北漢南港實業有限公司 Hubei Hannan Port Enterprise Company Limited*	The PRC	Limited liability company	RMB100,000,000	100%	—	100%	Investment holding and the port leasing
漢江港物流中心有限公司 Hanjiang Port Logistics Centre Company Limited*	The PRC	Limited liability company	RMB50,000,000	100%	—	100%	Provision of customs clearance and logistics services
通商供應鏈管理(武漢)有限公司 Tongshang Supply Chain Management (Wuhan) Company Limited*	The PRC	Limited liability company	RMB10,000,000	100%	—	100%	Supply chain services and logistics consultation
通商材料實業(武漢)有限公司 Tongshang Material Industry (Wuhan) Company Limited	The PRC	Limited liability company	RMB50,000,000	100%	—	100%	Supply chain services and logistics consultation

* These entities are established in Mainland China. The English translation of the companies' names are for references only. The official names are in Chinese.

Notes to the consolidated financial statements

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37. INVESTMENTS IN SUBSIDIARIES *(Continued)*

The following table lists out the information relating to WIT (2023: WIT and Zhongxiang City Port Co.) which the Company has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-group elimination.

WIT:

	2024 HK\$'000	2023 HK\$'000
NCI percentage	15%	15%
Current assets	276,720	260,019
Non-current assets	319,472	347,525
Current liabilities	(142,862)	(117,718)
Non-current liabilities	(89,248)	(119,819)
Net assets	364,082	370,007
Carrying amount of NCI	54,612	55,501
Revenue	152,075	154,253
Profit for the year	5,768	5,118
Profit allocated to NCI	865	768
Total comprehensive income	(153,049)	(9,977)
Total comprehensive income allocated to NCI	(22,957)	(1,497)
Cash flows generated from operating activities	44,743	37,042
Cash flow used in investing activities	(3,659)	(6,031)
Cash flow used in financing activities	(16,269)	(33,184)

Notes to the consolidated financial statements

For the year ended 31 December 2024

37. INVESTMENTS IN SUBSIDIARIES (Continued)

Zhongxiang City Port Co.:

	2023 HK\$'000
NCI percentage	40%
Current assets	3,198
Non-current assets	118,193
Current liabilities	(18,631)
Non-current liabilities	(1)
Net assets	102,759
Carrying amount of NCI	41,104
Revenue	1,569
Loss for the year	(6,003)
Loss allocated to NCI	(2,401)
Total comprehensive income	(3,499)
Total comprehensive income allocated to NCI	(1,400)
Cash flows used in operating activities	(952)
Cash flows used in investing activities	(453)
Cash flows generated from financing activities	484

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For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

38.1 Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
Financial assets		
Financial assets at fair value through profit or loss	11,806	11,558
Financial assets at amortised cost		
— Trade and other receivables	80,095	77,722
— Amounts due from related companies	9,574	1,466
— Government subsidy receivables	4,502	1,840
— Cash and cash equivalents	58,662	56,648
	164,639	149,234
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	111,750	110,210
— Bank and other borrowings	221,272	262,182
— Loans from immediate holding company	7,000	7,000
— Loans from ultimate holding company	23,342	106,252
— Lease liabilities	7,778	9,454
	371,142	495,098

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with sound credit rating, which the Group considers to represent low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account the remaining lease term and the period covered by the rental deposits.

(i) Trade and bills receivables

The Group's policy is to deal with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods and services. Payment record of customers is closely monitored. Normally, the Group does not obtain collaterals from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, nil (2023: 4%) and 24% (2023: 35%) of the total trade and bills receivables was due from the Group's largest customer and the five largest customers respectively.

The Group applied the simplified approach to provide for impairment for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for impairment of all trade and bills receivables.

For trade and bills receivables, the Group assesses ECL under IFRS 9 based on provision matrix, the expected loss rates are based on the payment profile for revenue in the past 24 months as well as the corresponding historical credit losses during that period. The expected loss rates are also estimated based on each of the groupings by reflecting the credit risk of the debtors, over the expected life of the debtors. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

Trade and bills receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery. In addition, trade and bills receivable, which are significant and credit-impaired, are assessed for ECL individually.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(a) Credit risk (Continued)

(i) Trade and bills receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables:

	Expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
As at 31 December 2024			
Collective assessment			
— Current	0%-0.01%	31,412	2
— 1 — 90 days past due	0.08%-0.2%	25,703	21
— 91 — 180 days past due	0.5%-1.97%	3,414	57
— Over 180 days past due	5.46%-100%	3,624	488
Individual assessment			
— Current	7.87%	34	3
— 1 — 90 days past due	7.87%	68	5
— 91 — 180 days past due	7.87%	138	11
— Over 180 days past due	35.09%-100%	14,012	6,341
		78,405	6,928
As at 31 December 2023			
Collective assessment			
— Current	0%-0.01%	43,502	3
— 1 — 90 days past due	0.08%-0.2%	15,356	7
— 91 — 180 days past due	0.5%-1.73%	2,468	17
— Over 180 days past due	3.72%-100%	2,563	26
Individual assessment			
— Current	0.1%	31	—*
— 1 — 90 days past due	0.2%-1.5%	62	—*
— 91 — 180 days past due	2.0%-2.94%	60	1
— Over 180 days past due	5.93%-100%	14,823	5,825
		78,865	5,879

* Amount less than HK\$1,000.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(a) Credit risk (Continued)

(i) Trade and bills receivables (continued)

Movement in the loss allowance account in respect of trade and bills receivables during the year is as follows:

	2024 HK\$'000	2023 HK\$'000
Balance at 1 January	5,879	9,088
Impairment losses recognised	1,536	—
Impairment losses reversed	(288)	(2,854)
Exchange realignment	(199)	(355)
Balance at 31 December	6,928	5,879

The following significant changes in the gross carrying amounts of trade and bills receivables contributed to the increase (2023: decrease) in the loss allowance:

- Increase in days past due over 1 year resulted in an increase in loss allowance of HK\$1,288,000 (2023: decrease in days past due over 1 year resulted in a decrease in loss allowance of HK\$2,205,000)

(ii) Other receivables

Credit risk in respect of other receivables, the Group monitors the exposures and manages them based on historical settlement records and past experience, current conditions and forecast of future economic conditions.

As at 31 December 2024, the Group's other receivables of approximately HK\$5,866,000 (2023: approximately HK\$3,870,000) were individually determined to be impaired and loss allowance of approximately HK\$5,820,000 (2023: approximately HK\$3,702,000) was provided for. The management will continue to monitor the progress of the recoverability of the other receivables and chase for settlement of the outstanding balances from the debtors regularly.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(a) Credit risk (Continued)

(ii) Other receivables (continued)

The movement in the loss allowance account in respect of other receivables during the year is as follows:

	Stage 2 HK\$'000
Balance at 1 January 2023	3,437
Impairment losses recognised	844
Written off	(499)
Exchange realignment	(80)
Balance at 31 December 2023 and 1 January 2024	3,702
Impairment losses recognised	2,423
Impairment losses reversed	(151)
Exchange realignment	(154)
Balance at 31 December 2024	5,820

(iii) Government subsidy receivables

At 31 December 2023, except for those government subsidy receivables included in the disposal group held for sale (see Note 34), the management considered that there was no significant increase credit risk arising from the remaining government subsidy receivables and concluded the loss allowance of them was insignificant.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(a) Credit risk (Continued)

(iii) Government subsidy receivables (continued)

The movement in the loss allowance account in respect of government subsidy receivables during the year is as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Total HK\$'000
Balance at 1 January 2023	3	8,785	8,788
Reclassification adjustment to assets held for sale	—	(8,785)	(8,785)
Amounts written off	(3)	—	(3)
Balance at 31 December 2023, 1 January 2024 and 31 December 2024	—	—	—

(iv) Amounts due from related parties

Credit risk in respect of amounts due from related parties are limited given that the Group assesses and closely monitors their financial conditions and the related parties have sufficient reserves of resources to settle the amount as they fall due. Therefore, the loss allowance is considered insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk in which the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term. Liquidity risk is also managed by matching the payment and receipt cycles and short-term obligations are refinanced as necessary. The Groups' operations are financed mainly through equity, operating cash flows and interest-bearing borrowings.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(b) Liquidity risk (Continued)

The Group has net current liabilities of approximately HK\$131,644,000 as at 31 December 2024. As explained in Note 2.2 to the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis as the directors of the Company are of the opinion that the Group has sufficient reserve of cash and cash equivalents and financing support for its working capital purpose and to enable it to continue to meet its obligations as they fall due.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2024				Carrying amount at 31 December HK\$'000
	Contractual undiscounted cash outflow				
	Within	Between	Between	Total	
	1 year or	1 and 2 years	2 to 5 years		
	on demand				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Trade and other payables	111,750	—	—	111,750	111,750
Bank borrowings	145,812	44,942	36,809	227,563	221,272
Loans from immediate holding company	7,256	—	—	7,256	7,000
Loans from ultimate holding company	23,996	—	—	23,996	23,342
Lease liabilities	2,797	4,926	566	8,289	7,778
	291,611	49,868	37,375	378,854	371,142

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(b) Liquidity risk (Continued)

	2023				Carrying amount at 31 December HK\$'000
	Contractual undiscounted cash outflow				
	Within	Between	Between	Total	
	1 year or	1 and 2 years	2 to 5 years		
	on demand				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Trade and other payables	110,210	—	—	110,210	110,210
Bank borrowings	147,978	67,940	53,594	269,512	262,182
Loans from immediate holding company	110,183	—	—	110,183	106,252
Loans from ultimate holding company	7,259	—	—	7,259	7,000
Lease liabilities	2,662	2,332	5,248	10,242	9,454
	378,292	70,272	58,842	507,406	495,098

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's fair value and cash flow interest rate risks mainly relate to fixed and variable rates borrowings and lease liabilities respectively. The Group's loans from immediate holding company, loans from ultimate holding company and lease liabilities have exposure to fair value interest rate risk due to the fixed interest rate on these instruments. The Group's bank balances and variable-rate bank borrowings also have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The Group has not hedged against such a risk as it does not see the benefit in so doing.

The sensitivity analysis below has been determined based on the exposure to interest rates for its variable-rate bank balances (the "Bank Deposits") and variable-rate borrowings at the end of the reporting period. The sensitivity analysis does not consider the effect of interest expenses qualified for capitalisation.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies *(Continued)*

(c) Interest rate risk *(Continued)*

For variable-rate borrowings and Bank Deposits, the analysis is prepared assuming that the amount of asset/liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2023: 50 basis points), increase or decrease are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rates had been 50 basis points (2023: 50 basis points) higher/lower for Bank Deposits and variable-rate bank borrowings respectively, and all other variables were held constant, the Group's profit after taxation for the year would decrease/increase by HK\$610,000 (2023: HK\$770,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate Bank Deposits and bank borrowings.

(d) Currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group mainly operates in the PRC and its principal activities are transacted in RMB. Therefore, the directors consider the Group has no significant foreign currency risk.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments held for non-trading purposes (Note 19). They are monitored regularly for performance.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(e) Equity price risk (Continued)

At 31 December 2024, it is estimated that an increase/(decrease) of 5% (2023: 5%) in the price/earning ratios of comparable listed companies for unquoted investments, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained profits as follows:

	2024		2023	
	Effect on results for the year and retained profits		Effect on results for the year and retained profits	
	%	HK\$'000	%	HK\$'000
Change in the relevant equity price risk variable:				
Increase	5	580	5	558
Decrease	(5)	(1,511)	(5)	(558)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

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

Level 3 valuations: Fair value measured using significant unobservable inputs.

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (continued)

The Group has a finance team performing valuations for the financial instruments, including unlisted equity securities which are categorised into Level 3 of the fair value hierarchy. The finance team reports directly to the directors and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the finance team at each interim and annual reporting date, and is reviewed and approved by the directors. Discussion of the valuation process and results with the directors and the audit committee is held twice a year, to coincide with the reporting dates.

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

At 31 December 2024, the only financial instrument of the Group carried at fair value was financial assets at FVPL of approximately HK\$11,806,000 (2023: HK\$11,558,000). This instrument is measured at fair value on a recurring basis and their fair value measurements fall into Level 3 of the fair value hierarchy described above.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Rate	Relationship of unobservable inputs to fair value
Unlisted investment	Market comparable companies	Discount for lack of marketability	15.6% (2023: 15.70%)	The higher the discount, the lower the fair value

The fair value of unlisted investment is determined using the price/earning ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% (2023: 5%) would have increased/decreased the Group's profit by HK\$700,000 (2023: HK\$140,000).

Notes to the consolidated financial statements

For the year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

38.2 Financial risk management objectives and policies (Continued)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (continued)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2024 HK\$'000	2023 HK\$'000
Unlisted equity securities:		
At 1 January	11,558	—
Addition as a result of the Absorption and Merger (see Note 23(b))	—	11,558
Change in fair value recognised in profit or loss during the period	603	—
Exchange realignment	(355)	—
At 31 December	11,806	11,558

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 2023.

39. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital structure on the basis of gearing ratio. The calculation of the gearing ratio was based on total interest-bearing borrowings over equity attributable to owners of the Company. In order to maintain or adjust the capital structure, the Group may issue new shares, quasi-equity or other equity related instruments or sell assets to reduce debt.

At 31 December 2024, the Group has a gross gearing ratio of approximately 0.34 times (2023: 0.5 times) and a net gearing ratio of approximately 0.26 times (2023: 0.4 times). The calculation of the gross gearing ratio was based on total interest-bearing borrowings (including bank borrowings, loans from immediate holding company and ultimate holding company and lease liabilities) over equity attributable to owners of the Company as at 31 December 2024 and 2023, respectively. The calculation of net gearing ratio is the same as that of gross gearing ratio except that total interest-bearing borrowings are net of cash and cash equivalents held by the Group as at 31 December 2024 and 2023, respectively.

Notes to the consolidated financial statements

For the year ended 31 December 2024

39. CAPITAL MANAGEMENT *(Continued)*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Total interest-bearing borrowings	259,392	384,888
Less: cash and cash equivalents	(58,662)	(56,648)
	200,730	328,240
Equity attributable to owners of the Company	758,607	766,876
Gross gearing ratio	0.3	0.5
Net gearing ratio	0.3	0.4

Notes to the consolidated financial statements

For the year ended 31 December 2024

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates – Lack of exchangeability</i>	1 January 2025
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
<i>Annual improvements to IFRS Accounting Standards – Volume 11</i>	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

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

Major properties information

The Group's property portfolio summary — Major properties held for investment

No.	Property	Location	Stage of completion	Term of land	Expected date of completion	Existing/ intended use	Approximate gross site area (sq.m)	Approximate gross floor area (sq.m)	Group's Interest (%)
1.	The RORO berth and land in first phase of Hannan Port	Southern side of 103 provincial highway, Dengnan Street, Hannan District, Wuhan, Hubei Province, PRC	Completed	Medium	N/A	Port	159,541	—	100%
2.	First phase of Hannan Port Zall Eco-Industry City (卓爾生態工業城) Phase I	Dengnan Street, Hannan District, Wuhan, Hubei Province, PRC	Completed	Medium	N/A	Warehouse, workshop and ancillary office	144,169	59,705	100%
3.	Hanjiang Port logistics centre	No. 10 Gongye Street, Shayang County, Jingmen City, Hubei Province, PRC	Under development	Medium	December 2023	Logistics centre	265,852	95,685	100%
4.	Stacking yard and warehouses (including two 1,500-Ton corn silos) of the WIT Port	No. 8 Pingjiang Road, Yangluo Economic Development Zone, Wuhan, Hubei Province, PRC	Completed	Medium	N/A	Stacking yard and warehouse	41,899	41,889	85%

Five-year financial summary

	For the year ended 31 December				
	2020 HK\$'000	2021 HK\$'000 (restated)	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000
Revenue	417,862	247,671	319,535	361,301	396,529
Cost of services rendered and goods sold	(328,276)	(193,348)	(234,164)	(283,648)	(334,916)
Gross profit	89,586	54,323	85,371	77,653	61,613
Other income	26,239	30,025	6,201	22,117	37,934
General, administrative and other operating expenses	(55,282)	(70,955)	(31,995)	(26,225)	(31,856)
EBITDA	60,543	13,393	59,577	73,545	67,691
Finance costs – net	(35,041)	(23,869)	(19,833)	(15,543)	(11,170)
EBTDA	25,502	(10,476)	39,744	58,002	56,521
Depreciation and amortisation	(31,508)	(33,387)	(30,996)	(33,308)	(27,169)
Change in fair value of investment properties	44,740	72,799	25,785	(993)	(1,734)
Loss on disposal of subsidiaries	—	(5,988)	—	—	—
Share of profit/(loss) of associates	333	139	(796)	(710)	—
Income tax expense	(14,643)	(4,297)	(12,824)	(9,203)	(14,723)
Profit for the year from continuing operations	24,424	18,790	20,913	13,788	12,895
(Loss)/profit for the year and gain on disposal from discontinued operation	(2,012)	6,390	—	—	—
Profit for the year	22,412	25,180	20,913	13,788	12,895
Continuing operations					
Profit/(loss) for the year attributable to:					
Owners of the Company	27,872	21,650	20,775	15,360	12,694
Non-controlling interests	(3,448)	(2,860)	138	(1,572)	201
	24,424	18,790	20,913	13,788	12,895
Discontinued operation					
(Loss)/profit for the year attributable to:					
Owners of the Company	(2,012)	6,390	—	—	—
Non-controlling interests	—	—	—	—	—
	(2,012)	6,390	—	—	—

Five-year financial summary

	At 31 December				
	2020	2021	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES					
Non-current assets	1,619,750	1,533,875	1,395,489	1,208,189	1,145,615
Current assets	250,476	150,082	200,515	283,028	161,770
Current liabilities	(634,627)	(442,911)	(439,597)	(384,421)	(293,414)
Net current liabilities	(384,151)	(292,829)	(239,082)	(101,393)	(131,644)
Non-current liabilities	(313,294)	(291,871)	(274,841)	(242,039)	(199,682)
Total equity	922,305	949,175	881,566	864,757	814,289

Note:

(1) The summary above does not form part of the audited consolidated financial statements.