



Shenzhen International
深國際

物流天下
德行天下

LOGISTICS WITH ETHICS
FOR A BETTER WORLD



ANNUAL
REPORT
2025

Shenzhen International Holdings Limited
深圳國際控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code : 00152

物流天下 德行天下

Logistics with Ethics
For a Better World



Corporate Mission

to boost the real economy and to fully assume the role of a state-owned municipal ancillary service developer and operator to serve cities, industries and people's livelihood

Corporate Vision

continues to grow stronger, better and larger to become a first-class industrial group



Corporate Character

the integration of knowledge and action for driving steady and far-reaching development

Core Values

hard work, open-mindedness, pragmatism and coordination



Content

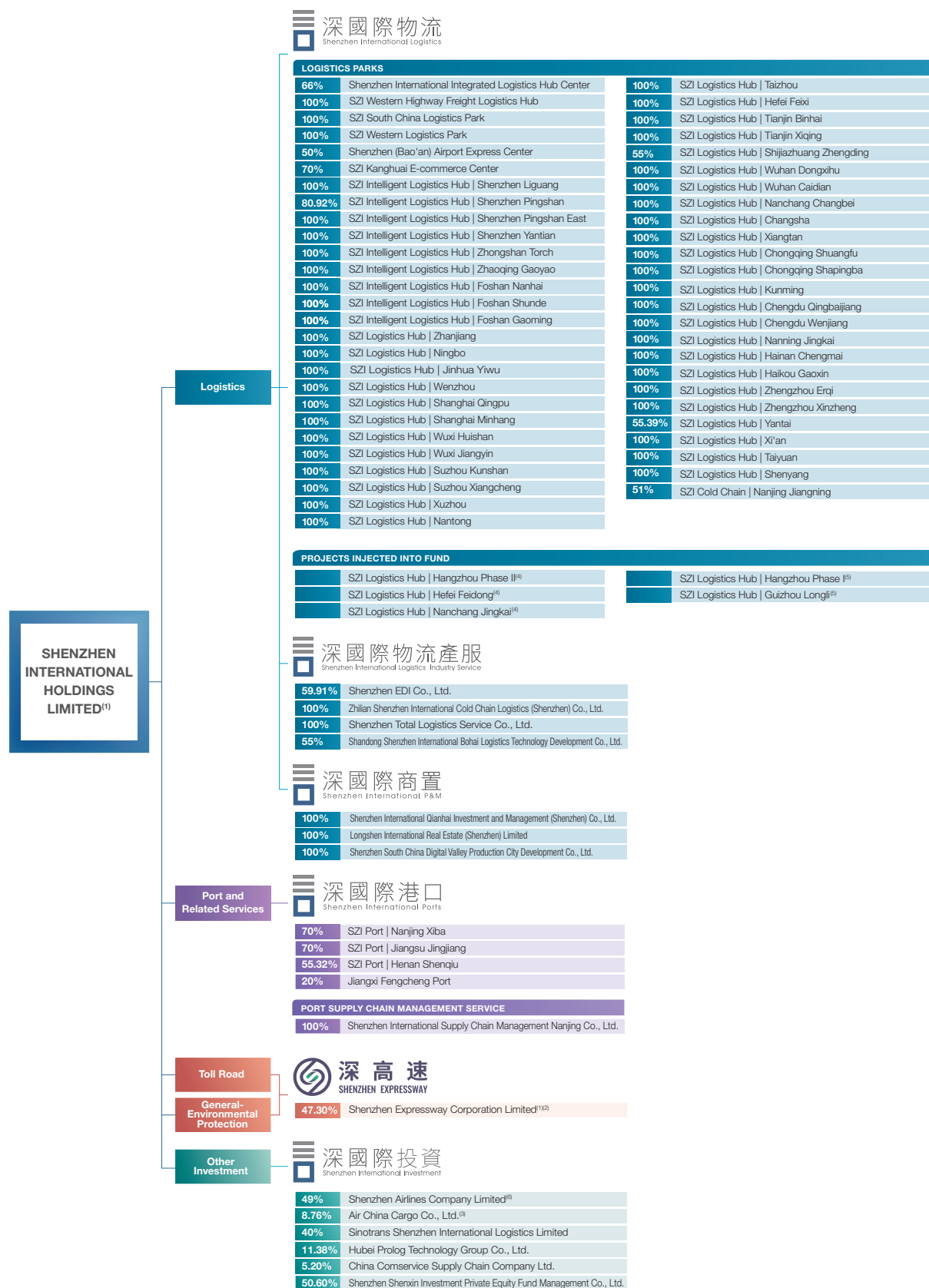
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CORPORATE PROFILE

The Group perceives the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei areas and major logistics gateway cities as key strategic regions. Through investment, mergers & acquisitions, restructuring and consolidation, the Group focuses on the investment, construction and operation of logistics infrastructure in the four major areas of "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" (including inland ports, urban integrated logistics parks, air cargo terminals and railway logistics terminals) and toll roads. The Group provides its customers with value-added logistics services including intelligent warehouse and integrated cold chain warehousing, and also expands its business segments to include the comprehensive development of land associated with the "logistics + commerce" industries as well as the investment in and operation of general-environmental protection business, thereby creating greater value for its shareholders.



Set out below is a simplified corporate structure of the Group as at 31 December 2025 which excludes intermediate holding entities, and the percentages of interests shown represent the percentages for which the Group has effective control.



Notes:

- (1) Listed on the Main Board of The Stock Exchange of Hong Kong Limited (2) Listed on the Shanghai Stock Exchange (3) Listed on the Shenzhen Stock Exchange
 (4) These projects are held by Shenshi Smart Logistics Infrastructure Private Equity Partnership (Limited Partnership), a joint venture held by the Group as to 40% equity interest.
 (5) These projects are held by the ChinaAMC-Shenzhen International Warehousing & Logistics Close-end Infrastructure Securities Investment Fund, in which the Group holds 30% of the total units.
 (6) On 27 January 2026, Shenzhen Airlines Co., Ltd. completed the first phase of capital increase, resulting in the Group's shareholding therein being adjusted to 28.09%.
 (7) The simplified corporate structure of the Group only included corporate entities and projects which were in operation as at 31 December 2025.

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Li Haitao (*Chairman*)
Liu Zhengyu (*Chief Executive Officer*)
Wang Peihang
Liu Xiuli

Non-Executive Director:

Cai Xiaoping

Independent Non-Executive Directors:

Pan Chaojin
Zeng Zhi
Wang Guowen
Ding Chunyan

AUDIT COMMITTEE

Zeng Zhi (*Chairman*)
Pan Chaojin
Wang Guowen

NOMINATION COMMITTEE

Pan Chaojin (*Chairman*)
Wang Peihang
Ding Chunyan

REMUNERATION AND APPRAISAL COMMITTEE

Pan Chaojin (*Chairman*)
Cai Xiaoping
Wang Guowen

SUSTAINABILITY COMMITTEE

Liu Zhengyu (*Chairman*)
Wang Peihang
Zeng Zhi
Ding Chunyan

JOINT COMPANY SECRETARIES

Liu Wangxin
Lam Yuen Ling, Eva

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 2206-2208, 22nd Floor
Greenfield Tower, Concordia Plaza
No. 1 Science Museum Road
Tsimshatsui East
Kowloon, Hong Kong

SHENZHEN OFFICE

Shenzhen International Building
8045 Hongli West Road
Futian District, Shenzhen

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

COMPANY WEBSITE

www.szihl.com

SHARES

Hong Kong Stock Exchange:

Stock Code: 00152

SECURITIES

Shenzhen Stock Exchange:

RMB Bonds (First Tranche 2023) (Stock Code: 148372)
RMB Bonds (Second Tranche 2023) (Stock Code: 148398)
RMB Bonds (Fourth Tranche 2023) (Stock Code: 148465)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

LEGAL ADVISER

King & Wood (*Hong Kong Legal Adviser*)

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
Bank of Communications
China CITIC Bank
China Construction Bank
China Development Bank (*PRC Domestic Bank*)
China Merchants Bank
China Minsheng Bank
DBS Bank
HSBC
Industrial and Commercial Bank of China
Industrial Bank (*PRC Domestic Bank*)
MUFG Bank, Ltd.
Ping An Bank

PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

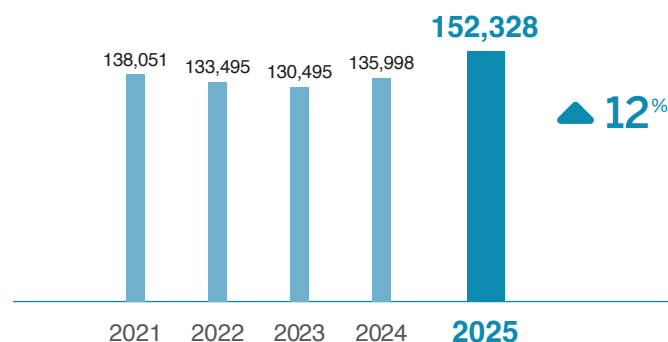
INVESTOR RELATIONS CONSULTANT

PRChina Limited
17/F, Yat Chau Building
262 Des Voeux Road Central
Sheung Wan, Hong Kong

FINANCIAL HIGHLIGHTS

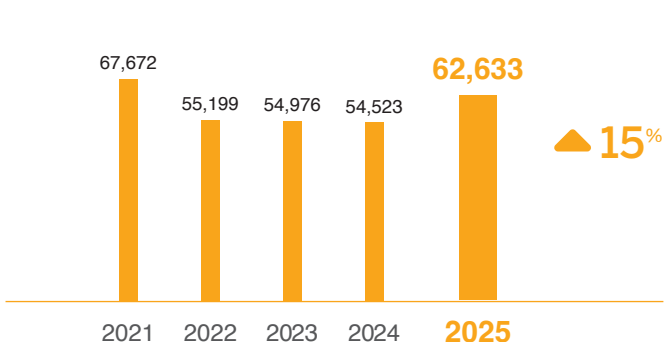
Total Assets Value

(HK\$ million)



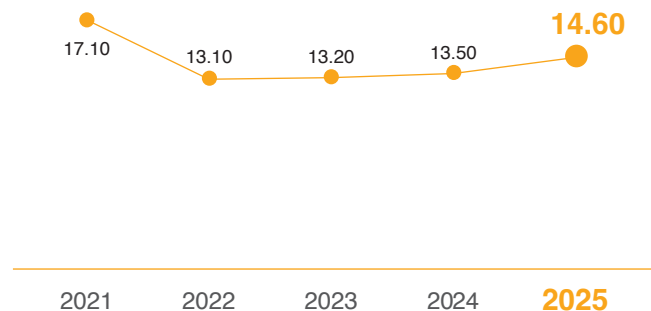
Total Equity

(HK\$ million)



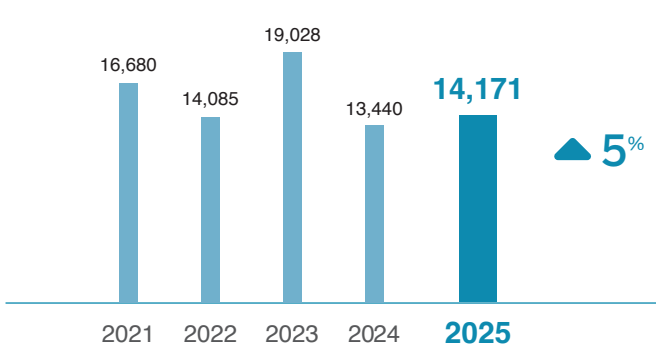
Net Asset Value per Share Attributable to Shareholders

(HK\$ dollar)



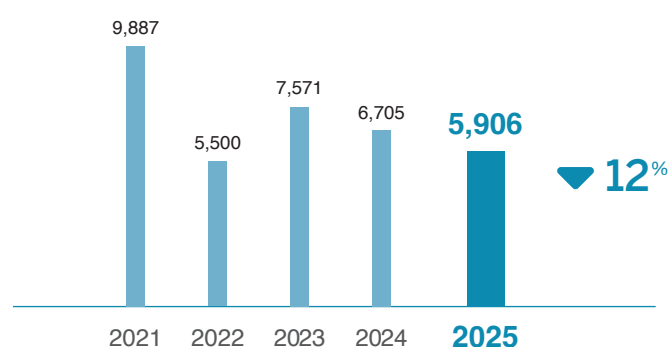
Revenue*

(HK\$ million)



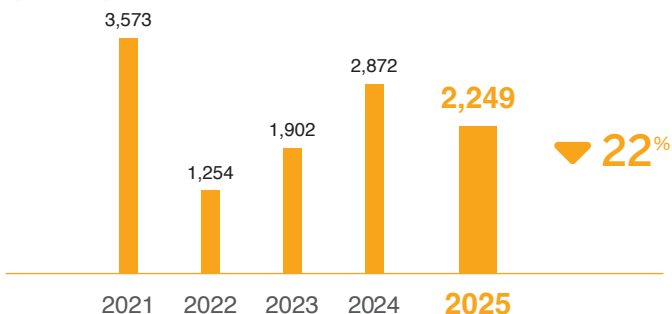
Profit before Finance Costs and Tax

(HK\$ million)



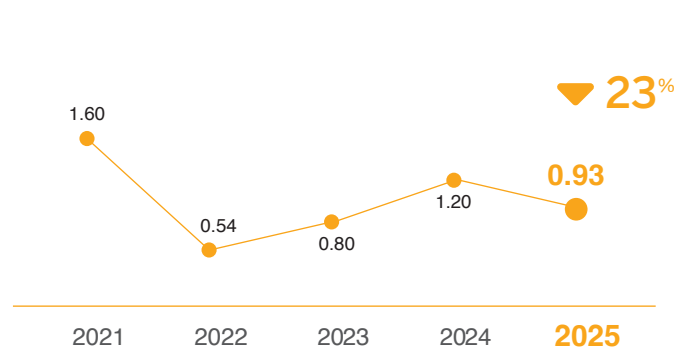
Profit Attributable to Ordinary Shareholders of the Company

(HK\$ million)



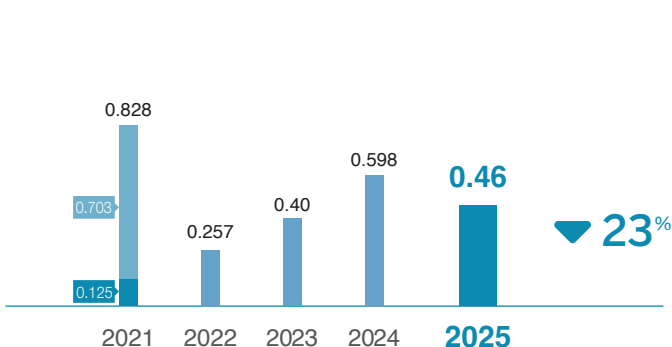
Earnings per Share (Basic)

(HK\$ dollar)



Dividend per Share

(HK\$ dollar)



* Excluding revenue from construction services for toll roads

FINANCIAL HIGHLIGHTS

ANALYSIS OF REVENUE AND PROFIT BEFORE FINANCE COSTS AND TAX BY PRINCIPAL ACTIVITIES

<i>(HK\$ million)</i>	<i>Share of results of associates and joint venture</i>			
	<i>Revenue</i>	<i>Operating profit</i>	<i>Share of results of associates and joint venture</i>	<i>Profit before finance costs and tax</i>
	2025			
Toll roads and general-environmental protection business				
– Revenue	7,920	1,680	804	2,484
– Construction service revenue	2,175	125	–	125
Sub-total	10,095	1,805	804	2,609
Logistics parks	1,661	96	32	128
Logistics services	370	(69)	(8)	(77)
Port and related services	4,059	96	3	99
Logistics park transformation and upgrading business	160	3,699	(128)	3,571
Sub-total	6,250	3,822	(101)	3,721
Head office function	–	(529)	105	(424)
Total	16,345	5,098	808	5,906
Finance income				120
Finance costs				(1,530)
Finance costs – net				(1,410)
Profit before income tax				4,496
	2024			
Toll roads and general-environmental protection business				
– Revenue	7,899	1,884	1,009	2,893
– Construction service revenue	2,130	186	–	186
Sub-total	10,029	2,070	1,009	3,079
Logistics parks	1,504	609	27	636
Logistics services	333	(20)	2	(18)
Port and related services	3,586	142	(2)	140
Logistics park transformation and upgrading business	119	2,865	243	3,108
Sub-total	5,542	3,596	270	3,866
Head office function	–	(445)	205	(240)
Total	15,571	5,221	1,484	6,705
Finance income				173
Finance costs				(1,763)
Finance costs – net				(1,590)
Profit before income tax				5,115

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is depicted below. The 2023 to 2025 figures are extracted from the audited financial statements. The 2021 and 2022 figures were restated accordingly due to the completion of acquire 100% equity interest in Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd..

	<i>Year ended 31 December</i>				
	2025	2024	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Results					
Revenue	16,345,347	15,570,615	20,523,798	15,529,301	18,541,926
Profit before income tax	4,495,874	5,115,065	5,194,129	2,930,926	8,956,258
Income tax expense	(1,551,686)	(1,428,061)	(2,289,221)	(994,769)	(2,726,653)
Profit before NCI	2,944,188	3,687,004	2,904,908	1,936,157	6,229,605
Perpetual securities holders	–	–	–	(92,999)	(92,075)
Non-controlling interests	(694,738)	(814,556)	(1,003,265)	(589,239)	(2,564,519)
Profit attributable to shareholders	2,249,450	2,872,448	1,901,643	1,253,919	3,573,011

	<i>As at 31 December</i>				
	2025	2024	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities					
Fixed assets	21,117,095	20,391,880	19,780,766	17,874,497	19,087,069
Investment properties	20,803,695	18,519,634	15,080,718	10,226,082	7,697,726
Land use rights	4,125,415	4,056,454	4,231,866	3,181,633	3,328,772
Investments in associates & joint ventures	29,304,536	29,540,442	28,363,657	28,489,600	31,745,283
Other investments	1,382,361	1,209,394	1,155,711	1,021,738	1,144,780
Intangible assets	27,492,205	26,187,883	29,280,325	29,941,138	32,922,243
Other non-current assets	15,445,247	12,345,756	12,157,965	12,283,240	12,205,148
Net current assets	(14,634,525)	(11,732,398)	(21,565,540)	(18,107,422)	(4,230,942)
Non-current liabilities	(42,402,632)	(45,995,887)	(33,509,807)	(29,711,332)	(36,227,904)
Net assets	62,633,397	54,523,158	54,975,661	55,199,174	67,672,175
Equity					
Issued capital	2,443,737	2,409,639	2,393,149	2,387,810	2,266,714
Reserves	33,140,452	30,090,100	29,189,057	28,860,054	36,605,854
Equity attributable to ordinary shareholders	35,584,189	32,499,739	31,582,206	31,247,864	38,872,568
Perpetual securities	–	–	–	–	2,330,939
Non-controlling interests	27,049,208	22,023,419	23,393,455	23,951,310	26,468,668
Total equity	62,633,397	54,523,158	54,975,661	55,199,174	67,672,175

KEY EVENTS IN 2025

OPERATION MANAGEMENT

MAR

Shenzhen Expressway Corporation Limited, a listed subsidiary of the Company, successfully issued an aggregate of approximately 357 million A shares to the specific targets with net proceeds of RMB4,679 million

JUN

JUL

The Group’s first “Logistics + Bus” project - Qianhai Yinli bus stop project, and its first “Logistics + Metro” project - Qiaocheng East metro project, officially commenced operations. These projects successfully established new logistics nodes integrating intelligent sorting and urban distribution



MAR

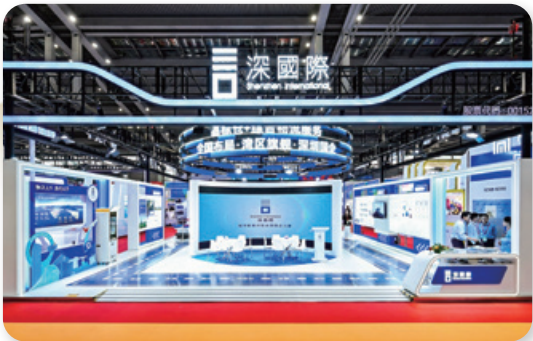
SZI Intelligent Logistics Hub (Foshan Shunde) officially commenced operations. This project is set to generate strong synergies with the Group’s other projects in Foshan and Shenzhen, further expanding the Group’s logistics network across the Greater Bay Area and reinforcing its regional market presence

SEP



The supercharging stations for heavy trucks at the SZI Intelligent Logistics Hub (Shenzhen Pingshan) and SZI Intelligent Logistics Hub (Shenzhen Liguang) were officially put into operation, representing substantial progress for the Group in the green energy transformation of logistics parks and the expansion of its new energy infrastructure networks

SEP



The Group exhibited at the 19th China (Shenzhen) International Logistics and Supply Chain Fair, where it highlighted its logistics offerings, services capabilities and innovation accomplishments, fostering in-depth exchanges with industry peers and jointly exploring new opportunities for cooperation

JUL

AUG

The Group entered into a land use rights transfer agreement for phase 1 of the reserved land relating to the land consolidation and preparation of the SZI South China Logistics Park, and project construction has commenced, signaling the project's official entry into the development and construction stage



OPERATION MANAGEMENT

SEP



The Qianhai Digital Cultural and Creative Park was inaugurated, anchored by key landmarks such as the Yidu Building and Qianhai Yinli commercial district within the Group's Qianhai Project. It is set to drive industrial agglomeration and capability enhancement across commercial and office components of the Qianhai Project, thereby strengthening their attractiveness to prospective tenants



Shenzhen International Integrated Logistics Hub Center

The Group achieved key milestones across several integrated logistics hub projects, laying a solid foundation for the expansion of the logistics service network:

- Completion of the ground-level railway works at the Shenzhen International Integrated Logistics Hub Center (the Pinghunan Project)
- Commencement of operations of the SZI Western Highway Freight Logistics Hub
- Topping out of the main structure of the SZI Beijing Southwest Integrated Logistics Hub (Phase I) Intelligent Logistics Center

DEC



SZI Western Highway Freight Logistics Hub



SZI Beijing Southwest Integrated Logistics Hub (Phase I) Intelligent Logistics Center

Shenzhen North Railway Station CBD

Actual photograph

SZI South China Logistics Park

Conceptual rendering

The approval from the Shenzhen Longhua District People's Government for phase 2 of the reserved land (stage 1) under the land consolidation and preparation of the SZI South China Logistics Park was obtained, marking another phased progress in this project

SZI Port (Jiangsu Jingjiang) obtained official approval for international opening, marking its official entry into a new phase of international operations

The Group entered into a strategic cooperation with the Qianhai Administrative Bureau of Shenzhen Municipality and officially established the Qianhai Logistics and Supply Chain Alliance. The parties will carry out in-depth collaboration across nine key areas, including industrial planning research, establishment of industry alliances, development of the digital cultural and creative park, construction of intelligent logistics centers, and upgrading of warehouse facilities, etc.

CORPORATE HONORS

APR

NOV

The Company has received both domestic and international recognition for its ESG performance:

- Sino-Securities ESG rating: “A”
- Wind ESG rating: upgraded to “AA”
- The “Responsible Brand Award” presented under the Responsible Whale Bull Award at the ESG China - 8th Beijing Responsibility Exhibition, hosted by the China Enterprise Reform and Development Society and Responsibility Cloud Research Institute
- The “Outstanding ESG Environmental Performance Award”, the “Outstanding ESG Social Performance Award”, and the “ESG Commendation Certification” at the Outstanding ESG Enterprises Recognition Scheme 2025, jointly organized by Sing Tao News Corporation and The Hong Kong Polytechnic University



MAY

The Company was honored with the title of “Innovative Organization of the Year” at the 11th Annual Conference of China Securitization Forum, while the ChinaAMC-Shenzhen International Warehousing & Logistics Close-end Infrastructure Securities Investment Fund was also recognized as the “Outstanding Public REITs Project of the Year”

SEP

The Company was included in the “GBA State-Owned Enterprises Social Value Management · Pioneer 30 Index” and the “GBA State-Owned Enterprise ESG Development Index”. The case the Company submitted was selected as one of the top 10 cases in “Technological Innovation” section of the Blue Book on Corporate Social Responsibility for State-owned Assets and State-owned Enterprises (2025) and one of the top 10 cases in the “Development of New Quality Productive Forces” section of the Research Report on Corporate Social Value of State-Owned Enterprise in the Greater Bay Area (2025)



AUG

The Company was awarded the title of “Outstanding Brand” at the 19th China Brand Festival (International Brand Expo). Our case study titled “Brand’s Journey from Strategic Restructuring to Logistics Benchmark” was selected as a case model of brand development in the Shenzhen Brand Development White Paper (1980-2025)

CORPORATE HONORS

OCT

The Company was successfully selected for “Guangdong Top 500 Enterprises” list, as published in the 2025 Guangdong Top 500 Enterprises Development Report by the Guangdong Provincial Enterprises Confederation and the Guangdong Provincial Association of Entrepreneurs

AUG

OCT

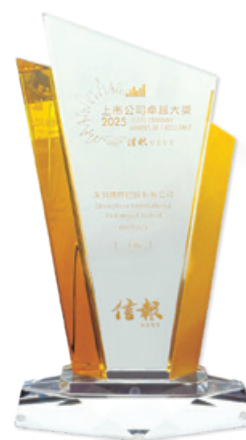


The Company’s 2024 annual report was granted a total of 13 awards in the International ARC Awards, the Vision Awards organized by the League of American Communications Professionals (LACP), and the International Annual Report Design Awards (IADA)

DEC

The Company has received the following awards:

- The “Listed Company Awards of Excellence 2025 (Main Board Category)”, presented by Hong Kong Economic Journal
- One of the “Top 50 Mid-Cap Listed Companies” at the 12th Top 100 Hong Kong Listed Companies Awards Ceremony
- The “Most Investment Value Listed Company” and the “Excellent Investor Relations Listed Company” awards, presented at the China Securities Golden Bauhinia Awards Ceremony





CHAIRMAN'S STATEMENT



Dear Shareholders,

In 2025, the global economic landscape underwent profound adjustments, driven by intertwined geopolitical tensions and industrial transformation. The domestic economy advanced steadily amid structural transition, with new quality productive forces growing rapidly and traditional industries undergoing upgrading. The logistics industry entered a new phase, characterized by evolving supply-and-demand dynamics and heightened competition in existing markets. Despite a complex and volatile market environment, the Chinese government continued to strengthen counter-cyclical adjustments, driving state-owned enterprises to sharpen their core functions and enhance their core competitiveness, thereby providing strong support for high-quality growth in the real economy. Guided by the goals of the 14th Five-Year Plan, the Group adhered to the development principle of “Striving for Progress while Maintaining Stability, Reinforcing Stability through Progress”. Focusing on achieving high-quality development, the Group enhanced strategic planning and reinforced its operational foundation, achieving improvements in both development quality and operational scale during a period of industrial adjustment. Its core performance indicators remained stable, laying a solid foundation for embarking on a new chapter of the development under the 15th Five-Year Plan.

For the year ended 31 December 2025 (the “Year”), the Group recorded a total revenue of approximately HK\$16,345 million and the profit attributable to shareholders of approximately HK\$2,249 million.

The board of directors of the Company (the “Board”) recommended the payment of a final dividend of HK\$0.46 per share for 2025 to shareholders. The total final dividend for 2025 amounted to approximately HK\$1,124 million. The payout ratio of approximately 50% exemplifies the Group's consistent dividend policy.

STRATEGIC DEDICATION: ACHIEVING BREAKTHROUGHS IN CORE BUSINESSES

In 2025, the Group strengthened its core business network, advancing logistics, port and other core operations toward greater scale, enhanced synergies and high-quality development. As a result, the Group's industrial competitiveness and market influence continued to strengthen.

Logistics Business Scaled New Heights

In response to new industry trends, the Group adhered to its strategy of “Focusing on Core Regions and Cultivating High-quality Assets”, continuously optimizing its national logistics network. As at the end of 2025, the Group operated and managed 59 projects across 42 core node cities, with a total operating area of approximately 7.54 million square meters, establishing itself as a leading player in the national logistics infrastructure sector. In Shenzhen, the Group seized opportunities presented by the “Dual-Zone” initiative, successfully completing two national-level logistics hubs, namely the SZI Western Highway Freight Logistics Hub and the Shenzhen International Integrated Logistics Hub Center (the Pinghunan Project). In addition, the Group secured prime logistics resources in the core areas of Qianhai, including the SZI Intelligent Logistics Hub (Shenzhen Qianhai), further solidifying its stronghold in Shenzhen. Major projects such as the Beijing Fangshan Project achieved key constructions milestones, with the overall plan for the multi-modal road-rail transport put in place, thereby strengthening the Group's presence in the Beijing-Tianjin-Hebei region. The

Group achieved scaled deployment of its management services business, successfully securing new management contracts across regions. The Group's integrated service capabilities covering the entire "Investment, Construction Management, Business Promotion, and Operations" cycle, resulting in a significant enhancement of the Group's asset-light operational capabilities and brand influence.

Port Business Network Clustering Efforts Bear Fruit

The Group firmly advanced its port business by implementing a strategy of "linking ports together to create a seamless network spanning rivers and coastlines", shifting from single-point to networked regional development, with the port segment's comprehensive competitiveness continuing to strengthen. Currently, the Group operates 22 berths with over 3,300 meters of shoreline and an annual handling capacity of 45 million tonnes, and has achieved over 50 million tonnes of cargo throughput in 2025. Network enhancements were carried out in core regions, including the downstream Yangtze River and the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area"). Projects including the Nanjing Xiba Port and Jiangsu Jingjiang Port, secured cooperation with core customers, ensuring stable business performance. Meanwhile, new projects such as the Henan Shenqiu Port and Jiangxi Fengcheng Port delivered encouraging operational results. Breakthrough progress was made in the Greater Bay Area regarding the shoreline application of the Foshan Fuwan Port, and strategic cooperation framework agreements were signed for new projects, such as the Nantong Lvsi Port. The port business continued to unlock its potential in regional synergy and industrial chain extension.

Toll Road and General-Environmental Protection Businesses Achieve Steady Operations with Quality and Efficiency Improvements

The Group consolidated its core toll road business and strengthened its position in general-environmental protection business through its listed subsidiary, Shenzhen Expressway Corporation Limited, achieving stable operations, quality improvement and efficiency enhancement in both segments. For the toll road business, the Group made steady progress on major projects, including the reconstruction and expansion of Phase III of the Outer Ring Project, the Jihe Expressway and Guangzhou-Shenzhen section of the Beijing-Hong Kong-Macao Expressway, with intelligent transportation technologies being widely adopted, leading to an increase in the operating revenue from core road sections. In the general-environmental protection business, the Group focused on clean energy power generation and solid waste treatment. The Guangming Environmental Park commenced commercial operations, and the number of organic waste treatment concession projects reached 22, with a designed capacity exceeding 6,300 tonnes per day. Meanwhile, the Group optimized its business structure by divesting low-efficiency, non-core businesses, continuously strengthening its lean operational capabilities and further solidifying its foundation for long-term development.



ACCELERATING INTEGRATED “HEAVY AND LIGHT ASSET” DEVELOPMENT

Leveraging the advantages of its asset-heavy layout, the Group vigorously expanded asset-light operations and established a dual-engine model of “Asset Management+ Professional Operation”. In 2025, the number and scale of integrated asset-light and asset-heavy projects in the logistics segment increased significantly, with service capabilities in property management, integrated warehousing, distribution and transportation continuously strengthened. The port supply chain business achieved substantial growth in both revenue and synergistic business volume, delivering notable results in driving cargo throughput for the port's asset-heavy operations. In the railway logistics business, the Group continued to expand asset-light operations, including international and domestic express freight trains as well as integrated trading and logistics for bulk commodities, with train despatch volume and freight yard handling volume reaching record highs. Professional operational capabilities in niche sectors such as cold chain and bonded logistics continued to improve, while the share of non-warehousing rental income continued to be optimized. Asset-light operations have become a key engine driving value enhancement and efficiency improvement across the Group's core businesses.

“LOGISTICS+” PROJECTS DELIVER RESULTS

The Group actively explored integrated development across logistics, public transportation, new energy and the low-altitude economy sectors. The pilot projects of “Logistics + Bus” (the Qianhai Yinli bus stop project) and “Logistics + Metro” (the Qiaocheng East metro project) were successfully put into operation, effectively revitalizing underused spaces and significantly improving logistics distribution and sorting efficiency. Deployment efforts for the distributed photovoltaic business have been stepped up, connecting several projects to the grid, generating a cumulative 17.88 million kWh of electricity and reducing carbon emissions by approximately 13,900 tonnes, achieving both economic and ecological benefits. The Group took the lead in the construction of megawatt-level supercharging stations for heavy-duty trucks in Shenzhen, which has been integrated into the local “City of Supercharging” development plan, providing vital support for the green and low-carbon development of the logistics industry. Planning for the low-altitude economy progressed steadily, with the completion of planning and construction for several low-altitude takeoff and landing sites in Shenzhen. Specialized routes, such as medical supply delivery, have been initially planned, forming a prototype for a three-dimensional logistics system with “Ground Hubs + Aerial Corridors”.

SYNERGETIC IMPLEMENTATION OF THE LONG AND SHORT CLOSED-LOOP BUSINESS MODELS IN CAPITAL OPERATIONS

Under the long closed-loop “Investment, Construction, Operation and Transformation” business model, the SZI South China Logistics Park Transformation Project achieved further critical breakthroughs. The value appreciation for the phase 1 of the reserved land (plot number: 02-20-04) and the phase 2 (stage 1) of the reserved land (plot number: 02-20-02) was recognized, the land use rights transfer agreements were signed, and the development and construction of the reserved land officially commenced, providing strong support for the Group's operating performance.

Under the short closed-loop “Investment, Construction, Financing and Operation” business model, the Group's first logistics and warehousing REIT operated steadily, with continuously growing recognition in the capital market. The Group is progressing steadily with a new-phase of private equity fund to revitalize existing assets through asset securitization. The Group also strategically invested in publicly offered REIT of a leading logistics enterprise, boosting the synergy between industrial operations and capital market.

LEAN OPERATIONS: COMPREHENSIVELY ENHANCING INTEGRATED DEVELOPMENT CAPABILITIES

In 2025, the Group improved its value-creation capabilities through lean management, fortified its development foundation through risk management, continuously optimized corporate governance, reduced cost and improved efficiency, and strengthened brand building, resulting in steady improvement in the Group's comprehensive operational capabilities and risk resilience.

Continuous Optimization of Operational and Management Efficiency

The Group comprehensively enhanced cost-reduction and efficiency-enhancement efforts through multiple initiatives, including optimizing financing structures, promoting centralized engineering procurement and reducing administrative expenses, leading to a further reduction in overall financing costs and sustained improvement in capital utilization efficiency. The Group adopted lean management in construction by optimizing design standards and strengthening whole-process audit supervision, effectively controlling construction costs, with several projects winning provincial and municipal awards for quality and safety. Meanwhile, business promotion capabilities continued to strengthen. In response to the intensifying competition in the existing market, the Group introduced targeted marketing measures and strengthened direct management engagement with strategic customers. It focused on optimizing its customer structure by targeting emerging sectors such as new energy vehicles, intelligent manufacturing and cross-border e-commerce. Consequently, the occupancy rates of mature logistics projects remained consistently above the market average, while cargo handling volumes in the port business grew steadily, further solidifying the Group's operational fundamentals.

Continuous Improvement in Risk Management and Corporate Governance

The Group established a comprehensive, multi-level risk management system, optimized compliance management checklists and strengthened risk management across key areas such as construction and supply chain operations. The corporate governance system was further refined, with the operational mechanisms of the Board and its specialized committees further enhanced. The launch of the "Decision-making System for Key Matters" has facilitated the alignment of domestic state-owned asset supervision with overseas listing rules, further improving the Group's corporate governance.

OUTLOOK FOR 2026: TACKLING TRANSFORMATION CHALLENGES AND SEIZING NEW DEVELOPMENT OPPORTUNITIES

The year 2026 marks the beginning of the Group's 15th Five-Year Plan. The global economy is expected to remain in a phase of profound adjustment, supply-and-demand dynamics of the logistics industry will take time to improve. The operation pressures on high-standard warehousing business is unlikely to ease significantly in the short term. At the same time, the industry is embracing development opportunities driven by new quality productive forces and business models innovations. The Group will confront to industry challenges and its own transformation difficulties, with greater determination, focusing on its core businesses to solidify its operational fundamentals while seizing emerging opportunities to cultivate new driving force, striving to embark on a new chapter of the development under the 15th Five-Year Plan.

CHAIRMAN’S STATEMENT

The Group will adhere to the principles of prudent investment and precise planning, focusing on core regions such as Shenzhen and Beijing, as well as strategic areas such as the Greater Bay Area and the Yangtze River Economic Belt. The Group will strictly control investment pace and scale, prioritize high-quality projects with long-term value to continuously optimize its logistics and port network across the country. By targeting strategic emerging industries, the Group aims to strengthen customer cooperation and implement multiple measures to stabilize its customer base, occupancy rates and throughput, thereby fortifying its operational fundamentals and accelerating the development of, and improving the quality and efficiency of, mature projects. Meanwhile, the Group will enhance the “Asset-Light and Asset-Heavy” integrated development model, and explore end-to-end integrated logistics solutions to empower heavy assets with asset-light operations, thereby overcoming the development bottlenecks of traditional asset-heavy models. The Group will actively expand into emerging businesses highly synergetic with its core businesses, such as photovoltaic storage and charging, the low-altitude economy and data centers. By doing so and adhering to the principle of “pilot first and progress steadily”, it will rationally address the challenges of technological iteration and profit models in emerging sectors. In addition, the Group will continue its efforts to reduce costs and enhance efficiency, refine its risk management system, and respond to market uncertainties through prudent operations. The Group will move steadily toward the goal of building a first-class industrial group, striving to deliver sustained and stable value to all shareholders.

ACKNOWLEDGEMENT

Last but not least, on behalf of the Board, I would like to take this opportunity to express our most sincere gratitude to our shareholders, investors and business partners for their dedicated support and confidence. I also extend my gratitude to all employees for their diligence and valuable contributions to the Group over the past year.

Li Haitao

Chairman of the Board

26 March 2026

01

OVERALL
REVIEW



MANAGEMENT DISCUSSION AND ANALYSIS

Overall Review

Operating results	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease)
Revenue (excluding construction service revenue from toll roads)	14,170,716	13,440,119	5%
Construction service revenue from toll roads	2,174,631	2,130,496	2%
Total revenue	16,345,347	15,570,615	5%
Operating profit	5,098,123	5,221,292	(2%)
Profit before tax and finance costs	5,906,177	6,704,990	(12%)
Profit attributable to shareholders	2,249,450	2,872,448	(22%)
Basic earnings per share (HK dollars)	0.93	1.20	(23%)
Final Dividend per share (HK dollar)	0.46	0.598	(23%)

In 2025, the logistics industry underwent profound adjustments amid intensifying geopolitical tensions, mounting uncertainties arising from international trade and tariff barriers, and ongoing volatility in global supply chains. In navigating this complex and evolving external environment, the Group adhered to the principle of “Striving for Progress while Maintaining Stability”. Leveraging its solid business foundation and diversified business portfolio, the Group effectively enhanced operational resilience and achieved steady development by continuously driving cost reduction, improving efficiency, and strengthening business promotion and service capabilities.

For the year ended 31 December 2025 (the “Year”), the Group recorded a total revenue of approximately HK\$16,345 million, representing an increase of 5% as compared to the same period last year. Profit attributable to shareholders decreased by 22% to approximately HK\$2,249 million, mainly due to the recognition of profit after tax of approximately HK\$587 million in 2024 from the injection of two logistics hub projects to an infrastructure public REIT, which was absent during the Year, as well as the recognition of an impairment-related investment loss of approximately HK\$436 million in an associate for the Year.

During the Year, the logistics business recorded a revenue of approximately HK\$2,031 million, representing an increase of 11% as compared to the same period last year, mainly attributable to the commencement of operations of certain logistics hub projects in the Guangdong-Hong Kong-Macao Greater Bay Area (the “Greater Bay Area”) during the Year. Loss attributable to shareholders was approximately HK\$55.84 million, mainly due to the absence of gains from the injection of logistics hub projects into the REIT under the Group’s “Investment, Construction, Financing and Operation” business model during the Year, as well as the relatively high initial operating expenses of certain new projects, which remain in the incubation phase.

As at 31 December 2025, the Group has established its presence in 42 cities nationwide, managing and operating 59 logistics hub projects with a total operating area of approximately 7.54 million square meters. The overall occupancy rate of mature logistics parks was approximately 87%.

The Group remains committed to the development strategy of “Establishing a Foothold in Shenzhen, Expanding across the Greater Bay Area, and Serving the National Market”, focusing its investment in core economic regions such as the Greater Bay Area, the Yangtze River Delta, and the Beijing-Tianjin-Hebei Region to continuously strengthen its logistics business foundation. In 2025, the Group further expanded its logistics network and operating scale, with operating area increasing by approximately 1.75 million square meters. This was supported by the commencement of operations of 13 logistics hub projects during the Year, located in Shenzhen, Shunde (Foshan), Gaoming (Foshan) and Jiangning (Nanjing), which further enhanced the Group’s national network coverage and service capabilities. In addition, seizing the strategic opportunities arising from the new development landscape, the Group will leverage its heavy-asset layout in key regions, extend service offerings, and further strengthen technological capabilities to accelerate its strategic transformation from a “logistics infrastructure developer and operator” to a “comprehensive logistics service provider”, thereby continuously enhancing its core competitiveness.

During the Year, the logistics park transformation and upgrading business recorded a revenue of approximately HK\$160 million, representing an increase of 35% as compared to the same period last year, mainly due to the improved leasing conditions of the office section at SZI South China Digital Valley. Profit attributable to shareholders amounted to approximately HK\$2,607 million, increased by 11% as compared to the same period last year, primarily due to the recognition of profit after tax of approximately HK\$2,933 million from the land consolidation and preparation of SZI South China Logistics Park.

The Group’s long closed-loop “Investment, Construction, Operation and Transformation” business model continued to drive significant progress in 2025. During the Year, the Group entered into a land use rights transfer agreement for phase 1 of the reserved land relating to the land consolidation and preparation of the SZI South China Logistics Park, and officially commenced its development and construction. As the transfer price of this land parcel was lower than originally estimated, the profit from the land consolidation and preparation increased accordingly, contributing an additional profit after tax of approximately HK\$54.36 million. In addition, phase 2 of the reserved land (stage 1) was approved by the Shenzhen Longhua District People’s Government (the “Longhua District Government”) in December 2025, signifying the Group’s acquisition of the development rights for this land parcel. The Group recognized profit after tax of approximately HK\$2,878 million from the land consolidation and preparation of this land parcel during the Year. The Group will expedite the development and construction of the above land parcels and endeavor to develop a high-quality residential flagship project, so as to facilitate the timely receipt of sale proceeds and recovery of cash flow.

During the Year, the port and related services business recorded a revenue of approximately HK\$4,059 million, representing an increase of 13% as compared to the same period last year, mainly driven by the increase in revenue from the port supply chain business. Profit attributable to shareholders dropped by 35% as compared to the same period last year to approximately HK\$39.35 million, the decline was mainly attributable to the intensified competition in the port industry which compressed profit margins, along with the ongoing nurturing stage of the newly launched project, and increased depreciation and amortization costs arising from fixed assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Review

The Group's toll road and general-environmental protection businesses are managed and operated through Shenzhen Expressway Corporation Limited (the "Shenzhen Expressway"), a listed subsidiary of the Company. During the Year, the overall revenue of Shenzhen Expressway was approximately HK\$10,095 million, maintained at a similar level with that of last year. Its net profit slightly dropped by 2% as compared to the same period last year to approximately HK\$1,292 million, mainly attributable to the absence of gains from the disposal of the Yichang Expressway project company, which were recognized in the same period last year. During the Year, the Group's share of profits from Shenzhen Expressway was approximately HK\$565 million, remaining largely flat compared to the same period last year.

During the Year, the Group dynamically optimized its financing strategies to proactively respond to market changes. Through a series of targeted measures, the Group continuously optimized its debt structure in terms of maturity and currency mix, securing preferential loan rates, leading to a decrease of 11% in finance costs as compared to the same period last year to approximately HK\$1,410 million. In terms of exchange rate management, the Group actively navigated market fluctuations, achieving a net exchange gain of approximately HK\$52.92 million for the Year. This marks a significant improvement compared to the net exchange loss of approximately HK\$25.53 million reported for the same period last year. In January 2026, the Company successfully issued three-year medium-term notes in the amount of RMB1,000 million, with a coupon rate of 1.81%, marking a historical low in the Company's financing costs, and achieved a subscription ratio of 4.15 times. These fully demonstrate strong market recognition of the Group's operational strength and its promising growth prospects. Looking ahead, the Group will continue to strengthen its financial management, further optimize its debt structure, and enhance its resilience to market risks, ensuring stable and sustainable growth amidst a complex and volatile market.

Dividend

The Board is committed to maintaining a stable dividend policy and delivering sustainable and stable returns to the shareholders of the Company. Having considered the composition of the profit and cash flows of the Group, the Board recommended a final dividend of HK\$0.46 per share for the Year (2024: HK\$0.598 per share), representing a decrease of 23% as compared to last year. Total dividend amounted to HK\$1,124 million (2024: HK\$1,441 million), representing a decrease of 22% as compared to last year.

The Board recommended that the final dividend be satisfied wholly in the form of an allotment of scrip shares. Shareholders will be given the option of receiving the final dividend wholly in cash in lieu of such allotment, or partly in cash and partly in the form of scrip shares (the "Scrip Dividend Scheme"). The Scrip Dividend Scheme is subject to: (1) the approval of the proposed final dividend at the forthcoming annual general meeting of the Company (the "2026 Annual General Meeting"); and (2) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of and permission to deal in the scrip shares to be issued pursuant thereto.

02

LOGISTICS BUSINESS



LOGISTICS BUSINESS

Leveraging its extensive experience in logistics park development, operation and management, the Group focuses on developing and operating high-end urban logistics complexes, including high-standard warehouses and intelligent logistics hubs, as its core businesses. The Group also offers integrated logistics services such as intelligent warehousing, cold chain and third-party logistics, building a comprehensive logistics infrastructure network that includes “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight + Intelligent Warehousing and Cold Chain”. These efforts support the Group’s vision of becoming “the leading first-class comprehensive logistics service provider in the PRC”.

The Group continued to accelerate the construction of its logistics hub projects and step up the expansion of its management service business, with 13 projects, including the SZI Western Highway Freight Logistics Hub, Foshan Shunde Project, Foshan Gaoming Project and Nanjing Jiangning Project, commencing operations in 2025. As at 31 December 2025, the Group has established a presence in 42 cities in the PRC, managing and operating a total of 59 logistics hub projects with an operating area of approximately 7.54 million square meters. The overall occupancy rate of mature logistics parks was approximately 87%. The Group has also implemented its “One City, Multiple Logistics Parks” strategy in key cities, including Shenzhen, Foshan and Shanghai, thereby achieving economies of scale, reducing operational costs and improving overall operating efficiency.

42 Cities in China

8.25 m sqm Land Obtained

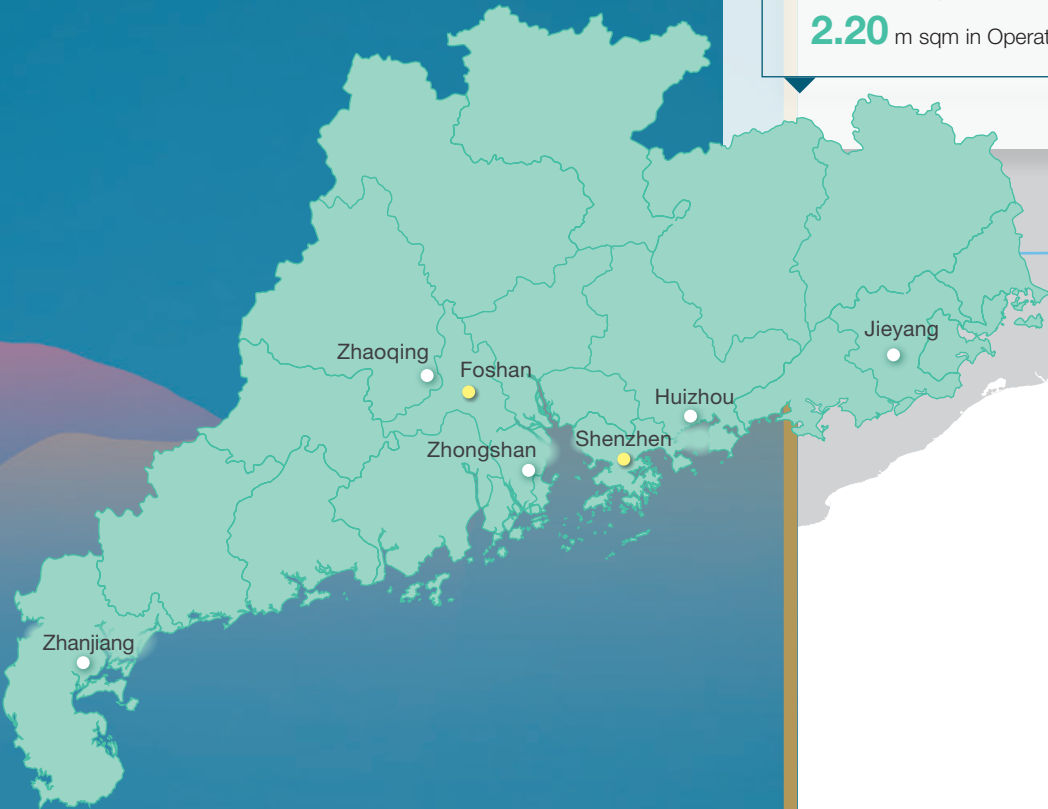
7.54 m sqm in operation

Other Regions in China

47 Projects Deployed
43 Projects in Operation/
under Management
5.89 m sqm Land Obtained
5.34 m sqm in Operation

Guangdong Province
(including the Greater Bay Area)

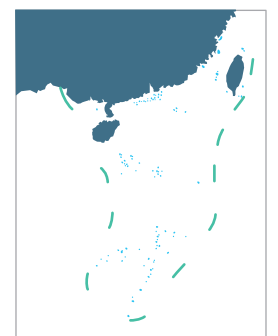
18 Projects Deployed
16 Projects in Operation/
under Management
2.36 m sqm Land Obtained
2.20 m sqm in Operation





"One City, Multiple Logistics Parks"

Sketch map of coastline



MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

ANALYSIS OF OPERATING ENVIRONMENT

In 2025, the global economy faced significant challenges due to shifting policies and cyclical factors, creating a complex and challenging external environment. Despite periodic pressures such as deflation, the Chinese economy, supported by a comprehensive industrial structure and institutional innovation, continued to demonstrate strong resilience and endogenous momentum, with its long-term economic fundamentals remained intact.

The logistics industry, in which the Group's core businesses operate, is experiencing an ongoing realignment between supply and demand. Adjustments in Sino-U.S. trade policies and decelerating growth in customers' respective industries continued to exert downward pressure on the effective warehouse rental rate, leading to a simultaneous decline in both demand and rent across the warehousing logistics market. Nevertheless, demand in niche sectors such as instant retail and emerging industries continued to grow steadily, while new sectors like green logistics, low-altitude logistics and digital logistics also helped to support the industry's development. Furthermore, the Chinese government has successively introduced a series of policies in recent years to promote the high-quality development in modern logistics, providing solid support for the industry's stable and healthy growth.

Amid an increasingly complex external environment and profound industry transformations, the Group has upheld its core development principle of "Striving for Progress while Maintaining Stability", and advanced high-quality development through a series of strategic initiatives. On the one hand, the Group adhered to a prudent and disciplined investment approach, focusing on high-quality projects in core cities such as Beijing and Shenzhen to strengthen its network layout and service capabilities. Building on this foundation, the Group is advancing the transformation of its business model from traditional warehouse leasing to becoming a hub for supply chain solutions. On the other hand, the Group continued to enhance coordination among its core business segments and strengthen its ability to offer integrated supply chain services. In line with national policies, the Group has actively explored opportunities in areas such as multi-modal transport and other businesses, advancing the development of an efficient, collaborative and integrated logistics service system. Meanwhile, by leveraging opportunities arising from urban logistics upgrades and industrial convergence, the Group introduced the "Logistics+" integrated development model in pilot cities such as Shenzhen, and actively explored emerging sectors, including data centers, green energy and low-altitude logistics.

The Group continues to drive technological innovation and digital transformation, accelerating the intelligent and automated upgrading of logistics and warehousing services to enhance operational efficiency and service quality, while proactively responding to industry changes. At the same time, the Group remains committed to integrating its ESG principles into its business operations and development plans. By pursuing green building certifications, implementing intelligent upgrades in logistics parks, developing photovoltaic power generation and charging infrastructure, and promoting water and energy conservation, the Group collaborates with its customers to build sustainable and green logistics parks. These efforts provide a solid foundation for the Group's long-term, stable and robust growth.

In addition, in response to the competitive dynamics in the current market, the Group improved coordination in business promotion across different segments. Through initiatives such as management engagement in strategic customer visits, systematic restructuring of leasing processes, and the implementation of a Customer Relationship Management (CRM) system, the Group has significantly strengthened customer relationship, resulting in a steady increase in project occupancy rates.

ANALYSIS OF OPERATING PERFORMANCE

Logistics Park Business

Guangdong Province (including the Greater Bay Area)

Guided by the strategy of "Establishing a Foothold in Shenzhen and Focusing on the Greater Bay Area" and capitalizing the synergies of the Dual-zone Development Initiative, the Group continued to prioritize its development in Shenzhen, while establishing the "Second Home Base" in Foshan and expanding its footprint to cities such as Zhongshan, Zhaoqing, Zhanjiang and Jieyang, thereby building an intelligent logistics network across Guangdong Province. The logistics hub projects collaborate synergistically, focusing on the needs of the real economy, enhancing overall logistics efficiency, and further strengthening the Group's leading position in Guangdong Province.

As at 31 December 2025, the Group has established a total of 18 logistics hub projects in Guangdong Province (including the Greater Bay Area), of which 16 projects (including 8 projects in Shenzhen) were in operation or under management, with a total operating area of approximately 2.20 million square meters. The mature logistics parks achieved an occupancy rate of approximately 88%.

PROJECTS IN SHENZHEN

SZI Western Highway Freight Logistics Hub



The project is a National Production Service-oriented Logistics Hub in Shenzhen and one of the seven major gateway-type logistics hubs planned by the Shenzhen Municipal People's Government. It is also the first highway logistics hub project successfully launched under Shenzhen's three-tier "7+30+N" logistics station layout plan. Designed in alignment with China's Green Building Evaluation Standard 3-Star Grade and the internationally recognized LEED Platinum standards, the project features a five-story, above-ground high-standard warehouse. Leveraging the region's advanced manufacturing base and strategic location, it has been developed into an integrated cluster of modern intelligent logistics facilities, including intelligent logistics centers, smart logistics cloud warehouses and cold chain centers. The project has been included in the "List of Major Projects in Shenzhen for 2025", and commenced operations in December 2025.

Location:	Bao'an District, Shenzhen
Site area:	75,000 square meters
Gross floor area:	159,000 square meters

SZI Intelligent Logistics Hub (SZ Liguang)



The project has a high plot ratio comprising six above-ground floors and two underground floors, and is equipped with a comprehensive range of warehousing facilities, including cold storage, ambient storage and automated stereoscopic warehouses, as well as e-commerce incubation and operation centers and ancillary service centers. The project commenced operations in July 2023.

As a pioneering initiative of the Group, the project has established itself as a flagship smart platform project. Leveraging cutting-edge information technologies such as 5G, it integrates intelligent hardware with a digital management platform, enabling fully digitalized, intelligent and visualized operations in the project. It covers various aspects, including operational management, asset management, logistics services and green zero-carbon initiatives. The project was awarded the Second Prize in the "2024 Smart City Pioneer List – Outstanding Cases" and was further recognized in 2025 as an "Outstanding Case of the Shenzhen Near-Zero Carbon Emission Pilot Project".

Location:	Longhua District, Shenzhen
Site area:	45,000 square meters
Gross floor area:	217,000 square meters
Key customer(s):	Pharmaceuticals and logistics enterprises

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

SZI Intelligent Logistics Hub (SZ Yantian)



The project serves as the Group’s modern and high-standard demonstration project for “Multi-story Warehouses” and “Bonded Logistics+”. Leveraging the distinct regional advantages of Yantian Port and Yantian Comprehensive Bonded Zone, the project focuses on high-value-added comprehensive logistics services, including bonded warehousing, import distribution, export consolidation and “front-store, back-warehouse” operations for Hong Kong retailers, aiming to become an internationally-leading, digitalized, intelligent and sustainable bonded logistics complex. The project commenced operations in March 2024.

Location:	Yantian District, Shenzhen
Site area:	32,000 square meters
Gross floor area:	91,000 square meters
Key customer(s):	Retail chains and logistics enterprises

SZI Intelligent Logistics Hub (SZ Pingshan)



The project is a “Demonstration Base for Deep Integration of Manufacturing and Logistics Industries” within Shenzhen’s “20+8” strategic emerging industry clusters. It also serves as an “Intelligent Logistics Shared Service Center” for “9+2” strategic emerging industries in Pingshan District, helping to address the shortage of high-standard logistics facilities in the district, and promoting the deep integration of the manufacturing and logistics industries in the area. It has been successfully selected as one of “Shenzhen’s Key Projects for 2025”. Leveraging its dual-format synergy of “Industrial + Warehousing” and its commitment to targeted services, the project has successfully attracted numerous high-growth enterprises. The project commenced operations in December 2024.

Location:	Pingshan District, Shenzhen
Site area:	120,000 square meters
Gross floor area:	286,000 square meters
Key customer(s):	Retail chains, food companies and logistics enterprises

SZI Intelligent Logistics Hub (SZ Pingshan East)



Being adjacent to several of the Group's logistics hub projects, the project can benefit from collaborative development within the area.

Location:	Pingshan District, Shenzhen
Site area:	267,000 square meters
Gross floor area:	94,000 square meters
Key customer(s):	Retail chains and logistics enterprises

SZI Kanghuai E-commerce Center



The project is the first asset-light management service project operated by the Group. It is committed to developing an "intensified, efficient, green and intelligent" urban freight distribution service system, and has been designated as one of Shenzhen's Model City Programs for Green Urban Freight Distribution. It provides a wide range of services, including logistics and warehousing, large-scale data centers, office towers, dormitories and restaurants. It also supports sharing and exchange of data and intelligent connection of facilities across the park through an intelligent park information management system. In 2025, the project was successfully awarded the tender for Shenzhen's inaugural "Inspect Before Loading" pilot program for cross-border e-commerce export less than container load (LCL) cargo. By facilitating the customs authority's innovation in supervision models, it contributed to the high-quality development of the cross-border e-commerce.

Location:	Longhua District, Shenzhen
Operating area:	143,000 square meters
Key customer(s):	Logistics enterprises

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

SZI Western Logistics Park



The project is operated by the Group under a government lease, following the realization of benefits from the land consolidation and preparation in Qianhai. Leveraging the advantages offered by the Qianhai Pilot Free Trade Zone, including its pioneering policy benefits, prime location, mature logistics infrastructure, efficient customs clearance and a professional operations team, it provides integrated logistics services, including bonded logistics, warehousing and storage, loading and unloading, customs declaration and on-site value-added services. It has been recognized as an advanced certified enterprise under the Authorized Economic Operator (AEO) Program.

Location:	Qianhai Pilot Free Trade Zone, Shenzhen
Operating area:	91,000 square meters
Key customer(s):	Logistics enterprises

SZI Intelligent Logistics Hub (SZ Qianhai)



Conceptual Rendering

The Project is jointly developed by the Group and Shenzhen Qianhai Construction Investment Holding Group Co., Ltd. (深圳市前海建設投資控股集團有限公司), which hold 49% and 51% equity interest in the project company, respectively. In early 2026, the project company successfully acquired the land parcel for the development. The project is positioned as a critical modern public logistics hub along the Shenzhen-Zhongshan Link, and integrates core functions, including intelligent warehousing, cross-border e-commerce, international consolidation and emergency support, while serving as a “Dual-use” (normal and emergency) public infrastructure facility for the city. Upon completion, the project will significantly enhance regional freight consolidation and distribution capacity, and create powerful synergies with the Group’s existing logistics hub projects.

Location:	Bao’an District, Shenzhen
Site area:	58,000 square meters
Planned gross floor area:	79,000 square meters

PROJECTS IN THE GREATER BAY AREA

SZI Intelligent Logistics Hub (Foshan Nanhai)



The project has successfully attracted a leading cross-border e-commerce enterprise through operational intensification, smart technologies, green practices and its excellent market reputation. This has effectively driven quality and efficiency optimization within the local e-commerce industry. The project commenced operations in August 2024.

Location:	Nanhai District, Foshan
Site area:	76,000 square meters
Gross floor area:	89,000 square meters
Key customer(s):	Cross-border e-commerce enterprise

SZI Intelligent Logistics Hub (Foshan Shunde)



The project leverages Foshan's outstanding location, transportation network and industrial foundation to create a high-standard, digitalized and modern integrated logistics hub that combines a range of functions, including high-standard warehousing, intelligent logistics and cold chain logistics services. The project commenced operations in March 2025.

Location:	Shunde District, Foshan
Site area:	200,000 square meters
Gross floor area:	329,000 square meters
Key customer(s):	Cross-border e-commerce enterprises

SZI Intelligent Logistics Hub (Foshan Gaoming)



Leveraging the region's excellent transportation and industrial logistics market environment, the project focuses on "intensification" and "intelligence" to develop a modern logistics park integrating warehousing, distribution, freight forwarding, trading, after-sales services and e-commerce. The project commenced operations in November 2025.

Location:	Gaoming District, Foshan
Site area:	157,000 square meters
Gross floor area:	184,000 square meters
Key customer(s):	Cross-border e-commerce and pharmaceutical enterprises

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

SZI Intelligent Logistics Hub (Zhongshan Torch)



The official opening of the Shenzhen-Zhongshan Link in 2024 has fostered further integration of the cities along the east and west banks of the Pearl River, promoting the further development of local manufacturing, logistics and other industries in Zhongshan while injecting new momentum into the project’s stable operation. The project also provides integrated logistics solutions to the surrounding automotive supply chain industry.

Location:	Zhongshan Torch Hi-tech Industrial Development Zone, Zhongshan
Site area:	58,000 square meters
Gross floor area:	66,000 square meters
Key customer(s):	Third-party logistics providers, pharmaceuticals and manufacturing enterprises

SZI Intelligent Logistics Hub (Zhaoqing Gaoyao)



The project boasts a prominent locational advantage with a “one-hour transport circle” encompassing core cities in the Greater Bay Area such as Guangzhou and Foshan. This strategic positioning enables highly efficient connectivity and business synergies with the Group’s existing logistics hub projects in Foshan, Zhongshan and surrounding areas. Positioned as an integrated intelligent logistics service platform, the project introduces modern logistics models including cloud warehousing, urban joint distribution, and cargo consolidation and transportation, and provides high-standard warehousing facilities and supply chain optimization solutions. The project commenced operations in November 2025.

Location:	Gaoyao District, Zhaoqing
Site area:	100,000 square meters
Gross floor area:	108,000 square meters
Key customer(s):	Cross-border e-commerce enterprises

OTHER PROJECTS IN GUANGDONG PROVINCE

SZI Logistics Hub (Zhanjiang)



As the first modern, high-standard warehousing facility in Zhanjiang and the largest of its kind in western Guangdong, the project features a consolidation and distribution center and a modern warehousing center, positioning itself as an integrated urban logistics hub serving western Guangdong and Beibu Gulf regions, while extending its reach into Southeast Asia. It coordinates with the Hainan Chengmai Project and Haikou Gaoxin Project to act as the Group's strategic footholds in its expansion into the Beibu Gulf Economic Zone and its layout along the western Guangdong logistics corridor. The project commenced operations in August 2024.

Location:	Mazhang District, Zhanjiang
Site area:	110,000 square meters
Gross floor area:	90,000 square meters
Key customer(s):	Third-party logistics providers, express delivery operators and industrial manufacturers

SZI Logistics Hub (Jieyang)



Conceptual Rendering

Strategically located at the junction of Chaozhou, Shantou and Jieyang, the project enjoys superior transportation connectivity serving all three cities. It is designed to establish an “air logistics service center + cross-border e-commerce service center” to enhance Jieyang Airport's freight consolidation and distribution capacity. The main structure of the project is currently under construction, and operations are expected to commence in the first half of 2026.

Location:	High-tech Industrial Development Zone, Jieyang
Site area:	96,000 square meters
Planned gross floor area:	109,000 square meters

Other Regions of the PRC

While strengthening its presence in Guangdong Province, the Group has optimized its nationwide network by adopting a “prioritizing excellence” strategy. It focuses on key cities in economically developed regions such as the Yangtze River Delta and the Beijing-Tianjin-Hebei Region, aiming to increase market share, enhance penetration rate and project density in key cities, strengthen its high-standard warehouse network, and building nationwide synergies.

As at 31 December 2025, the Group has extended its logistics hub network beyond Guangdong Province to 35 cities across other regions of the PRC, among which a total of 43 projects have been put into operation, with an operating area of approximately 5.34 million square meters. The mature logistics parks achieved an occupancy rate of approximately 87%, indicating stable leasing conditions.

KEY PROJECTS IN OTHER REGIONS OF THE PRC

SZI Logistics Hub (Shijiazhuang Zhengding)



Location:	Zhengding County, Shijiazhuang, Hebei Province
Site area:	310,000 square meters
Gross floor area:	500,000 square meters
Key customer(s):	Pharmaceuticals and food companies

The project is the first industrial-city complex in the PRC that combines the two major industries of logistics and commerce. Guided by the construction objectives of “Premium Standard with Artistic Excellence”, the Group is leveraging this project to establish a closed-loop ecosystem of “Winter Sports + Business + Cultural Tourism + Hospitality” that integrates diverse business formats, including intelligent logistics parks, ice-and-snow sports venues, international hotels, cultural districts, commercial complexes and startup incubators, thereby establishing a development model where winter sports attract visitors, commercial spaces keep them engaged, and logistics capabilities provide the necessary support.

The logistics park section of the project has a site area of approximately 200,000 square meters and a gross floor area exceeding 100,000 square meters. It is positioned as a digital, intelligent cold-chain logistics base for pharmaceuticals, where approximately 70,000 square meters are currently in operation, including approximately 40,000 square meters designated as pharmaceutical industrial park. It offers high-standard, full-temperature-range facilities capable of storing pharmaceuticals, fresh food, ready meals and frozen products through integrated freezing, refrigeration, cooling and temperature-control functions. By leveraging intelligent technologies and automated equipment, the park has achieved fully intelligent and visualized management across all processes, significantly improved logistics efficiency and contributed to the high-quality development and industrial advancement of the “Pharmaceutical Hub of Northern China”. The park is a certified member of the national Pharmaceutical Supply Chain Alliance. It serves as the regional warehouse for China Resources Pharmaceutical in Hebei. It has also attracted renowned enterprises from the pharmaceutical and food industries, including Sinopharm Le-Ren-Tang, Kinghey and Yonghui, thereby fostering clustering effect for the pharmaceutical and food cold chain sectors. Moreover, the A1 intelligent pharmaceutical cold chain warehouse, with a gross floor area of 30,000 square meters, has received the GSP certification and is expected to commence operations in the first half of 2026. Once put into operation, it will further enhance the park’s pharmaceutical cold chain service capacity and scale advantage.

The commercial section of the project is a large-scale complex integrating cultural, sports, commerce and tourism offerings, with a site area of approximately 110,000 square meters and a planned gross floor area of approximately 320,000 square meters. Among these, the Sunac Snow Park, which officially opened in early July 2025, is currently the largest indoor ski resort in northern China, with a gross floor area of approximately 30,000 square meters. The project has also formed partnerships with several renowned domestic and international brands, including Sunac Resort, Hampton by Hilton, Jinjiang Radisson Hotels, SEZ Construction, PH Alpha and JERDE, etc. These collaborations are collectively driving the project toward a distinctive, modern, integrated complex for cultural and tourism activities, as well as a micro-vacation destination within the Beijing-Tianjin-Hebei Capital Economic Circle. The entire project is expected to be completed and commence operations in 2026.

SZI Logistics Hub (Jinhua Yiwu)



The project comprises two major functional zones, high-standard warehouse and industrial park zone. The high-standard warehouse primarily serves customers in e-commerce cloud warehousing, modern storage, and consolidation and distribution. At the same time, the industrial park focuses on developing a cross-border trade hub that integrates business offices, warehousing logistics, staff residential facilities and public service facilities.

Location:	Jinhua, Zhejiang Province
Site area:	417,000 square meters
Gross floor area:	558,000 square meters
Key customer(s):	E-commerce enterprises, international trading companies and enterprises from upstream and downstream industry chains

SZI Logistics Hub (Ningbo)



With significant advantages in superior transportation connectivity, comprehensive facilities and high-quality services, the project is positioned as a multi-functional modern logistics park that facilitates e-commerce development while serving as an important pillar and driving force for the logistics industry in Ningbo and surrounding regions.

Location:	Ningbo, Zhejiang Province
Site area:	92,000 square meters
Gross floor area:	57,000 square meters
Key customer(s):	Express delivery operator

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

SZI Logistics Hub (Wuxi Huishan)



Strategically positioned to serve Wuxi and the surrounding Taihu Lake Economic Circle, the project leverages its core locational advantages within the Yangtze River Delta. Driven by the dual engines of freight and e-commerce logistics, the project focuses on three core functional segments, being modern warehousing, consolidation and distribution, and comprehensive business services. It has successfully evolved from a traditional standalone logistics park into a fully functional urban logistics complex.

Location:	Wuxi, Jiangsu Province
Site area:	246,000 square meters
Gross floor area:	120,000 square meters
Key customer(s):	Express delivery operators, third-party logistics providers and manufacturing enterprises

SZI Logistics Hub (Wuhan Caidian)



Adjacent to the Wuhan Economic and Technological Development Zone, the project enjoys a significant locational advantage, with a strategic focus on warehousing automotive components and electrical appliances. The Group is dedicated to establishing the project as a modern, integrated urban logistics hub that consolidates functions such as modern warehousing, consolidation and distribution, and comprehensive ancillary services, primarily catering to urban consumption and regional logistics demand.

Location:	Wuhan, Hubei Province
Site area:	129,000 square meters
Gross floor area:	117,000 square meters
Key customer(s):	E-commerce logistics providers and express delivery operators

SZI Logistics Hub (Zhengzhou Erqi)



Fully capitalizing on its prime location, the project deeply integrates industrial processing with urban distribution functions. It establishes an innovative system that combines a “supply chain infrastructure platform” with an “industry chain servicing platform”. By developing a modern intelligent logistics ecosystem featuring close upstream-downstream collaboration, the project achieves comprehensive industrial integration, operational synergy and clustered development.

Location:	Zhengzhou, Henan Province
Site area:	110,000 square meters
Gross floor area:	117,000 square meters
Key customer(s):	E-commerce enterprises, express delivery operators and pharmaceuticals

SZI Logistics Hub (Nanning Jingkai)



As a pivotal node in the Group’s strategic logistics expansion in Guangxi, the project is dedicated to building a new type of integrated logistics hub focused on consolidation and distribution, urban delivery and ancillary services. It will support the development of a cohesive logistics network across Southwest China, enabling synergistic development, integrated management and the sharing of customer resources among the Group’s logistics hubs in the area. The project commenced operations in November 2025.

Location:	Nanning, Guangxi Zhuang Autonomous Region
Site area:	100,000 square meters
Gross floor area:	55,000 square meters
Key customer(s):	Express delivery operator

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

SZI Logistics Hub (Guiyang Xiuwen)



Conceptual Rendering

Adjacent to Guiyang’s primary logistics corridors, the project enjoys distinct locational advantages and is dedicated to establishing an integrated development platform in Southwest China that combines a logistics infrastructure platform with supply chain service platform. In 2025, the project was selected for the third batch of Guizhou Province’s “Dual Major” construction projects. Construction of the project commenced in September 2025, with an expected date of completion and commencement of operations in 2027.

Location:	Guiyang, Guizhou Province
Site area:	206,000 square meters
Planned gross floor area:	147,000 square meters

Management Service Business

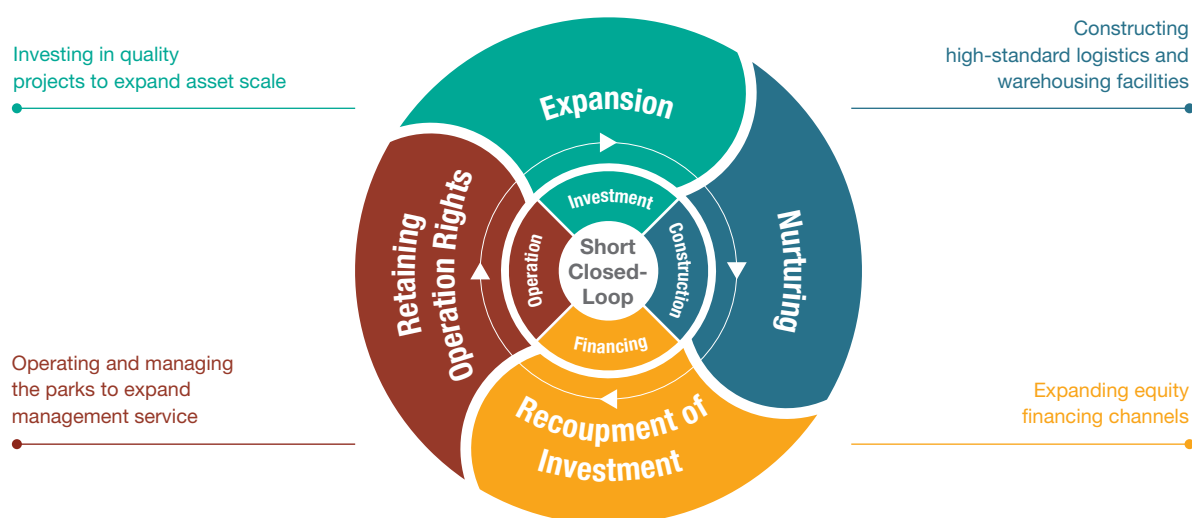
Leveraging its proven expertise in logistics park operation, the Group has successfully undertaken a number of management service projects nationwide, accumulating extensive practical experience in recent years. Its management services business has evolved from initial business promotion and operation to comprehensive, multi-phase management spanning the entire lifecycle of “Investment, Construction Management, Business Promotion and Operations”, delivering sustained value to partners.

The Group’s management service business has achieved considerable scale nationwide. As at the end of 2025, operational projects including the Yueyang Project, Hainan Yangpu Project, Wuxi Xishan Project, Huizhou Dayawan Project and Foshan Shunde (Jun’an) Project, with a total operating area of approximately 512,000 square meters. In 2025, the Group expanded its footprint by adding seven new management service projects. Notably, the Shaoxing Zhuji Project marked the first extension of the Group’s management service into the investment phase, while the Nanchang Luoting Project incorporated construction management services for the first time. Together, these milestones signify the continuous refinement of the Group’s management service system. Furthermore, the Group has simultaneously advanced pre-leasing and operational setup for several projects under construction to enhance their value and competitiveness upon becoming operational.

Looking ahead, the Group intends to expand its management service business and broaden the geographical coverage by expanding service offerings and improving service quality to drive high-quality growth in this segment.

Expanding the Short Closed-loop “Investment, Construction, Financing and Operation” Business Model

With the development of the logistics and warehousing industry, the intrinsic resilience of logistics hubs continued to strengthen. The Group is actively exploring the securitization of its logistics hub assets and implementing the short closed-loop “Investment, Construction, Financing and Operation” business model. Through the issuance of logistics real estate investment funds, the Group can expedite the recoupment of the upfront capital investment, shorten project return cycles, optimize its capital structure, lower its gearing ratio, and realize asset appreciation returns ahead of schedule during the development, construction, incubation and operation phases of its logistics hub projects. This initiative will significantly drive the expansion of the management scale and profitability of the Group’s logistics hub projects, thereby injecting new momentum into the Group’s long-term stable development. The Group continues to refine its short closed-loop “Investment, Construction, Financing and Operation” business model, leveraging diverse approaches to maximize value through the securitization of logistics assets.



In 2024, the Group launched its first logistics and warehousing REIT, namely the ChinaAMC-Shenzhen International Warehousing & Logistics Close-end Infrastructure Securities Investment Fund (the “ChinaAMC-Shenzhen International REIT”), through the asset securitization of the Hangzhou Phase I Project and Guizhou Longli Project. This enabled the Group to realize the closed-loop “Investment, Construction, Financing and Operation” business model. Through this issuance, the Group has effectively revitalized its premium logistics hub assets, accelerated the recoupment of its capital investment, strengthened its positive investment cycle, and further enhanced its reputation in the domestic capital market.

On 9 July 2024, ChinaAMC-Shenzhen International REIT was successfully listed on the Shenzhen Stock Exchange. Since then, it has demonstrated stable market performance and consistent dividend payouts, gaining widespread recognition from the capital market. In May 2025, the Company and ChinaAMC-Shenzhen International REIT were awarded the “Innovative Organization of the Year” and the “Outstanding Public REITs Project of the Year”, respectively, from the China Securitization Forum. These accolades reflect the industry’s prestigious recognitions of the Group’s proven expertise in logistics park operation and management, as well as its innovative practices in asset securitization. As at 31 December 2025, the Group held 30% of the total units of ChinaAMC-Shenzhen International REIT and has received dividend payouts totaling approximately RMB22.12 million for the Year.

In addition, the Group receives service fees for providing operational and maintenance services to the underlying assets of ChinaAMC-Shenzhen International REIT, namely the Hangzhou Phase I Project and Guizhou Longli Project.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

SZI Logistics Hub (Hangzhou Phase I), located in Hangzhou, Zhejiang Province, has an operating area of approximately 213,000 square meters. Being one of the “National Demonstration Logistics Parks”, the project is a modern integrated logistics hub featuring advanced business models and comprehensive functions, capable of addressing diverse logistics needs. The project’s key customers are from various business sectors, including third-party logistics, retail, commerce and trading.



SZI Logistics Hub (Hangzhou Phase I)

SZI Logistics Hub (Guizhou Longli), located in Longli County, Guizhou Province, has an operating area of approximately 142,000 square meters. Situated in the Shuanglong Airport Economic Zone, the project enjoys a distinct locational advantage. It serves as a multi-functional modern logistics hub integrating logistics, commerce and information flow. Its architectural design caters to logistics operations requiring high-speed logistic turnover. The project’s key customers are from sectors such as e-commerce and express delivery.



SZI Logistics Hub (Guizhou Longli)

In respect of private funds, the Group established Shenshi (Shenzhen) Smart Logistics Infrastructure Private Fund Partnership (Limited Partnership) with Goldstone Investment Limited, a subsidiary of CITIC Securities Co., Ltd., in 2021. The Group has progressively transferred its logistics hub projects in Nanchang, Hefei and Hangzhou to the fund, while retaining the operational and management rights over the underlying assets. The fund is currently operating smoothly and the Group earns service fees for providing operational and maintenance services for those logistics hub projects.

The Group is currently advancing the establishment of a new-phase of logistics warehousing Pre-REITs private fund. By injecting mature and premium logistics hub projects into the fund, it helps to build a pool of high-quality assets for the expansion of ChinaAMC-Shenzhen International REIT. This initiative aims to accelerate capital recovery, unlock asset value and further institutionalizing the closed-loop “Investment, Construction, Financing and Operation” business model.

Looking ahead, the Group will continue to develop a fund system anchored by publicly offered REITs and complemented by a flexible mix of private equity products, fostering a synergistic integration between industry and capital to create a virtuous cycle. Furthermore, aligned with market conditions and its development goals, the Group intends to establish diversified logistics-focused funds, including M&A-oriented, development-oriented and industrial-investment-oriented funds, at opportune moments to support the sustainable and healthy growth of its core logistics business.

Railway Integrated Logistics Hub**Shenzhen International Integrated Logistics Hub Center (the “Pinghunan Project”)**

In August 2021, the Group partnered with China Railway Guangzhou Group Co., Ltd. (the “CR Guangzhou”) to establish a joint venture, Shenzhen Municipal Shenzhen International Railway Logistics Development Company Limited (the “Joint Venture”) for the investment, construction and operation of the Pinghunan Project. In 2025, the Joint Venture completed a capital increase, following which the shareholding of the Group and CR Guangzhou were adjusted to 66% and 34%, respectively.

The Group pioneered the model for the Pinghunan Project, which involves obtaining strata titles for multi-level logistics and warehousing development constructed atop a traditional railway freight yard, and successfully developed the world's first “intelligent logistics park atop a railway freight station”. This achievement has realized the composite development of railway land and the integrated development of “railway transportation + modern logistics”. In September 2019, the Pinghunan Project was approved by the National Development and Reform Commission and the Ministry of Transport of China as one of the country's first batch of 23 national logistics hub projects. It has also been consistently recognized as a key construction project of Guangdong Province and a major project of Shenzhen for several consecutive years. In June 2025, the Pinghunan Project was included in the first batch of the “Top 10 Intensive Land Use Case Studies in Shenzhen” published by the Planning and Natural Resources Bureau of Shenzhen Municipality, for its innovative intensive land-use model, demonstrating the project's significant value as an example in urban development.

The Pinghunan Project constructs a multi-functional warehousing complex with a gross floor area of 850,000 square meters atop a railway yard, featuring 11 logistics warehouses, 2 auxiliary facilities, and 4 roundabouts for transportation, and accommodates multiple business modes, including high-standard warehousing, freight consolidation and distribution, urban delivery, cross-border e-commerce, cold storage and intelligent warehouse. In December 2025, the main structures of the project were fully completed, and the ground-level railway works were finished and became operational, successfully connected to the national railway network. This lays a solid foundation for the construction of the super-structured intelligent logistics park and the comprehensive connection of the multimodal transport system. Pre-leasing activities are actively underway, with letters of intent already secured from several leading enterprises across the express delivery, catering, cold chain and other sectors. The entire project is expected to be completed and commence operations in the first half of 2026.

Upon completion and commencement of operation, the Pinghunan Project will become a landmark “Rail-Sea-Road” multi-modal transportation hub and a national-level integrated logistics center, notable for being the largest single-unit facility in Asia with comprehensive business models and a high degree of intelligence. It is also set to forge a new intelligent logistics and transportation model that seamlessly integrates multi-modal transportation and urban delivery. Furthermore, the project's operation will enhance logistics connectivity between the Greater Bay Area and regions along the Belt and Road Initiative, facilitating the expansion of the Group's business scale and further solidifying its position in the Greater Bay Area logistics market.

Leveraging the Pinghunan railway freight yard/stacking yard, the Group has actively extended its reach into freight train services, value-added services and bulk commodity logistics operations. In terms of express freight train services, the Group has successfully established railway freight corridors connecting Shenzhen with major economic regions, including the Yangtze River Delta, the Beijing-Tianjin-Hebei Region, the Chengdu-Chongqing Economic Circle, the Changsha-Zhuzhou-Xiangtan City Cluster and Xinjiang. Several multi-modal transportation projects have been implemented, playing a pivotal role in reducing logistics costs and stabilizing logistics channels for enterprises within the Greater Bay Area. In 2025, the container volume handled on domestic train routes reached 144,000 standard containers, representing an increase of approximately 11% as compared to the same period last year. In terms of value-added services, the Group has implemented an innovative “lease + value-added” operating model, delivering ancillary services including port-to-container yard connections, terminal drayage and cargo screening. This synergistic approach has driven growth in both operational scale and service value. In terms of bulk commodity logistics, by capitalizing on the advantages of railway trunk line transportation and hub-based consolidation and distribution, the Group has developed end-to-end solutions covering gravel sourcing and procurement, multi-modal rail-truck transportation and short-haul distribution, and has successfully facilitated the launch of new business models such as integrated gravel trading and logistics.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

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

Located at the Doudian Logistics Base in Fangshan District, Beijing, the Beijing Fangshan Project has a site area of approximately 118,000 square meters and a planned gross floor area of approximately 143,000 square meters. Positioned as a logistics hub integrating diversified business formats, including high-end warehousing and cold chain logistics, the project plans to feature four multi-story high-standard warehouses (two to three stories with ramp access), encompassing intelligent cloud warehousing center, intelligent cold chain center and logistics distribution center. Capitalizing on its prime location within the capital economic circle, the project is poised to become a central hub for the Beijing-Harbin and Beijing-Hong Kong-Macau logistics corridors, a national demonstration for multi-modal transport, and a new benchmark for “dual-use” (normal and emergency) intelligent urban logistics.

As the debut made by the Group in the capital city’s market, the Beijing Fangshan Project represents a significant breakthrough in the Group’s presence in first-tier cities in the PRC. The project is expected to support the Group in promoting the collaborative development of its operations in the northern and southern areas of the PRC, strengthening its nationwide network layout, and effectively enhancing its brand influence. The project has garnered high recognition from various stakeholders. Throughout 2025, it was successively included in the National Development and Reform Commission’s “Dual-Major” Construction Project List, the Beijing Municipal “Three 100” Key Projects, the List of Key Tasks from the 2025 Beijing Municipal Government Work Report, and the Beijing’s Social Logistics Cost Reduction Initiative. Construction of the project commenced in April 2025, with the topping-out of the main structure achieved in December 2025. The project is expected to be completed and commence operations in 2026.

International Railway Express

The Group and Sinotrans Limited have jointly established a joint venture responsible for operating international routes, such as China-Europe Railway Express (Shenzhen) and China-Laos Railway Express (Shenzhen), which contribute to the stabilization of global industry chains and supply chains, as well as promoting the high-quality development of the Belt and Road Initiative.

With over five years of operations, China-Europe Railway Express (Shenzhen) has continuously expanded its network layout. The number of routes has increased to 28, covering 47 countries and regions, making it one of the longest-running China-Europe freight train services in the country. The service has provided stable and reliable international logistics services to more than 8,200 enterprises in Shenzhen and its surrounding cities, fostering economic cooperation and connectivity between Shenzhen and Europe. In 2025, China-Europe Railway Express (Shenzhen) made 204 trains. Since its launch, it has completed a cumulative total of 975 trains, with a total trade value exceeding US\$3,500 million.

To address diversified market demands, China-Europe Railway Express (Shenzhen) launched several specialized routes in 2025. These include the Trans-Caspian international rail-and-sea intermodal freight service, the Greater Bay Area’s first “E-commerce Express Line”, and China’s first Shenzhen-Erenhot-Moscow premium route directly to Moscow via the Erenhot port. This has significantly enhanced logistics efficiency.

Currently, all these railway services utilize the Pinghunan Project as their originating station. This arrangement not only helps boost cargo throughput and warehouse utilization at the Pinghunan Project, but also strengthens business synergies among the Group’s logistics hubs, creating significant opportunities for the further development of the Group’s value-added logistics services.

Logistics Services Business

Intelligent and Cold Chain Business

With the increasing maturity of technologies such as artificial intelligence, big data and 5G, alongside the widespread adoption of new applications including automated sorting, precise delivery and contactless distribution, the logistics industry is accelerating its transformation from traditional manual models to a new era characterized by technological equipment and intelligent upgrades. Within this landscape, intelligent logistics and cold chain logistics have emerged as key trends shaping the future of the logistics industry. The Group is seizing this opportunity by continuously exploring development in intelligent warehouse and cold chain logistics. It is committed to creating an integrated logistics service system encompassing cold chain logistics, intelligent logistics and logistics operation services. By empowering traditional warehousing businesses with technology, the Group is forging a new path in digital and intelligent logistics, aiming to become an influential cold chain logistics service provider, and an intelligent warehousing integrator and operator.

The Group continues to advance its “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics” strategic deployment. Leveraging its nationwide logistics infrastructure network, the Group taps into hub cities in regions such as the Greater Bay Area, the Yangtze River Delta and the Beijing-Tianjin-Hebei Region as anchor points to steadily advance the expansion of its cold storage and intelligent warehousing business through various approaches such as construction, acquisition and converting dry warehouses to cold storage. Currently, the Group operates cold storage and intelligent warehouses across its logistics hub projects in multiple cities, including Shenzhen, Shanghai, Nanjing, Shijiazhuang and Chengdu, catering to customers in the food, pharmaceutical, emergency logistics sectors etc.

In 2025, the intelligent and cold chain business maintained a steady growth momentum, with its operational scale continuing to expand. The newly added operating area was approximately 47,000 square meters. As at 31 December 2025, the Group's operating area for intelligent and cold chain projects was approximately 233,000 square meters, including approximately 28,000 square meters of intelligent cold storage and approximately 4,000 square meters of ambient temperature intelligent warehousing, representing an increase of approximately 94% and 25%, as compared to the end of 2023 and 2024, respectively. The successful launch of multiple projects strongly supported the simultaneous growth of business scale and revenue. In 2025, revenue from the intelligent and cold chain business reached HK\$84.68 million, representing a year-on-year increase of approximately 59%.

As at 31 December 2025, details of the Group's intelligent and cold chain projects are set forth below:

Locations of cold chain/ intelligent warehouse	Operating area (approx. '000 sq.m.)	Types of cold chain warehouse
Shijiazhuang Zhengding Project	48.5	Freezer, chiller and cool room
Chengdu Qingbaijiang Project	16.8	Freezer and chiller
Tianjin Xiqing Project	3.7	Freezer and chiller
Shanghai Minhang Project	52.5	Freezer, chiller and cool room
SZ Liguang Project	68.7	Freezer and chiller
SZ Yantian Project	3.0	Temperature-controlled warehouse
Hangzhou Phase I Project	7.3	Freezer, chiller and cool room
Nanjing Jiangning Project	32.7	Freezer and chiller
Sub-total	233.2	

Additionally, the Group has approximately 248,000 square meters of cold storage warehouses currently under construction or in planning. Upon commencement of operations, this will further solidify the Group's market position in the cold chain storage and intelligent logistics sectors.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

Meanwhile, the Group is committed to implementing green and low-carbon principles. By vigorously promoting the construction and application of photovoltaic systems, it continues to develop a modern cold chain warehousing system that is highly energy-efficient, low-carbon, and environmentally friendly. The Nanjing Jiangning Project pioneered the “green energy + cold chain” model, completing the grid connection of its photovoltaic power generation in August 2025, thereby achieving low-carbon operations and fostering the development of green cold chain logistics. Furthermore, the Shanghai Minhang Project has commenced the rooftop photovoltaic construction, which is expected to be connected to the grid for power generation in the first half of 2026.

Looking ahead, the Group will continue to deepen its “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics” strategic deployment by accelerating the construction and expansion of intelligent and cold chain projects, thereby further solidifying and enhancing its comprehensive competitiveness in the cold chain storage and intelligent logistics sectors.

Other Investment

While vigorously developing its self-operated businesses, the Group is also actively targeting high-quality acquisition opportunities in the logistics industry by pursuing external investment through equity investment to cultivate new growth engines. The Group holds an equity interest in China Comservice Supply Chain Company Ltd., a subsidiary of China Communications Services Corporation Limited, which is a leader in domestic telecommunications logistics industry. The parties have cooperated in depth on several projects in cities such as Shenzhen and Zhengzhou, providing warehouse leasing and supply chain services. Moving forward, the parties plan to jointly explore high-end logistics value-added services in emerging industries such as information technology and communications, data centers, carbon peaking and carbon neutrality, and new energy. Furthermore, the Group collaborated with Shenzhen Airport Co., Ltd. and Shenzhen Capital Holdings Co., Ltd. to establish the Intelligent Airport Logistics Industry Fund, which focuses on investments in the intelligent logistics and airport industry chains.

Marine Container Logistics Integrated Information Service

Shenzhen EDI Co., Ltd. (the “EDI Co.”), a subsidiary of the Company, is dedicated to empowering the container transportation and cross-border trading industries with digital technologies. It represents a key strategic initiative of the Group in modern logistics technology services and foreign trade customs clearance services.

EDI Co. continuously strengthens its industry-leading digital service capabilities. During the Year, EDI Co. continued to develop and operate the EDI network information exchange platform for Shenzhen Port, maintaining a stable market share in Shenzhen for its core EDI and EIR maritime fundamental businesses. Besides, it continued to operate and maintain the China (Shenzhen) International Trade Single Window, providing convenient and efficient online import and export customs clearance services to foreign trade enterprises in Shenzhen. In 2025, the service functions of the “Single Window” platform were continuously refined, leading to a steady growth in its business volume. As at 31 December 2025, the “Single Window” had an aggregate of over 190,000 registered enterprises and served more than 660,000 enterprises, with a customer satisfaction rate of 99%.

In addition, EDI Co. is actively advancing technological advancement and business model innovation, with several new businesses developing steadily. Among these, its container stowage allocation and trading businesses continued to grow, further increasing its market share in Shenzhen. The “SZ International Cloud Warehouse”, a shared warehousing product for LCL consolidation, was established and has experienced steady growth in business volume. A phased breakthrough was achieved in the pilot project for the “Inspect Before Loading” cross-border e-commerce LCL consolidation warehouse comprehensive service platform, with initial success in technology R&D and market promotion. Breakthroughs were made in R&D, piloting and project reserves for the “Guangdong-Hong Kong-Macao Greater Bay Area Multi-modal Logistics Public Information Service Platform” project, laying a solid foundation for large-scale operational expansion.

In 2025, EDI Co. achieved remarkable results in technological innovations, cumulatively obtaining two patents and six software copyrights. It also participated in the formulation of China’s first national standard for digitalization in logistics enterprises. Moreover, in the “2025 Data Element X Transportation Solutions Competition”, the case submitted by EDI Co. won the Third Prize, fully demonstrating its leading capabilities in technological innovation and practical application within the sector.

“Logistics +” Projects

During the Year, the Group has fully leveraged its prime location advantage, asset-heavy operations, industry-leading customer resources and cutting-edge multi-modal business to innovate “Logistics +” cooperation projects. The Group has introduced two urban delivery modes, namely “Logistics + Bus” and “Logistics + Metro”, converting bus stops and metro depots into regional logistics hubs. By integrating road transport, rail transport and low-altitude logistics, the Group has established a comprehensive three-dimensional urban logistics system that converges the “logistics network, transportation network and emergency support service network”. These “Logistics +” initiatives not only effectively utilize surplus urban transportation infrastructure to optimize urban resource allocation and enhance overall urban logistics efficiency, but also enrich the Group’s logistics network in Shenzhen and strengthen its competitive edge.

Being the inaugural implementation of the “Logistics + Bus” project, the Qianhai Yinli bus stop project commenced operations in June 2025. Equipped with a smart parcel sorting line capable of processing over 100,000 parcels per month, the project has established itself as a critical strategic hub for SF Express in Qianhai. The Qiaocheng East metro project marked the first successful implementation of the “Logistics + Metro” model, which commenced operations in July 2025. Through partnership with Yunda Express, the Group introduced a smart sorting loop with a daily processing capacity of 50,000 parcels, significantly enhancing the efficiency of regional express distribution.

The Group is proactively exploring the new “Logistics + Low-Altitude” model. By integrating low-altitude aviation with logistics and warehousing, the Group has constructed innovative application scenarios and provided customers with tailored low-altitude logistics support services or solutions. The Group is committed to building a comprehensive “Low-Altitude Economy” ecosystem across the entire industry chain and to supporting the development of new, high-quality productive forces.

The Group is also actively constructing a “Logistics + New Energy” power replenishment network. During the Year, four of the Group’s logistics hub projects were successfully included in the reserve project pool for Shenzhen’s “City of Supercharging 2.0” initiative. Furthermore, two megawatt-level supercharging stations for heavy-duty trucks were successfully completed and commissioned at the SZ Pingshan and SZ Liguang projects. Notably, the station at the SZ Pingshan Project features megawatt-level flash-charging technology, capable of reaching a 90% charge in just 15 minutes, making it among the first batch of megawatt-level heavy-truck supercharging stations to commence operations under Shenzhen’s “City of Supercharging 2.0” initiative. In the future, the Group will build upon these two pilot stations to continuously increase resource allocation toward new energy businesses, including supercharging and distributed photovoltaics. Leveraging our extensive portfolio of logistics hub projects and infrastructure across core national node cities, we will actively explore innovative applications such as integrated photovoltaic-storage-charging systems, vehicle-to-grid technology and virtual power plants, to progressively build a comprehensive, intelligent and efficient new energy service network for the logistics sector. The Group aims to progressively build a comprehensive, intelligent and widely covered new-energy logistics service network, further driving the green transformation of energy system within its logistics hubs, enhancing the level of industrial services and empowering logistics enterprises to reduce costs and improve efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

FINANCIAL ANALYSIS

Revenue

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease)
Logistics Parks in Guangdong Province*	708,685	574,492	23%
Logistics Parks in Other Regions of China	952,693	929,942	2%
Sub-total of Logistics Park Business	1,661,378	1,504,434	10%
Logistics Service Business	370,075	332,587	11%
Total	2,031,453	1,837,021	11%

Profit Attributable to Shareholders

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease)
Logistics Parks in Guangdong Province*	5,720	(286,213)	Not applicable
Logistics Parks in Other Regions of China	23,093	823,768	(97%)
Sub-total of Logistics Park Business	28,813	537,555	(95%)
Logistics Service Business	(84,654)	(21,431)	295%
Total	(55,841)	516,124	Not applicable

* The logistics parks in Guangdong Province include those in the Greater Bay Area

During the Year, total revenue from the logistics business amounted to approximately HK\$2,031 million, representing an increase of 11% as compared to the same period last year. Loss attributable to shareholders was approximately HK\$55.84 million.

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

Regarding the logistics park business, revenue for the Year was approximately HK\$1,661 million, representing an increase of 10% as compared to the same period last year, primarily benefiting from new revenue contributions arising from the commencement of operation of certain logistics hub projects in the Greater Bay Area during the Year. However, profit attributable to shareholders decreased by 95% to approximately HK\$28.81 million, mainly due to the recognition of profit after tax of approximately HK\$587 million in 2024 from the injection of two logistics hub projects into ChinaAMC-Shenzhen International REIT, which was absent during the Year. Furthermore, profitability growth in the logistics park business continues to face challenges, as several logistics hub projects in other regions of the PRC recorded fair value losses amid market downturn pressures.

Regarding the logistics services business, revenue for the Year was approximately HK\$370 million, representing an increase of 11% as compared to the same period last year, mainly attributable to higher revenue from intelligent and cold chain projects and an increase in service fee income from property management. However, loss attributable to shareholders of approximately HK\$84.65 million was recorded for the Year, due to a combination of factors, including intensified market competition, rising operating costs, and the high initial operating expenses of the intelligent and cold chain projects, which remain in the incubation phase.

As at 31 December 2025, details of the Group's logistics hub projects in Guangdong Province (including the Greater Bay Area) are shown as follows:

No.	Project name	Location	Acquired site area (0'000 sq.m.)	Area in operation (Gross floor area) (0'000 sq.m.)	Commencement date/Expected commencement date of operation* (year.month)
1	Shenzhen International Integrated Logistics Hub Center®	Hengdongling Road, Nanwan Sub-district, Longgang District, Shenzhen	90.0	–	2026
2	SZI Western Highway Freight Logistics Hub	Bao'an District, Shenzhen	7.5	15.9	2025.12
3	SZI South China Logistics Park	Minzhi Sub-district, Longhua District, Shenzhen	12.5 ^	4.9^	2003
4	SZI Western Logistics Park▲	Linhai Road, Nanshan District, Shenzhen	N/A	9.1	2003
5	SZI Kanghuai E-commerce Center▲	Ping'an Road, Guanlan Sub-district, Longhua District, Shenzhen	N/A	14.3	2018.01
SZI Intelligent Logistics Hubs					
6	Shenzhen Liguang	Liguang Village, Guanlan Sub-district, Longhua District, Shenzhen	4.5	21.7	2023.07
7	Shenzhen Pingshan	Eastern Lanzhu Road, Longtian Sub-district, Pingshan District, Shenzhen	12.0	28.6	2024.12
8	Shenzhen Pingshan East	Jinhui Road, Kengzi Sub-district, Pingshan District, Shenzhen	26.7	9.4	2023.09
9	Shenzhen Yantian	First Phase of Yantian Comprehensive Bonded Zone, Yantian District, Shenzhen	3.2	9.1	2024.03
10	Zhongshan Torch	Zhongshan Torch High-tech Industrial Development Zone, Zhongshan	5.8	6.6	2019.09
11	Zhaoqing Gaoyao	Jinli Town, Gaoyao District, Zhaoqing	10.0	10.8	2025.11
12	Foshan Nanhai	Nanhai District, Foshan	7.6	8.9	2024.08
13	Foshan Shunde	Shunde District, Foshan	20.0	32.9	2025.03
14	Foshan Shunde (Jun'an)▲	Shunde District, Foshan	N/A	15.0	2025.12
15	Foshan Gaoming	Gaoming District, Foshan	15.7	18.4	2025.11
16	Huizhou Dayawan▲	Dayawan Economic Industrial Development Zone, Huizhou	N/A	5.0	2025.08
SZI Logistics Hubs					
17	Zhanjiang	Mazhang District, Zhanjiang	11.0	9.0	2024.08
18	Jieyang	High-tech Industrial Development Zone, Jieyang	9.6	–	2026
Total			236.1	219.6	

Notes:

* Expected commencement dates of operation are estimates and are subject to updates according to construction progress.

® The Group has obtained operation rights in respect of land with a site area of 900,000 square meters at Shenzhen International Integrated Logistics Hub Center, and has successfully secured the land use rights of approximately 334,000 square meters for the space above the overhead floor of the project in June 2023. As at 31 December 2025, the construction of the project's main structure was completed, and the entire project is expected to commence operations in the first half of 2026.

^ SZI South China Logistics Park consists of Phase I and Phase II. Phase I is currently undergoing the transformation into a digital economic park under the overall planning of the Shenzhen Municipal Government, and the logistics business has ceased operations in the first half of 2024. As at 31 December 2025, the Group has transferred approximately 470,000 square meters of land, with approximately 63,000 square meters remaining. Phase II, "SZI South China Digital Valley", covers an area of approximately 62,000 square meters. The area in operation listed here does not include the operating area of Phase II.

▲ Management service project

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business



1 Shenzhen International Integrated Logistics Hub Center



2 SZI Western Highway Freight Logistics Hub



3 SZI South China Logistics Park



4 SZI Western Logistics Park



5 SZI Kanghuai E-commerce Center



6 Shenzhen Liguang Project



7 Shenzhen Pingshan Project



8 Shenzhen Pingshan East Project



9 Shenzhen Yantian Project



10 Zhongshan Torch Project



11 Zhaoqing Gaoyao Project



12 Foshan Nanhai Project



13 Foshan Shunde Project



14 Foshan Shunde (Jun'an) Project



15 Foshan Gaoming Project



16 Huizhou Dayawan Project



17 Zhanjiang Project



18 Jieyang Project[#]

[#] Conceptual rendering

As at 31 December 2025, details of the Group's logistics hub projects in other regions of the PRC are shown as follows:

					Commencement date/Expected commencement date of operation*	
No.	Project name	Location	Acquired site area (0'000 sq.m.)	Area in operation (Gross floor area) (0'000 sq.m.)	(year.month)	
SZI Logistics Hubs	Zhejiang Region					
	1	Hangzhou [◆]	Hangzhou Dajiangdong Industrial Cluster, Hangzhou	Phase I: N/A Phase II: N/A	Phase I: 21.3 Phase II: 24.3	2017.11
	2	Ningbo	Ningnan Trade and Logistics Park, Ningbo	9.2	5.7	2018.01
	3	Jinhua Yiwu	Yunxi Village under the jurisdiction of Choucheng Sub-district, Yiwu, Jinhua	41.7	55.8	2020.12
	4	Wenzhou	Longgang City, Wenzhou	13.9	12.7	2024.10
	Jiangsu and Anhui Region					
	5	Shanghai Qingpu	Huaxin Town, Qingpu District, Shanghai	2.3	3.0	2019.09
	6	Shanghai Minhang	Zhuanqiao Town, Minhang District, Shanghai	3.5	5.2	2021.09
	7	Wuxi Huishan	Huishan District, Wuxi	24.6	12.0	2017.01
	8	Wuxi Jiangyin	Jiangyin Lingang Economic and Technological Development Zone, Wuxi	13.3	11.3	2023.10
	9	Wuxi Xishan [▲]	Donggang Town, Xishan District, Wuxi	N/A	16.6	2024.07
	10	Suzhou Kunshan	Lujia Town, Kunshan, Suzhou	11.7	9.6	2016.06
	11	Suzhou Xiangcheng	International Logistics Park, Wangting Town, Xiangcheng District, Suzhou	3.3	1.9	2020.12
	12	SZI Cold Chain (Nanjing Jiangning)	Jiangning District, Nanjing	3.2	3.3	2025.02
	13	Jurong	New North Town, Jurong	13.1	–	2026
	14	Xuzhou	Xuzhou National High-tech Industrial Development Zone, Xuzhou	13.3	7.2	2021.04
	15	Nantong	Haimen Industrial Park, Nantong	15.2	12.9	2021.01
	16	Taizhou	Dasi Town, Gaogang District, Taizhou	8.8	7.6	2025.01
	17	Hefei Feidong [◆]	Anhui Hefei Commercial and Logistics Development Zone, Feidong County, Hefei	N/A	9.3	2016.01
	18	Hefei Feixi	Feixi County, Hefei	42.2	31.9	2022.05
	Beijing-Tianjin-Hebei Region					
	19	SZI Beijing Southwest Integrated Logistics Hub (Phase I) Intelligent Logistics Center	Doudian Logistics Base, Fangshan District, Beijing	11.8	–	2026
20	Tianjin Binhai	West Wing of Tianjin Development Zone, Tianjin	6.0	3.3	2019.01	
21	Tianjin Xiqing	Yangliuqing Town, Xiqing District, Tianjin	11.6	7.8	2021.09	
22	Shijiazhuang Zhengding	Zhengding County, Shijiazhuang	31.0	10.0	2017.07	

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business

As at 31 December 2025, details of the Group's logistics hub projects in other regions of the PRC are shown as follows: *(continued)*

					Commencement date/Expected commencement date of operation*	
No.	Project name	Location	Acquired site area (0'000 sq.m.)	Area in operation (Gross floor area) (0'000 sq.m.)		
SZI Logistics Hubs	Central China					
	23	Wuhan Dongxihu	Dongxihu District, Wuhan	12.6	6.3	2016.01
	24	Wuhan Caidian	Changfu Logistics Park, Caidian District, Wuhan	12.9	11.7	2022.03
	25	Wuhan Huangpi	Huangpi District, Wuhan	6.8	–	2027
	26	Nanchang Jingkai [◆]	Nanchang Economic and Technological Development Zone, Nanchang	N/A	8.7	2017.06
	27	Nanchang Changbei	Nanchang Integrated Bonded Zone, Nanchang	15.6	15.3	2025.01
	28	Changsha	Jinxia Economic Development Zone, Changsha	29.8	22.7	2018.01
	29	Xiangtan	Yuetang Economic Development Zone, Xiangtan	10.0	8.1	2024.09
	30	SZI Intelligent Logistics Hub (Yueyang) [▲]	New Port Area, Chenglingji District, Yueyang	N/A	5.2	2020.01
	Southwestern Region					
	31	Guizhou Longli [◆]	Shuanglong Modern Service Industrial Cluster, Guizhou	N/A	14.2	2018.05
	32	Guiyang Xiuwen	Zhazuo Industrial Park, Xiuwen Economic Development Zone, Guiyang	20.6	–	2027
	33	Chongqing Shuangfu	Shuangfu New District, Jiangjin District, Chongqing	10.4	5.8	2019.12
	34	Chongqing Shapingba	Shapingba District, Chongqing	14.6	11.6	2021.09
	35	Kunming	Yangzonghai Scenic Area, Kunming	17.2	11.9	2020.01
	36	Chengdu Qingbaijiang	International Railway Logistics Park, Qingbaijiang District, Chengdu	12.5	12.6	2021.01
	37	Chengdu Wenjiang	Wenjiang District, Chengdu	6.7	6.9	2025.05
	38	Nanning Jingkai	Nanning Economic and Technological Development Zone, Nanning	10.0	5.5	2025.11
	Southern Region					
	39	Hainan Yangpu [▲]	Yangpu Economic Development Zone, Danzhou City, Hainan Province	N/A	9.4	2024.03
	40	Hainan Chengmai	Jinma Modern Logistics Center, Chengmai County, Hainan Province	6.3	6.5	2024.03
	41	Haikou Gaoxin	Haikou National High-tech Industrial Development Zone, Hainan Province	6.7	7.2	2025.03

As at 31 December 2025, details of the Group's logistics hub projects in other regions of the PRC are shown as follows: *(continued)*

					Commencement date/Expected commencement date of operation*	
No.	Project name	Location	Acquired site area (0'000 sq.m.)	Area in operation (Gross floor area) (0'000 sq.m.)	(year.month)	
SZI Logistics Hubs	Northern Region					
	42	Zhengzhou Erqi	Mazhai Industrial Cluster, Erqi District, Zhengzhou	11.0	11.7	2022.12
	43	Zhengzhou Xinzheng	Xinzheng District, Zhengzhou	49.7	33.1	2022.05
	44	Yantai	Yantai Economic and Technological Development Zone, Yantai	6.9	2.9	2008.06
	45	Xi'an	Xi'an National Civil Aerospace Industrial Base, Xi'an	12.0	8.9	2020.08
	46	Taiyuan	Xiaohu Industrial Park, Xiaodian District, Taiyuan	12.7	10.9	2025.06
	47	Shenyang	Shenyang International Logistics Park, Yuhong District, Shenyang	24.1	24.2	2016.04
Total			588.8	534.0		

Notes:

* Expected commencement dates of operation are estimates and are subject to updates according to construction progress.

◆ Projects injected into funds:

- (i) SZI Logistics Hub (Nanchang Jingkai), SZI Logistics Hub (Hangzhou Phase II) and SZI Logistics Hub (Hefei Feidong): held by Shenshi Fund, a joint venture held by the Group as to 40% equity interest; and
- (ii) SZI Logistics Hub (Hangzhou Phase I) and SZI Logistics Hub (Guizhou Longli): held by ChinaAMC-Shenzhen International REIT, in which the Group holds 30% of the total units.

The Group retains the operational management rights of the above logistics hubs, providing operational and maintenance services and will continue to charge service fees.

▲ Management service project

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business



1 Hangzhou Project



2 Ningbo Project



3 Jinhua Yiwu Project



4 Wenzhou Project



5 Shanghai Qingpu Project



6 Shanghai Minhang Project



7 Wuxi Huishan Project



8 Wuxi Jiangyin Project



9 Wuxi Xishan Project



10 Suzhou Kunshan Project



11 Suzhou Xiangcheng Project



12 SZI Cold Chain (Nanjing Jiangning)



13 Jurong Project*



14 Xuzhou Project



15 Nantong Project



16 Taizhou Project



17 Hefei Feidong Project



18 Hefei Feixi Project



19 SZI Beijing Southwest Integrated Logistics Hub (Phase I) Intelligent Logistics Center[#]



20 Tianjin Binhai Project



21 Tianjin Xiqing Project



22 Shijiazhuang Zhengding Project



23 Wuhan Dongxihu Project



24 Wuhan Caidian Project



25 Wuhan Huangpi Project[#]



26 Nanchang Jingkai Project



27 Nanchang Changbei Project



28 Changsha Project



29 Xiangtan Project



30 Yueyang Project



31 Guizhou Longli Project



32 Guiyang Xiuwen Project[#]



33 Chongqing Shuangfu Project

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Business



34 Chongqing Shapingba Project



35 Kunming Project



36 Chengdu Qingbaijiang Project



37 Chengdu Wenjiang Project



38 Nanning Jingkai Project



39 Hainan Yangpu Project



40 Hainan Chengmai Project



41 Haikou Gaoxin Project



42 Zhengzhou Erqi Project



43 Zhengzhou Xinzheng Project



44 Yantai Project



45 Xi'an Project



46 Taiyuan Project



47 Shenyang Project

Conceptual rendering

03

LOGISTICS PARK TRANSFORMATION AND UPGRADING BUSINESS

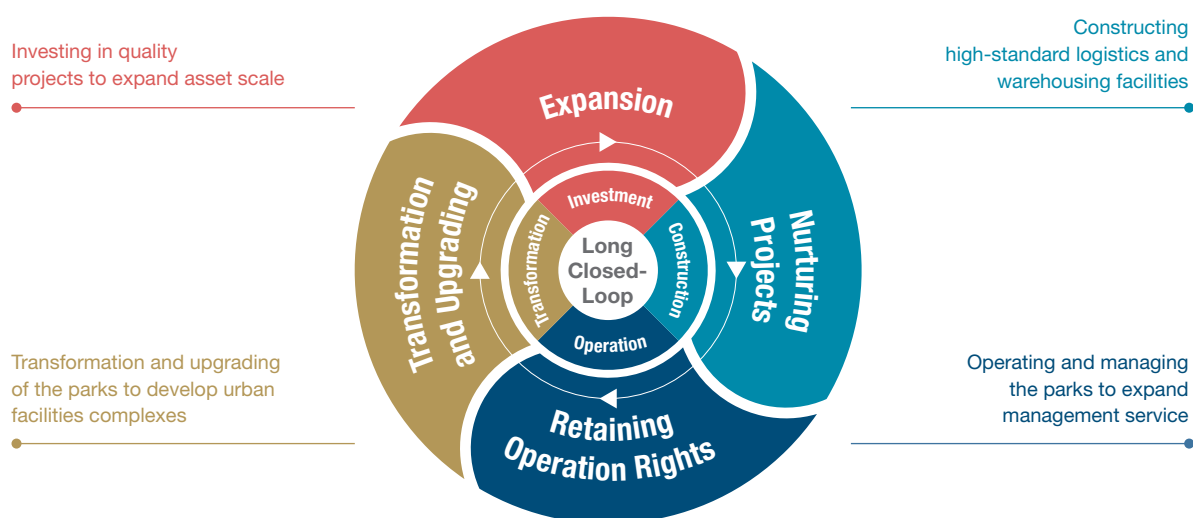


MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Park Transformation and Upgrading Business

OVERVIEW

Seizing the unprecedented opportunities brought about by China's urbanization, the Group spares no effort in driving the transformation of its logistics hub projects in the central areas of Shenzhen and other key cities. Through industrial upgrading, transformation, development and operation, the Group is dedicated to implementing a long closed-loop “Investment, Construction, Operation and Transformation” business model. The Group's logistics park transformation and upgrading projects have maximized the value of related assets and generated investment returns, thereby providing long-term support for the Group's business development and performance, and contributing substantial returns to the shareholders of the Company.



“Shenzhen International P&M” acts as the Group's management platform for coordinating the transformation and upgrading projects as well as comprehensive asset development and operations. The logistics park transformation and upgrading projects are currently being carried out only in core areas of Shenzhen.

ANALYSIS OF OPERATING PERFORMANCE

SZI Qianhai Project (the “Qianhai Project”)

The Qianhai Project has successfully implemented the long closed-loop “Investment, Construction, Operation and Transformation” business model. Through land consolidation and preparation in Qianhai, the Group was compensated through a land swap from which it received a land parcel with a total site area of approximately 120,000 square meters and a total gross floor area of approximately 390,000 square meters (comprising a residential area of approximately 190,000 square meters and an apartment area of approximately 25,000 square meters), valued at approximately RMB8,373 million under the new land use arrangement. The appreciation of land value signifies the initial benefit derived from the land consolidation and preparation in Qianhai. With the gradual development of the swapped land parcels and the successful launch of completed properties to the market, the Qianhai Project generated profit before tax of approximately RMB14,717 million in total over the past few years. This has supported the steady growth of the Group's financial performance. Furthermore, the Qianhai Project has provided the Group with valuable experience and laid a solid foundation for the smooth execution of its forthcoming transformation and upgrading initiatives.

As the Shenzhen International Qianhai Industrial-City Complex that integrates an industrial digital economy town and modern commercial and residential facilities, the Qianhai Project promotes the development of Qianhai by encouraging industrial upgrading, resources consolidation and functional integration, thereby fostering synergy between industrial and urban resources.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Park Transformation and Upgrading Business

As at 31 December 2025, the profit generated from the Qianhai Project is shown as follows:

Category	Period	Item	Area (approx. sq.m.)	Profit before tax (RMB million)
Land Appreciation	2017-2020	Land consolidation and preparation	120,200 ⁽¹⁾	8,373
Development Profit	2021	Residential project in the first phase – Parkview Bay ⁽²⁾	51,000	724
	2022	Capital increase of the project company ⁽³⁾	–	2,487
	2023	Residential project in the second phase – Yicheng Qiwanli ⁽⁴⁾	51,000	2,635
	From 2024 to 2025	Residential project in the third phase – Yicheng Zhenwanyue ⁽⁵⁾	81,000	498
				6,344
Operating Income	From the second half of 2021 to 2025	Office project in the first phase – Yidu Building	35,000	Rental income

Notes:

(1) Represented approximately 120,200 square meters of swapped land parcels in Qianhai Project.

(2) Parkview Bay is a residential project held as to 50% by the Group.

(3) Shenzhen International Qianhai Business Development (Shenzhen) Co., Ltd introduced a strategic investor through capital increase in 2022.

(4) Yicheng Qiwanli is a residential project independently developed and operated by the Group.

(5) Yicheng Zhenwanyue is a residential project held as to 50% by the Group.

Residential Projects

Yicheng Zhenwanyue is a jointly-developed residential project in which the Group holds 50% equity interest. Phase I of the project has a plot ratio-based gross floor area of approximately 45,200 square meters, of which approximately 40,000 square meters is for residential use and approximately 3,500 square meters is for commercial use, with all residential units delivered at the end of 2024. Phase II of the project has a plot ratio-based gross floor area of approximately 80,000 square meters, of which approximately 50,000 square meters is for residential use (inclusive of talent housing), approximately 25,000 square meters is for apartment use and approximately 5,000 square meters is for commercial use, with all residential units delivered in June 2025, and the inspection and acceptance procedures of the apartments completed in December 2025.

All other residential projects of the Qianhai Project, including Parkview Bay (a jointly-developed project) and Yicheng Qiwanli (a project independently developed and operated by the Group), have been fully delivered.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Park Transformation and Upgrading Business

Commercial and Office Projects

Regarding the commercial projects, the Group and SCPG (印力集團) have leveraged their respective strengths to jointly develop a distinctive boutique commercial project known as “Qianhai Yinli” in the Mawan area of Qianhai. The project commenced operations in September 2022 and has a total gross floor area of approximately 25,000 square meters. It is established as a “courtyard-style” slow-living area in Qianhai, integrating high-quality living, culture and arts, community networking and digital ecosystems. As at 31 December 2025, the overall occupancy rate of the project was approximately 75%.

Regarding the office projects, the Group jointly manages and operates “SZI Properties (Shenzhen Yidu Building)” (the “Yidu Building”) with China Center for Information Industry Development (the “CCID”), a company directly controlled by the Ministry of Industry and Information Technology of the PRC. Yidu Building commenced operations in July 2021 and has a total gross floor area of approximately 35,000 square meters. It has obtained the LEED-CS Platinum certification from the U.S. Green Building Council. Capitalizing on Qianhai’s unique geographical location and policy advantage in the Greater Bay Area, Yidu Building has positioned itself as an artificial intelligence of things (AIoT) + ecological courtyard with industrial operation services. With the Group’s considerable experience in supply chain management and CCID’s strong capability in offering information technology services, the project focuses on the development of supply chain services and intelligent manufacturing services, and has successfully attracted a variety of enterprises in the digital industry as tenants. It has been recognized by the Qianhai Administrative Bureau of Shenzhen Municipality as an “industrial carrier for fostering industry agglomeration” for four consecutive years. In addition, Yidu Building was designated as the Shenzhen-Singapore Qianhai Smart City Cooperation and Innovation Demonstration Park (Pilot Zone), further promoting the cooperation between Shenzhen and Singapore, while introducing new functions to the regional economy. As at 31 December 2025, the occupancy rate of Yidu Building was approximately 82%, with most of its tenants being high-potential digital economy enterprises, resulting in an industry agglomeration of approximately 92%.

In September 2025, the Qianhai Digital Cultural and Creative Park was officially inaugurated. Anchored by key landmarks such as Yidu Building and the Qianhai Yinli commercial district, the park is designed as an integrated cultural industry hub that embraces culture, tourism, commerce and entertainment. It encompasses Grade-A office spaces, co-working facilities, sky gardens, courtyard-style streetscapes and international commercial offerings. Yidu Building, serving as the hub for the park’s digital creative industries, has already attracted over 30 enterprises spanning sectors such as short dramas, gaming and animation IPs. The Qianhai Yinli commercial district, characterized by its Lingnan-style courtyard layout, creates a blended cultural and creative setting that integrates Shenzhen and Hong Kong influences. Synergizing with the Digital Cultural and Creative Corridor, it forms a closed-loop ecosystem driven by a “content + consumption” model. The establishment of the Qianhai Digital Cultural and Creative Park will further drive industrial agglomeration and capability enhancement across commercial and office projects under the Qianhai Project, strengthening their appeal to tenants and competitiveness in leasing.

In addition, the Group owns two separate land parcels for office and commercial uses in Qianhai, with a site area of approximately 21,800 square meters. Given that the two land parcels are situated within the bonded area, the Group is currently communicating with relevant departments of the Shenzhen Municipal People’s Government regarding land swap and development matters.

SZI South China Logistics Park Transformation Project

With the advancement of China's regional economic integration strategy, the Greater Bay Area is experiencing greater collaborative development, and the high-quality growth in metropolitan areas is gathering pace. As the core city of the Greater Bay Area, Shenzhen has taken the lead in embarking on a phase of significant transformation and upgrading.

SZI South China Logistics Park, originally the Group's largest traditional warehouse and logistics park in Shenzhen, is located at a core intersection along Shenzhen's central axis and adjacent to the transportation hub of Shenzhen North Station, and enjoys distinct geographical advantages. However, Shenzhen's urban spatial strategy continues to upgrade, and its original single-function logistics use has become increasingly misaligned with the new regional development needs. In recent years, the Group has been fully committed to driving the high-quality transformation and upgrading of SZI South China Logistics Park. In 2020, the Group entered into a strategic cooperation framework agreement with the Longhua District Government to establish a cooperation mechanism, with the aim of jointly advancing this initiative and transforming it into a "Digital Economy Super Headquarters Base in South China". This initiative represents not only an important move to optimize industrial space in Shenzhen, but also marks another milestone in the Group's long closed-loop "Investment, Construction, Operation and Transformation" business model following the Qianhai Project.

In October 2023, the Group signed a land consolidation and preparation supervision agreement with the Shenzhen Longhua City Renewal and Land Development Bureau, the Longhua Administration of Planning and Natural Resources Bureau of Shenzhen Municipality (the "Longhua Administration Bureau"), and the Shenzhen Longhua Minzhi Sub-district Office regarding the consolidation and preparation of the land parcels for the Phase I of SZI South China Logistics Park with a site area of approximately 530,000 square meters (the "South China Logistics Park Transformation Project"). It was agreed that the project would be implemented by way of a combination of land reservation and monetary compensation. As the original owner of the land use rights, the Group is entitled to retain a land of 108,749 square meters (the "Reserved Land") within SZI South China Logistics Park. The planned area of the Reserved Land is 694,160 square meters, of which 28,950 square meters will be used for supporting facilities and 665,210 square meters will be reserved for use by the Group, including 577,610 square meters for residential use (with a portion of co-owned housing to be implemented according to relevant government policies), and 87,600 square meters for commercial, office and hotel buildings. The South China Logistics Park Transformation Project is progressing steadily in phases as planned.

The phase 1 of the Reserved Land (plot number 02-20-04) is planned as Class II residential land. It has an area of approximately 21,968 square meters and a stipulated gross floor area of approximately 126,520 square meters, of which 120,540 square meters is for residential use. Relevant arrangements concerning this land parcel were approved by the Longhua District Government at the end of 2024, and the Group recognized profit after tax from land consolidation and preparation of approximately HK\$2,367 million in 2024. Subsequently, in July 2025, the Group entered into a land transfer agreement with the Longhua Administration Bureau for this land parcel, with the transfer price of approximately RMB266 million (equivalent to approximately HK\$290 million). As the transfer price was lower than the originally estimated, the profit from the land consolidation and preparation of this land parcel increased accordingly, contributing an additional profit after tax of approximately HK\$54.36 million to the Group. Construction of phase 1 of the Reserved Land commenced in the second half of 2025, marking the official entry of the South China Logistics Park Transformation Project into the development and construction phase.

The phase 2 of the Reserved land (stage 1) (plot number 02-20-02) is planned as Class II residential land. It has an area of 25,008 square meters and a stipulated gross floor area of 145,940 square meters, of which 137,240 square meters is for residential use. Relevant arrangements concerning this land parcel were approved by the Longhua District Government in December 2025, signifying the Group's acquisition of development rights for this land parcel. The Group recognized profit after tax of approximately HK\$2,878 million from the land consolidation and preparation of this land parcel during the Year. In March 2026, the Group entered into a land transfer agreement with the Longhua Administration Bureau for this land parcel, at a transfer price of approximately RMB287 million.

Looking ahead, the Group will expedite the development and construction of the above land parcels and endeavor to develop a high-quality residential flagship project, so as to facilitate the timely receipt of sale proceeds and recovery of cash flow. Meanwhile, the Group will continue to push forward with the securing and obtaining of land use rights for the remaining Reserved Land and proceed with its development and construction in an orderly manner. This will gradually unlock the land's value appreciation potential, so as to realize the closed-loop "Investment, Construction, Operation and Transformation" business model, and provide strong momentum for the Group's long-term sustainable development.

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics Park Transformation and Upgrading Business

SZI South China Digital Valley

SZI South China Digital Valley, located in Shenzhen's Longhua District, has a site area of approximately 62,000 square meters and a gross floor area of approximately 200,000 square meters. It is an intelligent industrial-city complex integrating Grade-A offices, ancillary apartments and commercial facilities, and is now in full operation. The project comprises two office buildings, eight detached villa-style office buildings and one ancillary apartment building. The ancillary apartments were certified as a Shenzhen Guaranteed Rental Housing Project, aiming to address the housing needs of young talents.

Aligning with Longhua District's "Digital Longhua" development strategy, the park is dedicated to attracting and fostering the development of industry-leading enterprises in four key sectors, including artificial intelligence, new energy, software information, and commercial, trade and technology, with an aim to empower regional growth through the digital industry. The HarmonyOS Ecosystem Park (鴻蒙生態園) (including SZI South China Digital Valley) in Longhua District was recognized by the Industry and Information Technology Bureau of Shenzhen Municipality as one of the first batch of "Shenzhen HarmonyOS Native Application Characteristic Industrial Parks" (深圳市鴻蒙原生應用特色產業園), further accelerating the agglomeration of artificial intelligence and related information technology industries. Additionally, the Longhua District Government set up a station within the area of this project in 2025 for its business promotion campaign "Step One for Investing in Longhua (投資龍華第一站)" to attract high-quality enterprises and talents. In September 2025, the Market Regulation Bureau of Shenzhen Municipality designated and established the "Intellectual Property Protection Workstation of SZI South China Digital Valley" (深國際華南數字谷知識產權保護工作站), providing enterprises with comprehensive intellectual property consulting, dispute mediation and other professional services. The park's business environment and comprehensive service capabilities continue to be enhanced, effectively boosting its leasing appeal and overall competitiveness.

The industrial agglomeration effect within the park is significant, with digital economy sector accounting for 98%. Its tenants comprise state-owned enterprises and central government owned enterprises, Fortune 500 enterprises, listed companies, national high-tech enterprises and provincial-level "specialized, refined, distinctive and innovative" enterprises, which have an annual output value exceeding RMB10,000 million. During the Year, the project successfully attracted a number of new tenants through a series of initiatives, such as improved business promotion, strengthened channel development and enhanced industrial services, resulting in a significant increase in the overall occupancy rate. As at 31 December 2025, the overall leasing rate for its office portion exceeded 70%.

FINANCIAL ANALYSIS

Revenue and Profit Attributable to Shareholders

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease)
Revenue	159,606	118,590	35%
Profit Attributable to Shareholders	2,606,558	2,358,409	11%

During the Year, the logistics park transformation and upgrading business recorded a revenue of approximately HK\$160 million, representing an increase of 35% as compared to the same period last year, primarily due to improved leasing conditions of the office section at SZI South China Digital Valley. Profit attributable to shareholders amounted to approximately HK\$2,607, representing an increase of 11% as compared to the same period last year, primarily due to the recognition of profit after tax of approximately HK\$2,933 million from the land consolidation and preparation of SZI South China Logistics Park.

04

PORT AND RELATED SERVICES BUSINESS



MANAGEMENT DISCUSSION AND ANALYSIS

Port and Related Services Business

OVERVIEW

The port business is a crucial segment of the Group's strategic framework of "Four Growth Engines", which encompasses "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure". In recent years, through its "Port Connection Action" strategy, the Group has actively extended the footprint of its port business, establishing a port industrial layout with supply chain service platform as the asset-light business operator, with the Nanjing Xiba Port, Jiangsu Jingjiang Port, Foshan Fuwan Port, Henan Shenqiu Port and Jiangxi Fengcheng Port as cargo collection and distribution nodes, forming an integrated operational network of "One Asset-light Company + Five Ports".

As at 31 December 2025, the Group had 22 operational berths, managing a shoreline of more than 3,300 meters, with a designed annual throughput exceeding 100 million tonnes.

ANALYSIS OF OPERATING PERFORMANCE

In 2025, the Group's port business faced numerous challenges amid a significant imbalance between coal supply and demand and intensifying market competition. Nevertheless, as critical infrastructure for national economic development, ports possess inherent monopolistic advantages and strong counter-cyclical resilience, offering promising long-term prospects. To address short-term challenges and reinforce long-term competitiveness, the Group will continue to refine its "Port Connection" layout by focusing its development efforts on key strategic regions such as the lower reaches of the Yangtze River and the Greater Bay Area. Meanwhile, the Group actively explores investment opportunities in non-coal terminals to diversify cargo structure, thereby further strengthening the segment's risk resilience and sustainability.

Port Business

SZI Port (Nanjing Xiba)

Nanjing Xiba Port, in which the Group holds 70% equity interest, is located in the New Materials Industrial Park in Jiangbei New District of Nanjing and commenced operations in 2010. The project is a key hub port under Nanjing's major development plan for river-sea intermodal transportation and rail-water multimodal transportation. It is currently the only public bulk cargo terminal north of the Yangtze River in the Port of Nanjing capable of handling vessels of over 10,000 tonnes.

With a designed annual throughput of 50 million tonnes, Nanjing Xiba Port currently operates one general bulk cargo berth with a capacity of 50,000 tonnes, two general bulk cargo berths each with a capacity of 70,000 tonnes, and two general bulk cargo berths each with a capacity of 100,000 tonnes. It also has a depot with an area of approximately 400,000 square meters, which connects directly to the port area by a rail line. With strong intermodal connectivity supporting river-sea, rail-water and road-water transport, the port offers a range of services including vessel loading and unloading, lightering, train loading and unloading, and warehousing.

In 2025, the operating environment of Nanjing Xiba Port became increasingly complicated due to sluggish market demand and intensifying industry competition. On the one hand, major end customers drove down prices, neighboring ports engaged in low-price competition and new production capacity competed for market share. On the other hand, the ongoing introduction of preferential policies for rail transportation has steadily diverted bulk cargo transport from traditional waterborne routes. Competition in the port industry has evolved from a single-dimensional price battle to a systemic competition encompassing whole-chain operational efficiency, resource synergy and integration, and comprehensive service capabilities. Under external pressure, the operational strategy of "expanding incremental volume while stabilizing existing volume" was actively implemented at Nanjing Xiba Port. By optimizing customer portfolio, innovating rail-water intermodal transportation and advancing equipment upgrades, operational resilience was enhanced. However, overall business volume remained under pressure due to the dual impact of cyclical industry downturn and intensified market competition. In 2025, Nanjing Xiba Port handled a total of 403 seagoing vessels, achieving a throughput of approximately 22.99 million tonnes, of which approximately 4.3 million tonnes were transported by rail, representing a year-on-year drop of approximately 27% in total throughput.

SZI Port (Jiangsu Jingjiang)

Jiangsu Jingjiang Port, in which the Group holds 70% equity interest, is located in the Economic Development Zone of Jingjiang and commenced operations in December 2023. It is an important river-sea intermodal transshipment hub in the lower reaches of the Yangtze River and a bulk cargo port with substantial berth capacity along the Yangtze River trunk line. Currently, the main port of the project features two berths for bulk carriers, each with a capacity of 100,000 tonnes, and five inland berths for vessels, each with a capacity of 1,000 tonnes. With a designed annual throughput of 34.7 million tonnes, it primarily engages in the river-sea intermodal transshipment of commodities such as coal and ore, and is capable of accommodating 50,000-tonne-class seagoing vessels for berthing around the clock.

The Group is dedicated to developing Jiangsu Jingjiang Port into a top-notch green, intelligent, efficient and safe river-sea intermodal hub in the PRC. It serves both a modern energy storage and distribution center and a comprehensive trading center. With advanced environmental facilities and equipment, including a fully-enclosed storage shed, rooftop photovoltaic systems, and advanced shore power systems, Jiangsu Jingjiang Port is dedicated to setting the standard for a “near-zero-carbon green port”. In March 2025, its photovoltaic project was officially grid-connected and commenced operations, establishing a new energy model of “self-sufficiency with surplus feed-in”. This initiative has achieved significant results in both energy conservation and environmental protection, as well as economic benefits. In addition, Jiangsu Jingjiang Port serves as a benchmark for the digital and intelligent transformation of ports. By deploying a 3D visualization digital twin platform, setting up a dynamic digital stockyard and dual systems for thermal imaging and dust monitoring, and introducing unmanned operations along with a production management APP, the port has achieved full-process operational visibility, refined control, and streamlined operation. This has delivered efficient and secure service experiences to customers. The exemplary model is set to be replicated and promoted, and is expected to lead to the digital and intelligent transformation across the entire port segment in the future.

In 2025, Jiangsu Jingjiang Port achieved significant breakthroughs in development. The project successfully completed its 11.8-metre draft upgrade in January 2025, and was officially approved for international opening in December 2025, with its foreign trade operations successfully launched. This marked the project’s official entry into a new phase as a deep-water international port. During the Year, the operational efficiency of Jiangsu Jingjiang Port was fully unleashed, and market expansion made substantial progress, leading to significant growth in business volume. A total of 263 seagoing vessels berthed at the port, handling a throughput of approximately 24.72 million tonnes, representing a year-on-year increase of approximately 55%.

SZI Port (Henan Shenqiu)

Henan Shenqiu Port, in which the Group holds 55.32% equity interest, is located along the Shaying River in Shenqiu County of Zhoukou. It enjoys distinct advantages in waterways, as an important water transportation hub on the new sea route from the central plains of China, and as a demonstration project for “port-industry-city integration” in Henan and Anhui. The Group is dedicated to developing the project into a highly-efficient, environmentally-friendly and advanced bulk cargo terminal, as well as a new transfer hub linking waterways and land transportation between the coal-producing areas in western China and end users in the middle and lower reaches of the Yangtze River. The Group’s current plan for the project is to construct 19 berths, each with a capacity of 1,000 tonnes, along with supporting depot facilities. The port has a designed annual throughput of 20 million tonnes.

Phase I of the Henan Shenqiu Port, which commenced operations in March 2023, features four general-purpose berths, each with a capacity of 1,000 tonnes, and is designed to handle an annual throughput of 4.4 million tonnes. Currently, the port primarily serves Henan Angang Zhoukou Iron and Steel Co., Ltd., and continues to expand its cargo sources to further diversify its business structure.

In 2025, Henan Shenqiu Port focused on enhancing services for core customers and successfully expanded into new types of cargo, including coal and grain. Through innovative business models and the implementation of road-rail-water multimodal transportation services for coal bulk-to-break-bulk conversion, its business volume has surged with an annual throughput reaching approximately 2.67 million tonnes, representing a year-on-year increase of approximately 61%.

Jiangxi Fengcheng Port

Jiangxi Fengcheng Port, in which the Group holds 20% equity interest, serves as an important distribution node along the Gan River. Currently equipped with six 1000-tonne bulk carrier berths with a designed annual throughput of 6 million tonnes, it commenced operations in March 2023. Moreover, through enhanced commercial coordination and supply chain business synergy, Jiangxi Fengcheng Port has established a “two-port linkage” with Jiangsu Jingjiang Port. This collaboration has enabled stable waterborne fuel transportation services for large power plants, with annual coordinated throughput exceeding 1.1 million tonnes, further reinforcing the development of the “Port Connection” layout. In 2025, Jiangxi Fengcheng Port recorded a substantial increase in business volume, achieving a throughput of approximately 2.67 million tonnes, representing a year-on-year increase of approximately 50%.

MANAGEMENT DISCUSSION AND ANALYSIS

Port and Related Services Business

SZI Port (Foshan Fuwan)

Foshan Fuwan Port, in which the Group holds 97.1% equity interest, is located in Hecheng Sub-district, Gaoming District of Foshan. Situated along the national-class golden waterway, the main navigation channel of the Xijiang River, the port benefits from distinct geographical advantages and excellent hydrological conditions. The Group plans to construct two general-purpose berths, each with a capacity of 3,000 tonnes, featuring a designed annual throughput of 3.2 million tonnes.

In 2025, the Group was fully committed to advancing the regulatory approval and construction planning for Foshan Fuwan Port. A breakthrough was achieved in shoreline utilization application, and the port is expected to commence operations in 2027. The Group is committed to developing this project into a benchmark for bulk cargo terminals in Foshan and the Xijiang River Basin. Upon completion, it will effectively address the water transportation needs for bulk materials such as sand, gravel, steel and grain in the region. Being the Group's first port project in the Pearl River Basin of the Greater Bay Area, Foshan Fuwan Port highlights the Group's efforts to expand its port segment from the Yangtze-Huaihe River Basin to the Pearl River Basin, which is significant for the Group's market expansion and strategic layout optimization.

Port Supply Chain Business

The port supply chain business is an important backbone of the Group's port segment in implementing its "Port Connection Action" strategy. By effectively integrating information, logistics, and commerce flows, it aggregates high-quality upstream and downstream customer resources for asset-heavy port projects, fostering resource synergies and complementary strengths. This business has effectively accelerated the transformation and upgrading of asset-heavy ports from basic cargo-handling transshipment ports into large-scale integrated service platforms. It has also supported the Group in establishing an end-to-end logistics service system and achieving synergistic development between asset-light and asset-heavy operations, thereby enhancing the overall competitiveness of the port segment.

FINANCIAL ANALYSIS

Revenue and Profit Attributable to Shareholders

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease)
Revenue	4,058,962	3,585,793	13%
Profit Attributable to Shareholders	39,352	60,399	(35%)

During the Year, revenue from the port and related services business increased by 13% as compared to the same period last year to approximately HK\$4,059 million, mainly driven by the increase in revenue from the port supply chain business. Profit attributable to shareholders saw a decline of 35% as compared to the same period last year to approximately HK\$39.35 million, primarily attributable to increased depreciation and amortization expenses from the newly launched port project, coupled with the decline in profit margin resulting from intensified competition in domestic port industry.

Port Layout



1 Nanjing Xiba Port



2 Jiangsu Jingjiang Port



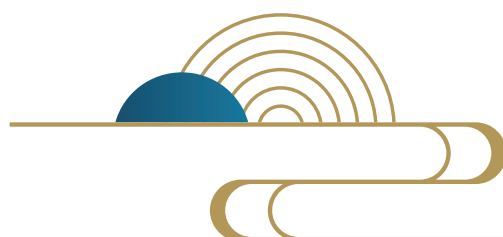
3 Henan Shenqiu Port



4 Jiangxi Fengcheng Port



5 Foshan Fuwan Port*



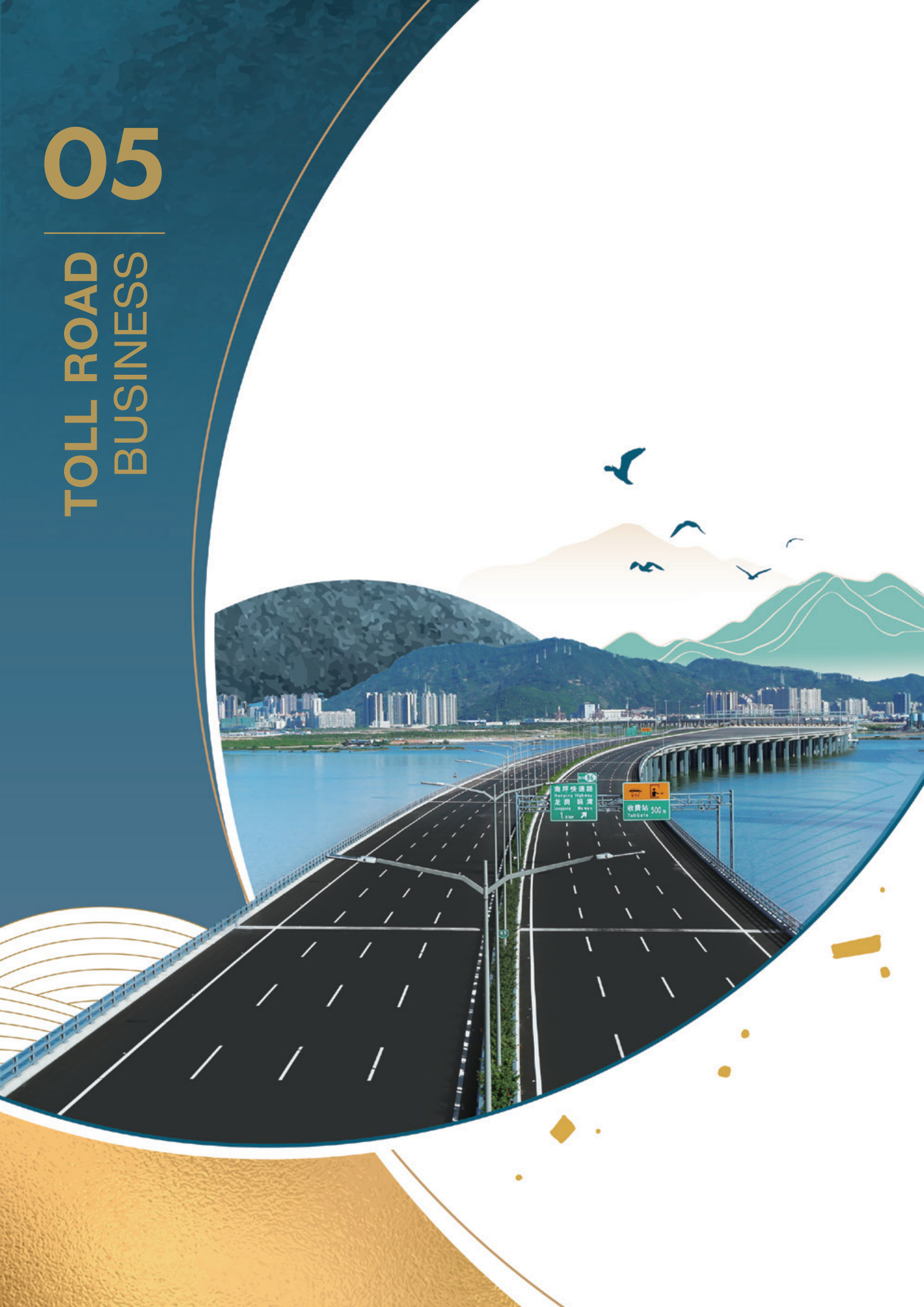
* Conceptual rendering. The Group has acquired the land for Foshan Fuwan Port, with operations scheduled to commence in 2027.

As at 31 December 2025, details of the Group's port projects in operation are shown as follows:

	Port	Interests held	No. of berth in operation	Details of berth	Shoreline length (meter)	Commencement date of operation (year. month)
1	Nanjing Xiba Port	70%	5	1 general bulk cargo berth with a capacity of 50,000 tonnes, 2 general bulk cargo berths with a capacity of 70,000 tonnes each and 2 general bulk cargo berths with a capacity of 100,000 tonnes each	1,330	2010.05
2	Jiangsu Jingjiang Port	70%	7	2 berths for bulk carrier with a capacity of 100,000 tonnes each, and 5 inland berths with a capacity of 1,000 each	1,090	2023.12
3	Henan Shenqiu Port	55.32%	4	4 general-purpose berths with a capacity of 1,000 tonnes each	353	2023.03
4	Jiangxi Fengcheng Port	20%	6	6 berths for bulk carrier with a capacity of 1,000 tonnes each	580	2023.03

05

TOLL ROAD
BUSINESS



OVERVIEW

The Group's toll road business is managed and operated by Shenzhen Expressway, a subsidiary owned by the Company as to approximately 47.30%. The H shares of Shenzhen Expressway are listed on the Stock Exchange and its A shares are listed on the Shanghai Stock Exchange. The Group currently has invested in or operated a total of 16 toll road projects, which are mainly located in Shenzhen, the Greater Bay Area, and economically developed regions, with favorable geographical advantages. The total toll length of the controlling interest in the toll roads operated or invested in by the Group in Shenzhen, other regions in Guangdong province and other provinces in the PRC are approximately 191 km, 350 km and 72 km, respectively.

ANALYSIS OF OPERATING PERFORMANCE

The operating performance of the toll roads operated or invested in by Shenzhen Expressway during the Year is as follows:

Toll roads	Interest held	Toll length (approx. km)	Average daily mixed traffic volume ⁽¹⁾		Average daily toll revenue	
			2025 (^{'000} vehicles)	Increase/ (Decrease) as compared to the corresponding period of 2024	2025 (RMB ^{'000})	Increase/ (Decrease) as compared to the corresponding period of 2024
Shenzhen region:						
Meiguan Expressway	100%	5.4	163	(0.9%)	413	(4.1%)
Jihe East	100%	23.7	322	4.1%	1,893	3.5%
Jihe West	100%	21.8	234	4.8%	1,551	3.7%
Shenzhen Coastal Expressway ⁽²⁾	100%	36.6	226	10.2%	2,155	7.1%
Shenzhen Outer Ring Project	100%	76.8	336	8.3%	3,318	3.8%
Longda Expressway	89.93%	4.4	166	(1.5%)	420	(3.2%)
Shuiguan Expressway	50%	20	263	0.2%	1,716	(0.7%)
Shuiguan Extension	40%	6.3	56	(5.8%)	182	(4.5%)
Other regions in Guangdong Province:						
Qinglian Expressway	76.37%	216	51	7.0%	1,881	8.8%
Guangshen Expressway ⁽³⁾	45%	122.8	642	1.6%	7,718	(2.1%)
GZ West Expressway ⁽³⁾	50%	98	267	0.0%	3,096	(10.7%)
Yangmao Expressway	25%	79.8	56	0.6%	2,051	(1.8%)
Guangzhou Western Second Ring	25%	40.2	94	(1.6%)	1,374	(1.5%)
Other provinces in the PRC:						
Changsha Ring Road	51%	34.7	91	(4.3%)	689	(3.8%)
Nanjing Third Bridge	35%	15.6	38	7.5%	1,537	7.1%
Yichang Expressway ⁽⁴⁾	40%	78.3	46	(15.9%)	946	(11.0%)

Notes:

- (1) Average daily mixed traffic volumes exclude toll-free traffic volumes during the toll-free periods in statutory holidays. The revenue in the above table has excluded tax.
- (2) Shenzhen Coastal Expressway refers to the Shenzhen section of Guangshen Coastal Expressway (Guangzhou to Shenzhen), which consists of two phases. Phase I of Shenzhen Coastal Expressway comprises the main line of Shenzhen Coastal Expressway and related infrastructure, which was completed and opened to traffic at the end of 2013. Phase II of Shenzhen Coastal Expressway comprises two parts, namely the Shenzhen World Exhibition & Convention Center interchange and the connecting line on the Shenzhen side of the Shenzhen-Zhongshan Link. These two parts were completed and opened to traffic in 2019 and 2024, respectively. Since the traffic volume data for Phase II cannot be carved out for consolidation reporting purpose, the traffic volume data for Shenzhen Coastal Expressway in the above table includes Phase I and excludes Phase II, while the toll revenue data for Shenzhen Coastal Expressway includes both Phase I and Phase II.
- (3) Shenzhen Expressway indirectly holds approximately 71.83% of the shares in Shenzhen Investment Holdings Bay Area Development Company Limited, which in turn indirectly holds 50% and 45% interests in GZ West Expressway and Guangshen Expressway, respectively.
- (4) Shenzhen Expressway's interest in Yichang Expressway was reduced from 100% to 40% since 21 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Toll Road Business

During the Year, the Group's toll revenue grew slightly. This was mainly attributable to additional toll income from the opening of Phase II of the Shenzhen Coastal Expressway, the increase in traffic volumes resulting from the improved connectivity of surrounding road networks, and generally favorable weather conditions in the regions where most of the Group's toll road projects are located compared to the same period last year.

In addition, the operating performance of the toll road projects remains subject to factors such as changes in competing or complementary road networks in vicinity, as well as the projects' own construction or maintenance work, including:

- The synchronized opening of Phase II of the Shenzhen Coastal Expressway and the Shenzhen-Zhongshan Link has established direct connectivity among the Shenzhen-Zhongshan Link, the Shenzhen Coastal Expressway, the Guangshen Expressway, Shenzhen Bao'an International Airport and the Jihe Expressway. This has fostered deeper integration between Shenzhen and the eastern and western banks of the Pearl River Estuary, contributing to increased traffic on the Shenzhen Coastal Expressway and the Jihe Expressway, while diverting some traffic from the Shenzhen Outer Ring Project and the Longda Expressway. Overall, these developments have positively impacted the Group's overall toll revenue for the Year.
- The Jihe Expressway experienced an increase in traffic volume attributable to the completion of reconstruction and expansion project on the ground section of the connected Huiyan Expressway (Shenzhen Section) and the subsequent resumption of two-way traffic. This has led certain vehicles, which were previously detoured due to the construction, to resume their original routes, thereby contributing to the traffic growth on the Jihe Expressway.
- The Kengzi east interchange under Phase II of the Shenzhen Outer Ring Project opened to traffic in March 2025, enabling seamless connectivity between local roads and the expressway network. In addition, the Xinwei toll station of the Shenzhen Outer Ring Project commenced operations, providing an interchange between the Shenzhen Outer Ring Project and the Longlan Avenue, a key urban arterial road. The successive opening of these two critical junctions has positively contributed to the operational performance of the Shenzhen Outer Ring Project.
- The Qinglian Expressway completed its road enhancement project at the end of June 2025, optimizing traffic conditions along the entire line and improving overall operational efficiency, thereby boosting its operating performance. Coupled with the overall positive impact arising from the opening of and post-maintenance traffic restoration on connected or adjacent road networks, both the average daily traffic volume and toll revenue of the Qinglian Expressway recorded year-on-year growth during the Year.
- Guangshen Expressway is a key transportation artery connecting Guangzhou and Shenzhen. Leveraging the dynamic urban economic belts along the route, its traffic volume has remained consistently stable. Following the opening of the Shenzhen-Zhongshan Link, certain vehicles previously travelling between the eastern and western regions of Guangdong via the Humen Bridge or the Nansha Bridge have switched to the Shenzhen-Zhongshan Link. This shift has led to an increase in short-distance traffic volume on the Guangshen Expressway, while reducing the travel distance for vehicles. As a result, the average daily traffic volume on the Guangshen Expressway recorded a year-on-year increase during the Year, whereas the average daily toll revenue saw a slight year-on-year decline.
- GZ West Expressway is an integral part of the ring expressway in the Pearl River Delta region, connecting Guangzhou and Zhuhai. Following the simultaneous opening of both the Shenzhen-Zhongshan Link and the Zhongshan section of Zhongkai Expressway (Zhongshan-Kaiping), along with the changes in surrounding road networks, the GZ West Expressway experienced an increase in short-distance traffic volume. However, this has also caused some diversions of long-distance traffic previously traveling between the eastern and western regions of Guangdong. During the Year, both the average daily traffic volume and the average daily toll revenue of GZ West Expressway experienced year-on-year declines.

Key Business Developments

With respect to the construction of major projects, the Group is actively promoting investments in new construction, reconstruction and expansion projects, including Phase III of Shenzhen Outer Ring Project and Jihe Expressway, with the aim of continuously expanding its high-quality expressway assets.

Shenzhen Outer Ring Project is a key transportation infrastructure in the Greater Bay Area. Upon full completion, it will interconnect with 10 expressways and 8 first-class highways in Shenzhen, serving as a vital east-west arterial in northern Shenzhen. The Shenzhen Outer Ring Project is under construction in three phases. Phase I (Shajing to Guanlan and Longcheng to Pingdi sections), with a total length of approximately 51 km, and Phase II (Pingdi to Kengzi section), approximately 9.35 km in length, have both been completed and opened to traffic. Phase III (Kengzi to Dapeng section), spanning approximately 16.8 km, is currently under construction and has attained approximately 27% of physical completion. Upon completion of Phase III of the Shenzhen Outer Ring Project, it will not only enrich the Group's core expressway assets portfolio and optimize the overall economic and social benefits of the Shenzhen Outer Ring Project, but also improve the regional road network layout, thereby bringing increased traffic volume to the Group's other toll roads.

Jihe Expressway is an integral part of the G15 Shenyang-Haikou National Expressway. It starts from He'ao Interchange in Shenzhen's Longgang District to the east, and ends at Hezhou Interchange in Shenzhen's Bao'an District to the west, with a total length of approximately 43 km. It is a two-way 6-lane expressway. Jihe Expressway is an important east-west corridor in Shenzhen's expressway network, and a core corridor facilitating rapid connectivity between the eastern, central, and western areas of Shenzhen. It has been in operation for over 20 years. The Jihe Expressway Reconstruction and Expansion Project (He'ao to Shenzhen Airport of the G15 Shenyang-Haikou National Expressway section) is a major transportation infrastructure project under the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (《粵港澳大灣區發展規劃綱要》). The project adopts a three-dimensional composite channel model with construction divided into ground-level and three-dimensional layers, both adhering to two-way 8-lane expressway standard. Upon completion, the Jihe Expressway Reconstruction and Expansion Project will effectively enhance the transportation capacity of existing Jihe Expressway alignment, meet the integrated transportation demands of the Greater Bay Area and the Pearl River Delta region, and further consolidate the Group's core competence in investment, construction and operation of toll roads. Currently, the construction of the Jihe Expressway Reconstruction and Expansion Project has achieved approximately 20% of physical completion.

Guangshen Expressway is the Guangzhou-Shenzhen section of the Beijing-Hong Kong-Macao Expressway. It begins at the Huangcun Interchange in Guangzhou to the north and ends at the Huanggang Port in Shenzhen to the south, with a total length of approximately 122.8 km. To meet growing traffic demands, reconstruction and expansion works comprising two sections, the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and the Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway (the "Guangzhou to Dongguan Section"), and the Shenzhen section of the Beijing-Hong Kong-Macao Expressway (the "Shenzhen Section"), have been initiated. Among these, the Guangzhou to Dongguan Section, spanning approximately 71.13 km, is now fully under construction, while the Shenzhen Section, spanning approximately 47.07 km, commenced construction of its first section at the end of 2025.

Completion of the issuance of A shares to specific targets by Shenzhen Expressway

On 27 March 2025, Shenzhen Expressway has completed the issuance of A shares to the specific targets (including Xin Tong Chan Development (Shenzhen) Co., Ltd., a wholly-owned subsidiary of the Company), raising net proceeds of approximately RMB4,679 million.

Following the completion of the issuance, the Company's indirect shareholding in Shenzhen Expressway was approximately 47.30%. In accordance with the existing HKFRS Accounting Standards, Shenzhen Expressway continues to be accounted for as a subsidiary in the accounts of the Company, and its financial results continue to be consolidated into the consolidated financial statements of the Group.

FINANCIAL ANALYSIS

During the Year, the toll road business recorded a revenue of approximately HK\$5,583 million, representing an increase of 2% as compared to the same period last year, primarily benefiting from the increase in traffic volume driven by the opening of surrounding road networks and the growth in toll revenue from Shenzhen Coastal Expressway. However, due to an increase in road maintenance expenses and depreciation and amortization costs, net profit recorded a slight decrease of 1% as compared to the same period last year to approximately HK\$2,079 million.

06

GENERAL-
ENVIRONMENTAL
PROTECTION BUSINESS



OVERVIEW

The Group's general-environmental protection business is managed and operated by Shenzhen Expressway, primarily focusing on clean energy power generation and solid waste treatment. The Group has designated its wholly-owned subsidiaries, namely Shenzhen Expressway Environmental Co., Ltd. and Shenzhen Expressway New Energy Holdings Co., Ltd., as primary investment and management platforms for this sector.

ANALYSIS OF OPERATING PERFORMANCE

Clean Energy Power Generation

The Group's clean energy power generation business primarily comprises wind power and photovoltaic power generation. As at 31 December 2025, the Group's total attributable installed capacity for clean energy power generation was approximately 686 megawatts (MW), consisting of approximately 677 MW of wind power generation and approximately 9.4 MW of photovoltaic power generation.

In respect of the wind power generation, the Group has invested in and operated six grid-connected wind power projects. In the photovoltaic power generation, the Group has prudently deployed distributed photovoltaic power generation projects in recent years by utilizing existing production sites and land resources along the highways. These initiatives include independent development and commissioning of the Shengneng Qiantai photovoltaic pilot project, as well as holding equity interest in the Shanghai Guangming photovoltaic power project through its associates.

Details of the performance of the Group's clean energy power generation projects during the Year are as follows:

		2025	
Name of projects	Interests held	Power supply to the grids in (MWh) ⁽¹⁾	Revenue (RMB'000) ⁽¹⁾
I. Wind power generation projects			
Baotou Nanfeng Project	100%	682,973.41	195,838.87
Xinjiang Mulei Project	100%	616,415.92	288,312.52
Yongcheng Zhuneng Project	100%	74,768.40	20,861.35
Zhongwei Gantang Project	100%	104,811.52	18,992.13
Zhangshu Gaochuan Project	100%	51,165.02	18,271.74
Huai'an Zhongheng Project	20%	232,620.90	110,076.63
II. Photovoltaic power generation projects			
Shengneng Qiantai Project	100%	4,049.95	2,010.26
Shanghai Guangming Project	50%	18,258.27	8,448.12

Note:

(1) Grid-connected electricity is calculated based on the settlement cycles of the power grids, and part of the operating revenue of certain projects includes electricity tariff subsidy income based on the grid-connected electricity volume.

MANAGEMENT DISCUSSION AND ANALYSIS

General-Environmental Protection Business

Solid Waste Treatment

During the Year, the Group continued to deepen the restructuring of its solid waste treatment business. By exiting loss-making non-core operations, refining internal operational management and tightening cost control, the Group enhanced the quality and efficiency of its operating projects and improved the performance of its organic waste treatment businesses.

As at 31 December 2025, the Group had a total designed treatment capacity for organic waste exceeding 6,300 tonnes per day, positioning it among the industry leaders in the PRC. Among these, the projects with an aggregate designed capacity of approximately 5,126.5 tonnes per day have commenced commercial operation, while the remaining projects are in the trial operation phase. These organic waste treatment projects are primarily operated under BOT (Build-Operate-Transfer) model, providing public sector customers with decontamination treatment for organic solid waste and domestic waste (including catering waste, kitchen waste, garden waste, etc.).

Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd. (the “Bioland Environmental Company”), a subsidiary of the Group, is primarily engaged in the systematic and integrated organic waste treatment business. As at 31 December 2025, Bioland Environmental Company had a total designed treatment capacity for kitchen waste exceeding 4,600 tonnes per day. Among these, the projects with an aggregate designed capacity of approximately 3,426.5 tonnes per day have commenced commercial operation, while the remaining projects are in the trial operation phase. During the Year, the operating performance of Bioland Environmental Company improved as a result of optimized waste collection and transportation processes and strengthened cost control measures.

In addition, the Group has invested in and operated a total of three organic waste treatment projects in Shenzhen and Shaoyang, respectively, namely the Guangming Environmental Park Project, the Lisai Environmental Project, and the Shaoyang Project. Among these, the Guangming Environmental Park Project, which officially commenced commercial operation in February 2025, has a daily treatment capacity of 1,000 tonnes of organic waste, 100 tonnes of bulky waste (discarded furniture), and 100 tonnes of garden waste. It can simultaneously carry out decontamination treatment and resource utilization for catering waste and kitchen waste. The project has obtained the concession rights for the collection, transportation and treatment of kitchen waste in the Shenzhen’s Guangming District, and also supports these services for part of the kitchen waste in Shenzhen’s Bao’an District. Both the Lisai Environmental and Shaoyang Projects have been in commercial operations, with daily kitchen waste treatment capacities of 500 tonnes and 200 tonnes, respectively.

Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Co., Ltd. (the “Qiantai Company”), a subsidiary of the Group, is certified as a national high-tech enterprise and a designated “specialized, refined, distinctive and innovative” small and medium enterprise in Shenzhen. During the Year, Qiantai Company was also recognized as a national-level green factory. With dual qualifications for end-of-life new energy vehicle recycling/dismantling and comprehensive battery utilization (as listed on the Ministry of Industry and Information Technology’s Whitelist), Qiantai Company provides services including scrapping and recycling of fuel-powered vehicles and integrated resource utilization solutions for retired new energy vehicles and their power batteries. During the Year, Qiantai Company proactively adjusted its business structure, focusing its business on two-wheeled vehicle battery swapping and energy storage products, as well as commercial and industrial energy storage solutions, thereby progressively expanding its market presence.

Other Environmental Protection Businesses

The Group holds 20% equity interest in Chongqing Derun Environment Co., Ltd. (the “Chongqing Derun”), which in turn owns subsidiaries listed on the Shanghai Stock Exchange, namely Chongqing Water Group Co., Ltd. (Stock Code: 601158) and Chongqing Sanfeng Environment Group Corp., Ltd. (Stock Code: 601827). These entities are principally engaged in water supply and sewage treatment, waste-to-energy incineration and environmental restoration, etc.

The Group also holds 11.25% equity interest in Shenzhen Water Planning & Design Institute Co., Ltd. (Stock Code: 301038), whose shares are listed on the ChiNext board of the Shenzhen Stock Exchange, and is a water and environmental engineering service provider specializing in systematic solutions to water-related issues.

FINANCIAL ANALYSIS

During the Year, the general-environmental protection business recorded a revenue of approximately HK\$1,654 million, representing an increase of 8% as compared to the same period last year, primarily driven by the increase in revenue from the solid waste treatment business. Meanwhile, the net loss of the general-environmental protection business narrowed significantly to approximately HK\$103 million (2024: net loss of approximately HK\$683 million), attributable to the reduction in both asset impairment losses and credit impairment losses on accounts receivable for the environmental protection projects during the Year as compared to the same period last year.

07

AIR
TRANSPORTATION
SERVICES



中国国际货运航空  AIR CHINA CARGO



MANAGEMENT DISCUSSION AND ANALYSIS

Air Transportation Services

Shenzhen Airlines

In 2025, Shenzhen Airlines Company Limited (the “Shenzhen Airlines”), an associate of the Group, recorded a revenue of RMB33,406 million (equivalent to HK\$36,402 million), maintained at a similar level with that of last year. Nevertheless, due to adverse factors such as intensifying competition within the domestic civil aviation market, a shift in passenger demographics towards more price-sensitive travelers and the substitution pressure from the high-speed rail network, Shenzhen Airlines recorded a net loss of RMB1,243 million (equivalent to HK\$1,354 million) for the Year. This represents a narrowing in loss by approximately RMB1,570 million (equivalent to HK\$1,711 million) as compared to the same period last year. In accordance with the Hong Kong Accounting Standards, the Group’s investment in Shenzhen Airlines is accounted for under the equity method. As the Group’s share of accumulated losses in Shenzhen Airlines has exceeded its interest in this associate since 2023, no further losses were recognized during the Year.

To optimize its financial and operational position, Shenzhen Airlines planned in August 2025 to implement capital increase in phases, totaling RMB16,000 million, in which the Group has decided not to participate. Subsequently, Shenzhen Airlines introduced Shenzhen Kunhang Investment Partnership (Limited Partnership) (深圳市鯤航投資合夥企業(有限合夥)) (the “Kunhang Investment”) as a new investor through a public tender. Air China Limited (the “Air China”), the controlling shareholder of Shenzhen Airlines, and Kunhang Investment contributed approximately RMB2,082 million and RMB2,000 million, respectively, to subscribe for the additional registered capital of Shenzhen Airlines (the “First-stage Capital Increase”). The industrial and commercial registration for the First-stage Capital Increase was completed in January 2026. As a result, the Group’s shareholding in Shenzhen Airlines was diluted from 49% to approximately 28.09%, while Air China and Kunhang Investment hold 51% and approximately 20.91% of the equity interest in Shenzhen Airlines, respectively. Shenzhen Airlines remains an associate of the Company. Air China and Kunhang Investment will enter into relevant agreement(s) for subsequent capital contribution at an appropriate time, which will further dilute the Group’s equity interest in Shenzhen Airlines.

Air China Cargo

In 2021, the Group acquired 1,069 million shares of Air China Cargo Co., Ltd. (the “Air China Cargo”) through capital contribution of approximately RMB1,565 million and became its strategic shareholder. The investment marked the Group’s strategic entry into the air logistics industry, which is highly monopolistic and has relatively high entry barriers.

The shares of Air China Cargo were successfully listed on the main board of the Shenzhen Stock Exchange (Stock Code: 001391) in 2024, further boosting the Group’s asset value. During the Year, the Group received cash dividends of approximately RMB69.48 million from Air China Cargo for the year 2024. This return further validates Air China Cargo’s sound operational performance and investment value, and clearly demonstrates the Group’s strategic foresight. As at 31 December 2025, the Group held approximately 8.76% of the equity interest in Air China Cargo.

Going forward, the Group will further deepen its strategic cooperation with Air China Cargo based on the principle of complementary strengths and mutual benefits. Both the Group and Air China Cargo will proactively foster cooperation on air logistics projects in key cities, including Shenzhen and Beijing, jointly secure scarce resources, and strive to establish an integrated logistics system encompassing air logistics, high-standard warehousing and cold chain logistics, thereby injecting new vitality and momentum into the Group’s long-term development.

OUTLOOK FOR 2026

The year 2026 marks the beginning of the Group's 15th Five-Year Plan and its inaugural year of the Group's strategic transition. The global economy remains in an adjustment phase characterized by low growth and high uncertainty, with geopolitical tensions and the restructuring of trade landscape exerting ongoing influence. The domestic economy is progressing steadily amid structural transformation, with the accelerated rise of new quality productive forces unfolding alongside the optimization and upgrading of traditional industries. The logistics industry is likely to continue experiencing a restructuring of supply-demand dynamics alongside intensifying competition within existing markets, and the pressure on both pricing and demand faced by the high-standard warehousing segment may not be fully alleviated in the short term. Nevertheless, supportive policies aimed at expanding domestic demand and fostering strategic emerging industries are driving the trends of digital, green and intelligent transformation. These developments are injecting new momentum into the industry's development and creating significant opportunities for the Group's transformation and growth.

Facing a development environment characterized by both opportunities and challenges, the Group will remain committed to the principle of "focusing on asset-heavy operations while integrating asset-heavy and asset-light approaches, leveraging asset-heavy operations to drive asset-light growth and asset-light operations to complement asset-heavy development". The Group will accelerate its transformation from a "logistics infrastructure developer and operator" to a "comprehensive logistics service provider", strike a balance between stabilizing its traditional businesses and cultivating emerging ones, and focus on sharpening core capabilities and driving value creation. Through these efforts, the Group aims to achieve a strong start to the 15th Five-Year Plan and deliver sustained returns to its shareholders.

Prioritizing Core Businesses for Higher Quality and Efficiency, and Fortifying the Foundation for Transformation and Development

Logistics Business: Achieving Growth by Investing Strategically and Operating Efficiently

Adhering to the strategy of "prioritizing core regions and cultivating quality assets", the Group will strictly control the investment pace and scale, prioritizing investment in projects in core regions characterized by strong supply-demand dynamics and long-term value support. The Group will accelerate operational preparations for key projects, including the Pinghunan Project and the Beijing Fangshan Project, ensuring timely and high-quality delivery. Meanwhile, the Group will further promote the rollout of innovative models such as "Logistics + Bus" and "Logistics + Metro", while expanding high-value-added services. The Group will continue to intensify business promotion efforts targeting strategic emerging industries, including new energy vehicles, intelligent manufacturing and biopharmaceuticals, while deepening direct management engagement in strategic customer visits, aiming to stabilize occupancy rates and rental levels. The Group will also advance the lean management of the existing projects, benchmark against industry leaders to optimize service processes, and enhance customer loyalty and improve asset yields.

Port Business: Enhancing Network Synergy and Expanding Business Horizons

Aligned with the port network strategy of "linking ports together to create a seamless network spanning rivers and coastlines", the Group will steadily advance the approval and construction of the shoreline at the Foshan Fuwan Port, accelerate the implementation of key projects such as the expansion and renovation of the Nanjing Xiba Port, thereby unlocking the throughput capacity of existing projects. The Group will deepen regional coordination and collaboration, promoting resource sharing and business complementarity between mature ports and new projects, while expanding into new cargo segments, such as grain, to optimize the cargo mix. Focusing on key regions including the Greater Bay Area and the Yangtze River Economic Belt, the Group will prudently evaluate high-quality ports investment opportunities under strict risk control, thereby strengthening network synergies and the overall competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook For 2026

Toll Road and General-Environmental Protection Businesses: Consolidating Strengths while Optimizing Operational Structure

Leveraging the platform of Shenzhen Expressway, the Group will continue to consolidate its toll road business and accelerate its digital and intelligent transformation to improve smart toll collection, road maintenance capabilities, reducing costs and increasing traffic efficiency. The Group will fully advance major projects, including the reconstruction and expansion of Phase III of the Shenzhen Outer Ring Project, the Jihe Expressway, and the Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway, while tapping into the value of resources along these expressways to enhance overall investment returns. In the general-environmental protection business, the Group will focus on improving the quality and efficiency of existing projects. In terms of clean energy power generation segment, the Group will concentrate on the operation of wind and photovoltaic power projects and explore an integrated model combining “Transportation/Industrial Park + Energy”. In terms of the solid waste treatment segment, the Group will optimize its business structure by exiting non-core and loss-making operations, deepen smart operations and technological upgrades, expand into businesses such as grease and residue resource utilization, and develop new energy storage business. The Group will also strengthen cost control and receivables management, while continuously refining its business model and financial performance.

Optimizing Capital Circulation and Enhancing Value Creation

Advancing the dual Closed-Loop Strategic Framework

The Group will continue to drive the long closed-loop “Investment, Construction, Operation and Transformation” business model, accelerating the release of the residual value from the transformation projects of SZI South China Logistics Park and advancing the development and construction of the Reserved Land. The Group will also strive to achieve substantive progress in the land swap for 20 units of land parcels in Qianhai, maximizing the land asset value. Simultaneously, the Group will deepen the short closed-loop “Investment, Construction, Financing and Operation” business model, striving to maintain steady operations and sustained dividends from the ChinaAMC-Shenzhen International REIT, advancing the establishment of a new-phase private equity funds and the injection of projects, and actively cultivating eligible assets for inclusion in the expansion of the ChinaAMC-Shenzhen International REIT. The Group will also refine its fund structure and, in response to economic conditions and development needs, explore and promote the establishment of development-oriented or M&A-oriented logistics warehouses real estate funds, thereby streamlining the path for asset securitization.

Refining Capital Operations and Asset Allocation to Drive Cost Reduction and Efficiency Enhancement for Quality Growth

The Group will actively explore ways to revitalize existing assets through fund investments, mergers and acquisitions and restructuring, to promote a virtuous cycle of strategic acquisition and disposal of assets, thereby optimizing its asset structure and cash flow position. The Group will target investments with promising returns, stable cash flows or strategic significance. Meanwhile, the Group will continue to improve its financing structure and diversify funding sources to lower finance costs and maintain a controlled gearing ratio. By benchmarking against industry leaders, the Group will reduce unnecessary selling and administrative expenses, and optimize staffing to improve per capita efficiency, and achieve whole-process cost reduction through lean management. These efforts aim to realize optimal resource allocation and maximize value creation.

Advancing Transformation and Innovation to Power Future Growth

Integrating Heavy and Light Assets: Scaling up Asset-Light Operations

The Group will steadfastly adhere to the strategy of “focusing on asset-heavy operations while integrating asset-heavy and asset-light approaches, leveraging asset-heavy operations to drive asset-light growth and asset-light operations to complement asset-heavy development”, with a focus on scaling up mature asset-light businesses, including bonded logistics, integrated warehousing, distribution and transportation services, management service, and port supply chain business. The Group will develop end-to-end integrated logistics solutions that address all stages of its customers’ supply chain operations. By deeply embedding its services into sectors such as high-end manufacturing and cross-border e-commerce, the Group will use its asset-light capabilities to increase the value of its heavy assets and strengthen customer loyalty. The Group will also refine supporting mechanisms for its asset-light businesses, optimizing performance evaluation and incentive systems to encourage innovation and build differentiated competitive advantages.

Innovating Business Model: Strategic Entry into Emerging Sectors

Capitalizing on the development opportunities of new quality productive forces, the Group will prioritize emerging businesses aligned with its core operations, including photovoltaic storage and charging, the low-altitude economy and data centers. In terms of the photovoltaic-storage and charging business, the Group will install photovoltaic systems across all existing parks wherever feasible, expand the pilot layout of supercharging stations for heavy-duty trucks, and explore innovative models such as virtual power plants and vehicle-to-grid technology. In the low-altitude economy sector, the Group will focus on the construction of ground-based take-off and landing hubs, aligning with Shenzhen's low-altitude economy development plan, while expanding applications in emergency medical supplies delivery and emergency rescue. For data centers business, the Group will leverage the transformation of existing assets and collaborate with industry leaders to explore green, low-carbon layout models. Simultaneously, the Group will closely monitor global expansion trends in Chinese manufacturing industry, and explore opportunities in overseas warehousing and cross-border logistics services as appropriate, cultivating its international growth capabilities.

Enhancing Governance and Risk Control to Support Sustainable Growth**Improving Corporate Governance and Institutional Mechanism**

The Group will further advance the Actions for Deepening and Enhancing State-owned Enterprise Reform, continuously refining the modern corporate system with Chinese characteristics and optimizing its corporate governance structure and decision-making mechanisms. The Group will deepen reforms in labor, personnel and compensation systems to improve human resource allocation, and intensify efforts in "recruit externally and cultivate internally" for talents in emerging business sectors, aiming to build a workforce aligned with the Group's strategic transformation and development. The Group will also improve its differentiated performance evaluation system tailored to the specific characteristics of each business unit, establishing a sound fault-tolerance and exemption mechanism, fostering an enabling environment for innovation exploration and transformation-driven initiatives, and motivating employees to contribute and pursue excellence.

Building a Robust and Comprehensive Risk Prevention and Control System

The Group will remain firmly committed to compliant operations, strengthen risk assessment and control in key areas such as asset-light and emerging businesses, and refine its compliance management checklists. The Group will enhance safety production by advancing the development of an intelligent monitoring platform, to achieve full coverage of safety control in key areas. Financial risk management and control will be improved through capital stress tests to ensure stable cash flow and prevent systemic risks.

Advancing ESG Initiatives and Fulfilling Social Responsibilities

The Group will deeply integrate sustainability across operations, continuously promoting green and low-carbon initiatives such as green park construction and distributed photovoltaic projects to reduce operational carbon emissions. The Group will actively fulfill its social responsibilities by deepening public welfare initiatives, including operating China-Europe Railway Express (Shenzhen), supporting micro, small and medium-sized foreign trade enterprises, and promoting rural revitalization, to demonstrate its commitment as a state-owned enterprise. The Group will also continue to refine its ESG governance structure and information disclosure, enhancing its ESG management capability to strengthen its brand influence and market recognition.

In 2026, as challenges and opportunities coexist, the Group will remain strategically focused, act with greater pragmatism, and deploy more targeted measures to achieve its goals and overcome key challenges, striving diligently to meet its annual targets and creating greater value for all shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

	31 December 2025 HK\$ million	31 December 2024 HK\$ million	Increase/ (Decrease)
Total Assets	152,328	135,998	12%
Total Liabilities	89,695	81,475	10%
Total Equity	62,633	54,523	15%
Net Asset Value attributable to shareholders	35,584	32,500	9%
Net Asset Value per share attributable to shareholders (HK dollar)	14.6	13.5	8%
Cash	10,203	9,670	6%
Bank borrowings	42,353	35,505	19%
Notes and bonds	27,544	24,944	10%
Total Borrowings	69,897	60,449	16%
Net Borrowings	59,694	50,779	18%
Debt-asset Ratio (Total Liabilities/Total Assets)	59%	60%	(1) [#]
Ratio of Total Borrowings to Total Assets	46%	44%	2 [#]
Ratio of Net Borrowings to Total Equity	95%	93%	2 [#]
Ratio of Total Borrowings to Total Equity	112%	111%	1 [#]

[#] Change in percentage points

KEY FINANCIAL INDICATORS

As at 31 December 2025, the Group's total assets and total equity amounted to approximately HK\$152,328 million and HK\$62,633 million, respectively, while net asset value attributable to shareholders was approximately HK\$35,584 million. Net asset value per share was HK\$14.6, reporting an increase of 8% as compared to the end of last year, mainly due to the increase in profit attributable to shareholders and the appreciation of RMB during the Year. The debt-to-asset ratio was 59%, a decrease of 1 percentage point compared to the end of last year. The gearing ratio (calculated on the basis of net borrowings to total equity) was 95%, representing an increase of 2 percentage points as compared with that at the end of last year. Such increase was primarily due to the additional borrowings incurred as a result of increased investment activities during the Year.

CASH FLOW AND FINANCIAL RATIOS

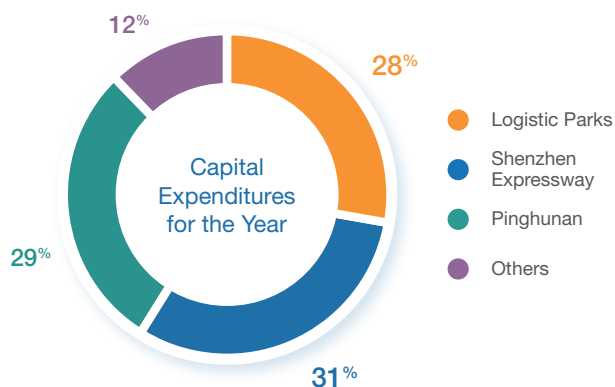
During the Year, net cash generated from operating activities amounted to approximately HK\$4,515 million, while net cash used in investing activities amounted to approximately HK\$11,127 million. Net cash generated from financing activities amounted to approximately HK\$6,741 million. The Group's core businesses continued to generate a stable cash inflow. The Group closely monitors changes in total borrowings to maintain its financial ratios at a stable and healthy level.

CASH BALANCE

As at 31 December 2025, cash held by the Group amounted to approximately HK\$10,203 million (31 December 2024: HK\$9,670 million), representing an increase of 6% as compared to the end of last year. To facilitate the Group's operations and development in the PRC, cash held by the Group is mainly denominated in RMB. The Group maintains an effective treasury policy to manage its cash on hand that centralizes the allocation of funds with the aim of reducing idle funds and achieving higher return on its cash portfolio in order to provide strong support for the development of its business.

CAPITAL EXPENDITURES

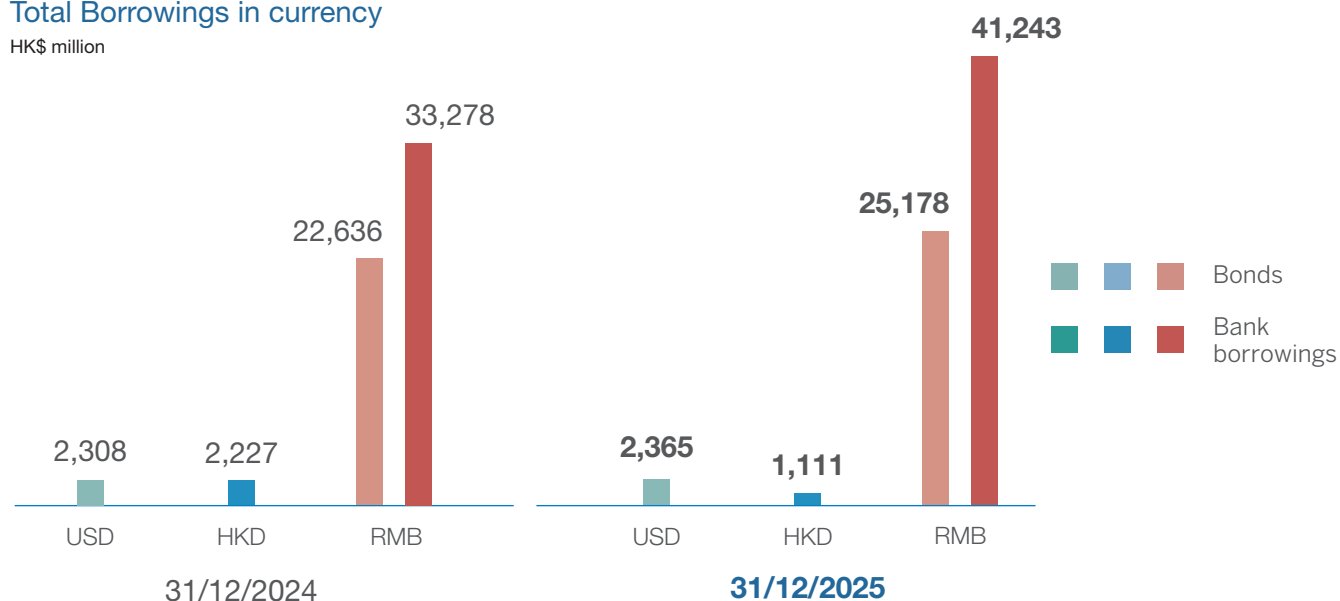
The Group's capital expenditures for the Year amounted to approximately RMB9,400 million (equivalent to HK\$10,500 million), primarily comprising investments of approximately RMB2,600 million in the logistics park projects, investments of approximately RMB2,900 million in Shenzhen Expressway's projects, investments of approximately RMB2,740 million in the Pinghunan Project, and investments of approximately RMB290 million in the SZI South China Logistics Park transformation and upgrading projects. The Group expects that capital expenditures for 2026 will amount to approximately RMB8,500 million (equivalent to HK\$9,500 million), including approximately RMB1,800 million for the logistics park projects, approximately RMB4,600 million for Shenzhen Expressway's projects, approximately RMB880 million for the Pinghunan Project, and approximately RMB200 million for the SZI South China Logistics Park transformation and upgrading projects.



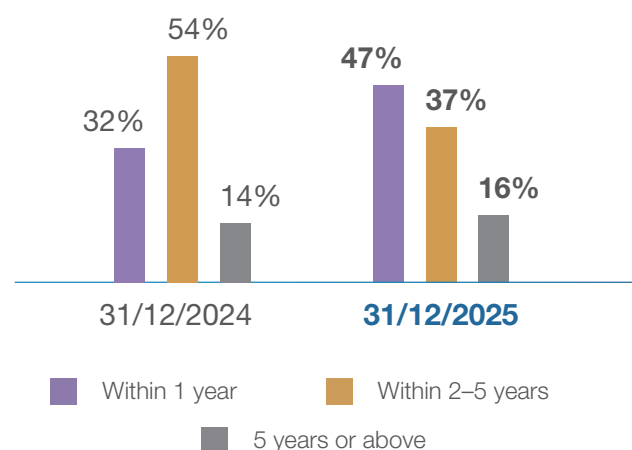
BORROWINGS

Total Borrowings in currency

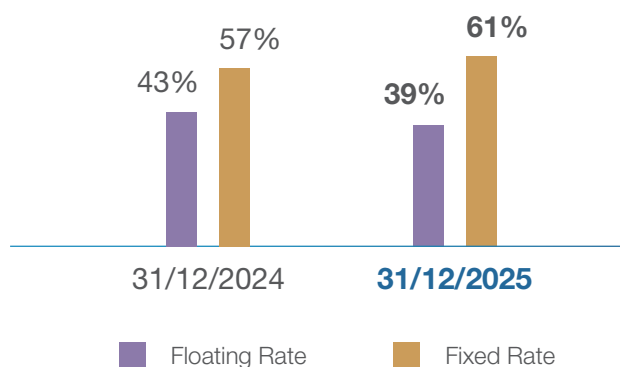
HK\$ million



Total Borrowings – Repayment Period



Total Borrowings – Analysis of Floating rate / Fixed rate



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

As at 31 December 2025, the Group's total borrowings amounted to approximately HK\$69,897 million, representing an increase of 16% as compared with the end of last year. During the Year, Shenzhen Expressway, a subsidiary of the Group, issued corporate bonds and medium-term notes totaling RMB3,800 million. 47%, 37%, and 16% of the Group's total borrowings are due for repayment within 1 year, within 2 to 5 years, and after 5 years or later, respectively.

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

THE GROUP'S FINANCIAL POLICY

Interest Rate Risk Management

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

Exchange Rate Risk

The cash flows, cash on hand, and assets of the businesses operated by the Group are mainly denominated in RMB, while our loans are mainly in RMB, with some also in HK\$ and US\$. During the Year, as affected by geopolitical factors, RMB/US\$ exchange rates continued to fluctuate. The Group will continue to monitor the foreign exchange market and manage its exchange rate risks by adjusting the currency structure of its borrowings and utilizing hedging instruments in a timely manner. As at 31 December 2025, the ratio between the Group's borrowings in RMB and in other currencies was around 95%:5%.

Liquidity Risk Management

As at 31 December 2025, the Group had cash on hand and standby banking facilities of approximately HK\$128,200 million. It maintained adequate funds and credit facilities and optimized its capital structure continuously to ensure its capability to operate as a going concern while expanding its business and to mitigate liquidity risk.

CREDIT RATINGS

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

PLEDGE OF ASSETS, GUARANTEES AND CONTINGENCIES

For details of the Group's pledge of assets, guarantees and contingencies as at 31 December 2025, please refer to notes 10, 23 and 39, respectively, of the consolidated financial statements.

HUMAN RESOURCES

HUMAN RESOURCES PHILOSOPHY

Guided by the philosophy of “Embracing the Dedicated as the Foundation”, the Group upholds its enterprise spirit of “Logistics with Ethics, for a Better World”. It views strategic human resources planning as the core of its overall strategic framework, and is committed to “providing a platform for honest and virtuous elites to work, and helping diligent and hardworking employees succeed”. In recent years, the Group has pursued its core values of “Dedication, Openness, Pragmatism and Collaboration”, fostering a team spirit of “Honesty, Tolerance, Mutual Assistance and Improvement”. It has selected and appointed operational and managerial staff based on the qualities of “selflessness, integrity, capability, motivation and proven performance” in order to build a scientific and rational human resources management platform, creating a fair and harmonious working environment while ensuring a continuous pipeline of talents for the Group’s business development.

The Group continued its efforts in undergoing reform as a state-owned enterprise, and supporting the “Double-Hundred Action” and accelerating initiatives aimed at enhancing value creation capabilities in building a world-class enterprise. The Group has been recognized as a national “Double-Hundred Benchmark Enterprise” for three consecutive years and has been highly recognized by the State-owned Assets Supervision and Administration Commission of the State Council, the Guangdong State-owned Assets Supervision and Administration Commission, as well as the Shenzhen State-owned Assets Supervision and Administration Commission. The Group has established an outstanding image as a forerunner in the reform among state-owned enterprises nationwide.

EMPLOYEES AND POLICIES ON REMUNERATION AND BENEFITS

As at 31 December 2025, the Group had a total of 8,740 (2024: 8,960) employees. During the Year, staff benefit expenses (including directors’ remuneration) were approximately HK\$1,880 million (2024: approximately HK\$1,753 million).

In terms of employee recruitment and policies on remuneration and benefits, the Group has implemented a series of innovative and improvement measures, established and continuously optimized its remuneration management system, long-term incentive and discipline mechanism and performance management system. Employee remuneration is determined based on the value of their position, competencies and job performance, while also considering market benchmarks.

The Group has formulated the “Employment Terms and Contract Management for Employees from Managerial Level”, establishing a position management model characterized by “defined authorities and responsibilities, clear rewards and penalties, precise performance targets and orderly position deployment” with strict tenure management and performance targets appraisal, thereby building an all-rounded, market-oriented professional team of operation and management.

In addition, the Group has also formulated the “Remuneration Management Policy for the Headquarter” to establish a remuneration mechanism based on performance and contribution. It aims to enhance the sense of responsibilities and diligence of the headquarter’s employees and to develop a competitive compensation framework that ensures both internal fairness and market competitiveness of remuneration at its headquarter.

EMPLOYEE PERFORMANCE APPRAISAL AND PROTECTION

The Group has formulated its “Performance Appraisal Guidelines for Departments and Employees at Headquarter”, vigorously enforcing position adjustments for low performers and letting go of underperformers. A group-wide performance appraisal mechanism is in place to regularly evaluate the performance of employees. Evaluation results are directly linked to salary adjustments and promotions, while a compulsory performance ranking system is adopted to motivate and enhance performance of employees. Meanwhile, the Group provides its employees with a comprehensive and competitive benefits package, covering health check-ups, MPF contributions, medical insurance, and education allowances etc., in order to attract and retain top talents, thereby building a solid talent foundation for the Group’s continuous development.

In 2025, the Group formulated the “Management Policy on Standardized Position Grade”, steadily advancing the implementation of a dual-track career system encompassing both management and professional roles. This initiative has broadened employees’ career development opportunities and facilitated the orderly talent mobility across the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Human Resources

EMPLOYEE DEVELOPMENT AND TRAINING PROGRAMS

The Group recognizes talent as the core asset of corporate development, placing paramount importance on the recruitment and nurturing of talent. The Group has continuously refined its talent selection and recruitment processes, while constantly diversifying recruitment channels. During the Year, the Group continued to recruit outstanding management talents and professionals in the logistics, port, cold chain and environmental protection sectors through market-based recruitment and campus hiring initiatives, thereby infusing “new vitality” into the Group and providing robust support for its future development.

In the selection and nurturing of managerial talents, the Group has further refined its mechanisms by conducting public recruitment and adopting a dual-track selection approach that combines examination and daily performance assessment, and integrates interview and test results. This has enabled the Group to identify a large number of outstanding young talents.

The Group provides comprehensive training and internal promotion opportunities to its employees and persistently promotes its “Elite Program”. This program focuses on four aspects, including selection, nurturing, deployment and management, to strengthen the talents pipeline across four key fields of investment and operation, development and construction, scientific and technological innovation as well as modern management. During the Year, the Group further deepened its “SZI Elite Program”. On the one hand, in collaboration with Xi’an Jiaotong University, we provided management and operational capability enhancement training for 43 employees of the Group. On the other hand, we conducted an onboarding training program for 31 fresh graduates of the 2025 cohort, helping them quickly familiarize themselves with the corporate environment, integrate into the corporate culture, and smoothly embark on their career journey. Meanwhile, the Group has implemented the “Three- Simultaneous Training Program” for five consecutive years, where 16 young employees were selected to join the program during the Year. It has also held eight rounds of cross-departmental training programs during the Year, involving 14 employees and effectively strengthening their practical operational skills. Through optimizing the talents frameworks and strengthening training, the Group ensures that its human resources are aligned with its development strategy and business needs.

SAFETY AND HEALTH

The Group is committed to providing its employees with a safe, efficient and comfortable working environment. It firmly believes that a high-quality workplace not only safeguards the health and safety of the employees but also enhances work efficiency and team morale. In recent years, the Group has organized employee sports day and interest group activities to enrich their leisure time and strengthen team cohesion. It has arranged annual health check-ups, established on-site clinics, maintained medical benefits for its employees, and monitored the health conditions of its employees in a timely manner. Orientation programs have also been organized for new employees to help them quickly integrate into the Group’s corporate culture. The Group has also hosted employee birthday parties and corporate culture family day, facilitating face-to-face communications between management and employees and their families, fostering a culture of care and enhancing employees’ sense of belonging. Meanwhile, the Group has continued to organize work safety training, fire safety drills, and occupational health education to constantly enhance employees’ ability to prevent safety risks and respond to emergencies.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

MEMBERS OF THE BOARD

Executive Directors

Mr. Li Haitao

Chairman of the Board



Mr. Li Haitao, aged 59, was appointed as an Executive Director and the Chief Executive Officer of the Company in June 2016, and has been re-designated from the Chief Executive Officer to the Chairman of the Board since 6 May 2020. Mr. Li currently serves as a director of a subsidiary of the Company. Mr. Li is responsible for devising the Group's overall development strategy and important systems, as well as overseeing the implementation of resolutions of the general meetings and the

Board. Mr. Li studied at Peking University HSBC Business School and previously held positions in various government departments in relation to administration for industry and commerce, personnel and labor as well as public works construction. Mr. Li has a comprehensive and in-depth understanding of social governance and practices in governmental operations in China after having served government departments at township, county, district and municipal levels and undertaken leadership positions with various specialized authorities over a span of more than 30 years. Mr. Li is well-versed in economic management, land development, construction works, industrial and commercial administration and personnel management, as well as extensive exposures across various social sectors and experiences in economic management. Since becoming the Chairman of the Board, Mr. Li has focused on enhancing the Group's capabilities and driving its high-quality corporate development. He places great emphasis on Board development and actively explores modern corporate governance with Chinese characteristics. Mr. Li has established a number of foundational measures systems relating to the Company's long-term development, and has implemented eight major reforms in respect of investment decisions, project management and other matters, as well as the "Eight Abilities" human resource management system. These initiatives have significantly enhanced the Company's corporate governance standard, management and operational capability, and core competitiveness in recent years. The Company has received several awards, including being recognized as the "Double-Hundred Benchmark Enterprise" in the state-owned enterprise reform by the State-owned Assets Supervision and Administration Commission of the State Council and the benchmark enterprise in Guangdong Province's Key State-Owned Enterprise Management Improvement Action for three consecutive years. The Group's logistics infrastructure business has risen to the industry's first tier, while its core businesses, including ports, toll roads, and general environmental protection-related businesses have also achieved substantial progress. These developments have further strengthened the Company's market position and enhanced its brand influence.

Mr. Liu Zhengyu

Chief Executive Officer
Chairman of the
Sustainability Committee



Mr. Liu Zhengyu, aged 55, was appointed as an Executive Director and the Chief Executive Officer of the Company in September 2021. He is also the Chairman of the Sustainability Committee of the Company. Mr. Liu currently serves as a director of a subsidiary of the Company. Mr. Liu holds a Bachelor's degree in Economics and a Master's degree in Business Administration. He has also obtained the qualification as a senior accountant. Mr. Liu has previously served as a chief accountant and a deputy

general manager of Shenzhen Investment Holdings Company Limited, the chairman of the board of directors and a director of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd., a director of Shenzhen Cereals Holdings Co., Ltd. and Telling Telecommunication Holding Co., Ltd, a non-executive director and the chairman of the board of directors of Shenzhen Investment Holdings Bay Area Development Company Limited (a subsidiary of the Company) and a director of China State-owned Venture Capital Fund Co., Ltd. Mr. Liu has served as senior management and director of large enterprises for years and has extensive experience in corporate management, strategic management, investment and mergers and acquisitions, capital operation matters.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors *(continued)*

Mr. Wang Peihang

Member of the
Nomination Committee
Member of the
Sustainability Committee



Mr. Wang Peihang, aged 58, was appointed as an Executive Director of the Company in September 2020. He is also a member of each of the Nomination Committee and Sustainability Committee of the Company. Mr. Wang currently serves as a director of a subsidiary of the Company. Mr. Wang holds an Executive Master's degree in Business Administration from Tianjin University. He has held various leadership positions in Shenzhen Institute of Education and Organization Department of Shenzhen Municipal Committee. In addition, Mr. Wang was a director of

Shenzhen Yantian Port Group Co., Ltd. and a supervisor of Shenzhen Yantian Port Holdings Co., Ltd. Mr. Wang took part of human resources management for years and has extensive experience in economic management and port business.

Ms. Liu Xiuli

Financial Controller



Ms. Liu Xiuli, aged 53, was appointed as an Executive Director and the financial controller of the Company in November 2025. Ms. Liu holds a Bachelor's degree in Economics in Monetary Banking from Dongbei University of Finance and Economic in China. She has also obtained the qualification as a senior accountant. Ms. Liu has previously served as deputy general manager of Shenzhen Tianjian Real Estate Development Industrial Co., Ltd., a director and the financial controller of Shenzhen State-owned Duty-free Commodities (Group) Co., Ltd., and a director

and the financial controller of Shenzhen Airport (Group) Co., Ltd. Ms. Liu has held directorship and senior management positions in several large enterprises and has nearly 30 years of extensive financial management experience.

Non-Executive Director

Mr. Cai Xiaoping

Member of the Remuneration
and Appraisal Committee



Mr. Cai Xiaoping, aged 52, was appointed as a Non-Executive Director of the Company in July 2024. He is also a member of the Remuneration and Appraisal Committee. Mr. Cai holds a Bachelor's degree in Business Administration from Shenzhen University. Mr. Cai is currently a director of Shenzhen Special Economic Zone Construction Group Co., Ltd., Shenzhen Environmental Water Affairs Group Co., Ltd. and Shenzhen Water Affairs (Group) Co., Ltd. Mr. Cai was the deputy director, researcher and director of the division of personnel appraisal and

allocation of the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government, as well as a director of Shenzhen United Property Rights Exchange Co., Ltd., Shenzhen Talent Housing Group Co., Ltd., Shenzhen Investment Holdings Co., Ltd., Shenzhen Major Industry Investment Group Co., Ltd. and Shenzhen Trading Group Co., Ltd. Mr. Cai has extensive experience in corporate operation and management, performance appraisal and incentives, and corporate governance.

Independent Non-Executive Directors

Mr. Pan Chaojin

Chairman of the
Nomination Committee
Chairman of the Remuneration
and Appraisal Committee
Member of the
Audit Committee



Mr. Pan Chaojin, aged 61, was appointed as an Independent Non-Executive Director of the Company in June 2020. He is also the Chairman of each of the Nomination Committee and the Remuneration and Appraisal Committee, and a member of the Audit Committee of the Company. Mr. Pan holds a Master's degree in Industrial Economics from Nanjing University and is currently the president of China-USA Benchmark Group, Ltd., a special researcher at the

Enterprise Restructuring Institute of the Renmin University of China, a distinguished professor at the China Business Executives Academy, Dalian and a consultant of Beijing Dacheng Law Offices, LLP ("Beijing Dacheng"). He was awarded "Outstanding Individual for Development of Leading Management and Consultation Industry" in 2013. Mr. Pan was the director of investment of Shanghai Fosun Industry Investment Co., Ltd. and the head of the State-owned Enterprise Restructuring Department of Beijing Dacheng. Mr. Pan participated in the planning and implementation of the first general offer of a listed company in China, chaired or participated in, among other projects, the restructuring of various major provincial and municipal state-owned enterprises, organized or participated in the business integration, merger and acquisition, strategic consultation and management improvement of various enterprises, and participated in the researches on, among other subjects, state-owned enterprises in transition and overseas enterprise restructuring by the State-owned Assets Supervision and Administration Commission of the State Council. With extensive involvement in the management and restructuring of state-owned enterprises, Mr. Pan has extensive experience in corporate governance, group management, strategic transformation and capital operation.

Dr. Zeng Zhi

Chairman of the
Audit Committee
Member of the
Sustainability Committee



Dr. Zeng Zhi, aged 54, was appointed as an Independent Non-Executive Director of the Company in February 2022. He is also the Chairman of the Audit Committee and a member of the Sustainability Committee of the Company. Dr. Zeng holds a Master's degree in Finance from Zhongnan University of Economics and Law, a Master's degree in Applied Business Research and a Doctoral degree in Business Administration from SBS Swiss Business School. He is also a fellow member of each of the Hong Kong Institute of Certified Public Accountants and the

Association of Chartered Certified Accountants. He has also been awarded the professional qualification certificate in accountancy by the Ministry of Finance of the PRC. Dr. Zeng is currently a chief financial officer of a financial technology company in Hong Kong and also acts as a member of the Advisory Board on Accountancy of Lingnan University in Hong Kong. Dr. Zeng was an executive director and chief financial officer of Haike Chemical Group Ltd., an independent non-executive director of GTS Chemical Holdings Plc, and acted as chief financial officer, company secretary and/or qualified accountant of several companies in Chinese mainland, Hong Kong, China and Singapore. Dr. Zeng has extensive experience in corporate governance, strategic planning, financial control and capital operation.

Independent Non-Executive Directors *(continued)*

Dr. Wang Guowen

Member of the
Audit Committee
Member of the Remuneration
and Appraisal Committee



Dr. Wang Guowen, aged 60, was appointed as an Independent Non-Executive Director of the Company in September 2022. He is also a member of each of the Audit Committee and Remuneration and Appraisal Committee of the Company. Dr. Wang holds a Doctoral degree in World Economics from Nankai University and completed post-doctoral research in supply chain management in Peking University. He is also a senior research fellow in economics. Dr. Wang is currently the director of the China

Development Institute in Shenzhen ("CDI"), which is one of the national high-end think tanks in China, and the founding director, research director, and academic leader of the Center for Logistics and Supply Chain Management at CDI. He is also the vice president of China Society of Logistics, chief representative of the China Round-table of the Council of Supply Chain Management Professionals, the chairman of the Expert Committee on Blockchain Application in Logistics and Supply Chain under the China Federation of Logistics & Purchasing ("CFLP"), and the chairman of the CFLP Green Logistics Expert Committee, as well as a visiting professor of Nankai University, Beijing Jiaotong University and The Hong Kong Polytechnic University. Dr. Wang is an independent non-executive director of Henan Xinning Modern Logistics Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange, Stock Code: 300013). Dr. Wang was an independent non-executive director of Shenzhen Feima International Supply Chain Co., Ltd. Dr. Wang has previously served as an expert at the World Bank and the Asian Infrastructure Investment Bank, and the Chinese industry convener of APEC Asia-Pacific Supply Chain Consortium (A2C2). Dr. Wang has extensive experience in regional economy, industrial development planning, logistics and supply chain management.

Professor Ding Chunyan

Member of the
Nomination Committee
Member of the
Sustainability Committee



Professor Ding Chunyan, aged 48, was appointed as an Independent Non-Executive Director of the Company in March 2024. She is also a member of each of the Nomination Committee and the Sustainability Committee of the Company. Professor Ding holds a Bachelor's degree in Laws and a Master's degree in Laws from Peking University, a Master's degree in Laws from University College London and a Doctor of Philosophy degree in Laws from the University of Hong Kong. She has been qualified as a PRC

lawyer since 2001 and was granted the Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC in 2002. Professor Ding is currently an associate dean and professor at the Law School of the City University of Hong Kong. Professor Ding was a Fulbright research fellow at Harvard Law School, where she conducted research on comparative health and tort law, and an elected visiting scholar at the Max Planck Institute for Comparative and International Private Law in Germany. Professor Ding has extensive experience in law and administration.

Senior Management

Mr. Ge Fei

Vice President



Mr. Ge Fei, aged 57, was appointed as a Vice President of the Company in May 2017. Mr. Ge currently serves as a director of certain subsidiaries of the Company. Mr. Ge holds a Bachelor's degree in Civil Engineering from Beijing Jiaotong University. Mr. Ge joined the fifth engineering bureau of the Ministry of Railways in August 1990. He joined Xin Tong Chan Development (Shenzhen) Co., Ltd. (formerly Shenzhen Freeway Development Company Limited, which became a subsidiary of the Company in October 2001) in January 1994. He joined Shenzhen Expressway Corporation Limited in October 1998 and successively served as deputy general manager and general manager of various expressway projects. He was the executive director of Shenzhen Guangshen Coastal Expressway Investment Company Limited, a vice president of Shenzhen Expressway Corporation Limited and a chairman of Shenzhen International Logistics Development Company Limited. Mr. Ge has extensive experience in construction project management, land development, logistics development and operation, corporate management and investment.

Mr. Fan Zhiyong

Vice President



Mr. Fan Zhiyong, aged 52, was appointed as a Vice President of the Company in August 2020. Mr. Fan graduated from the School of Materials Science at Tongji University in Shanghai. He also holds an Executive Master's degree in Business Administration from Xiamen University. Mr. Fan joined the Group in May 2003 and currently serves as a director of certain subsidiaries of the Company. Mr. Fan has nearly 30 years of extensive experience in engineering management and corporate operation and management.

Mr. Hou Shenghai

Vice President



Mr. Hou Shenghai, aged 53, was appointed as a Vice President of the Company in March 2021. Mr. Hou currently serves as a non-executive director and a member of the Strategy and Investment Committee of Shenzhen Expressway Corporation Limited, a subsidiary of the Company, and also serves as director of several other subsidiaries of the Company. Mr. Hou holds a Master's degree in Architecture and Civil Engineering. Mr. Hou was a director and vice chairman of Shenzhen Airlines Company Limited and previously held several management positions at various levels in the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government. He joined the Company in February 2016 and successively served as the general manager of the administration department and chief administrative officer. Mr. Hou has extensive experience in project and construction management, corporate management and administrative management.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Senior Management *(continued)*

Mr. Du Peng

Vice President



Mr. Du Peng, aged 53, was appointed as a Vice President of the Company in April 2022. Mr. Du currently serves as a director of certain subsidiaries of the Company. Mr. Du holds a Master's degree in Education. Mr. Du had served in various departments of the government for many years, and had successively held senior management positions in various state-owned enterprises such as Shenzhen Agricultural Products Group Co., Ltd. and Shenzhen Talent Group Co., Ltd. Mr. Du has extensive experience in administrative management and corporate management.

Mr. Zhou Zhiwei

Vice President



Mr. Zhou Zhiwei, aged 48, was appointed as a Vice President of the Company in January 2024. Mr. Zhou holds a Doctoral degree in Philosophy. Mr. Zhou currently serves as a director of Air China Cargo Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange, Stock Code: 001391) and a director and a vice chairman of Shenzhen Airlines Company Limited. Mr. Zhou was a non-executive director of the Company and served in various departments of the Shenzhen Municipal Government. Mr. Zhou is familiar with the operation of the Chinese government and corporate management and has extensive experience in economic management.

Ms. Fan Shifang

Supervision Officer



Ms. Fan Shifang, aged 55, was appointed as the Supervision Officer of the Company in May 2025. Ms. Fan holds a Bachelor's degree in Highway and Urban Road Engineering from Southeast University and a Master's degree in Economics in International Trade from the University of International Business and Economics. Ms. Fan has previously held senior management positions, including serving as a director and the chief financial controller of Shenzhen Investment Holdings Co., Ltd. and as the chief financial controller of Shenzhen Major Industrial Investment Group Co., Ltd. Ms. Fan has extensive experience in financial management and corporate management.

REPORT OF THE DIRECTORS

The board of directors of the Company (the “Board”) hereby presents their report and the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “Year”).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group is principally engaged in logistics, toll road, port and general-environmental protection businesses. Through investment, mergers and acquisitions, restructuring and consolidation, the Group focuses on the investment, construction and operation of logistics infrastructure in the four major areas of “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure” (including inland ports, urban integrated logistics parks, air cargo terminals and railway logistics terminals) and toll roads. The Group provides its customers with value-added logistics services including intelligent warehouses and integrated cold chain warehousing, and also expands its business segments to include the comprehensive development of land associated with the “Logistics + Commerce” industries as well as the investment in and operation of general-environmental protection business. Particulars of the principal activities of the Company’s principal subsidiaries are set out in note 43 to the consolidated financial statements.

Particulars of a discussion and analysis on the matters specified in Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), including a fair review of the Group’s business, the performance during the Year, a discussion on the principal risks and uncertainties facing the Group, important events that have occurred after the balance sheet date (if any), an indication of likely future development in the Group’s business, an analysis using financial key performance indicators, are set out in this report and the “FINANCIAL HIGHLIGHTS”, “CHAIRMAN’S STATEMENT”, “MANAGEMENT DISCUSSION AND ANALYSIS” and “CORPORATE GOVERNANCE REPORT” in this annual report.

In addition, a discussion on the Group’s environmental policies and performance and an account of the Group’s key relationships with its stakeholders are set out in the 2025 Environmental, Social and Governance Report of the Company (the “ESG Report”).

The above sections in the annual report and the ESG Report form an integral part of this report.

RESULTS OF THE GROUP

The Group’s results for the year ended 31 December 2025 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 128 to 244.

DIVIDENDS

The Board recommended a final dividend of HK\$0.46 per share for the Year (2024: HK\$0.598 per share), which amounted to approximately HK\$1,124 million (2024: HK\$1,441 million) in aggregate.

The Board recommended that the final dividend be satisfied wholly in the form of an allotment of scrip shares. Shareholders will be given the option of receiving the final dividend wholly in cash in lieu of such allotment, or partly in cash and partly in the form of scrip shares (the “Scrip Dividend Scheme”). The Scrip Dividend Scheme is subject to: (1) the approval of the proposed final dividend at the forthcoming annual general meeting; and (2) The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the scrip shares to be issued pursuant thereto. Details of the Scrip Dividend Scheme and the election form will be sent to Shareholders in late May 2026. It is expected that the dividend warrants and certificates for scrip shares allotted under the Scrip Dividend Scheme will be dispatched to Shareholders in late June 2026.

REPORT OF THE DIRECTORS

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on pages 5 to 7 of this annual report.

SHARE CAPITAL AND EQUITY-LINKED AGREEMENTS

Details of the movements in the issued shares and share options of the Company during the Year, together with the reasons thereof, are set out in note 21 to the consolidated financial statements.

Save as disclosed in the section headed “SHARE OPTION SCHEME” below, no equity-linked agreement was entered into by the Company, or subsisted during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws or the Companies Act of Bermuda which would oblige the Company to offer new shares on a pro rata basis to its existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

On 10 January 2022, the Company issued the corporate bonds (first tranche 2022) in the amount of RMB1,000 million with an initial coupon rate of 2.95% and a term of 6 years. The bonds, listed on the Shenzhen Stock Exchange, included a bondholder sell-back option and an issuer coupon rate adjustment option, both exercisable at the end of the third year. As the bondholders exercised the sell-back option, the Company repurchased the corporate bonds in full at par on 10 January 2025 and paid the relevant interest according to the terms of the bonds. For details of the above repurchase, please refer to the relevant overseas regulatory announcement of the Company dated 8 January 2025.

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

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution to Shareholders, comprising contributed surplus, retained earnings and other distributable reserves, amounted to approximately HK\$2,755,619,000 (2024: HK\$2,930,060,000). The share premium of the Company may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

Both the revenue attributable to the largest five customers combined and the purchases attributable to the largest five suppliers combined of the Group accounted for less than 30% of the Group's total revenue and purchases respectively for the Year.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group is committed to continuously enhancing its customer service capabilities and standards. By aligning its business features with the market trends, the Group has clearly defined its customer positioning and service strategies. A customer management system has been established, leveraging a diverse array of channels and tools, including information technology and face-to-face visits, to timely and accurately capture customer dynamics and evolving needs. By strengthening the business collaborations and integrations, the Group aims to improve its service quality, enhance customer service awareness and capabilities, thereby strengthening the core competitiveness of the Group.

The Group is committed to aligning its interests with our suppliers. We have cultivated strategic cooperative relationships with numerous high-caliber partners fostering relationships that are harmonious, mutually trusting and beneficial. The Group has also established supplier management and evaluation mechanisms to safeguard its business development as well as to promote joint development of both the suppliers and the Company. Additionally, in respect of operating the Group's logistics parks, ports, logistics services, toll road and other businesses, the Group strictly adheres to adopting a fair, impartial and transparent tender method for procurement, selecting the best options and performing contracts conscientiously in accordance with applicable laws, thereby ensuring the achievement of the collective goals.

DIRECTORS

The directors of the Company (the "Directors") during the Year and up to the date of this report were:

Executive Directors:

Mr. Li Haitao (*Chairman*)

Mr. Liu Zhengyu (*Chief Executive Officer*)

Mr. Wang Peihang

Dr. Dai Jingming (*resigned on 24 January 2025*)

Ms. Liu Xiuli (*appointed on 28 November 2025*)

Non-Executive Director:

Mr. Cai Xiaoping

Independent Non-Executive Directors:

Mr. Pan Chaojin

Dr. Zeng Zhi

Dr. Wang Guowen

Professor Ding Chunyan

Ms. Liu Xiuli was appointed as an executive Director with effect from 28 November 2025. In accordance with Bye-law 100 of the Bye-Laws, she will offer herself for re-election by the Shareholders at the annual general meeting to be held on 13 May 2026.

In accordance with Bye-law 109(A) of the Bye-Laws, Mr. Wang Peihang, Dr. Zeng Zhi and Professor Ding Chunyan will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election as Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

None of the Directors or entities connected to any of them had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries, the holding company of the Company or any of its subsidiaries was a party subsisting during or at the end of the Year.

DIRECTORS' INTERESTS IN SECURITIES

The interests in securities of the Directors are separately disclosed in the section headed "DISCLOSURE OF INTERESTS" on pages 126 to 127 of this annual report. In addition, the interests of the Directors in the share options of the Company are disclosed in the section headed "SHARE OPTION SCHEME" below.

REPORT OF THE DIRECTORS

Save as disclosed in the section headed “DISCLOSURE OF INTERESTS” on pages 126 to 127 of this annual report and the section headed “SHARE OPTION SCHEME” below, at no time during the Year was the Company, any of its subsidiaries, the holding company of the Company or any of its subsidiaries a party to any arrangement to enable the Directors, chief executives, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

On 16 May 2014, the Company adopted a share option scheme (the “2014 Share Option Scheme”). The 2014 Share Option Scheme aims to reward, encourage and motivate the eligible participants who made contributions to the Group. Eligible participants of the scheme include (a) any full-time employee(s) of the Group, (b) any director(s) (including executive, non-executive or independent non-executive director(s)) of the Group and associate and joint ventures of the Group, or (c) any substantial shareholder(s) of the Company.

The 2014 Share Option Scheme was valid for a period of 10 years commencing from 16 May 2014, and expired on 15 May 2024. However, all outstanding options granted under the scheme but yet to be exercised remain valid and exercisable.

Details of the movements of share options under the 2014 Share Option Scheme during the Year are as follows:

			Number of share options							Share Price of the Company ⁽³⁾	
Name	Date of grant ⁽¹⁾	Exercise period	Exercise price	As at 1 January 2025	Granted during the Year	Adjusted during the Year	Exercised during the Year	Cancelled/ lapsed during the Year ⁽²⁾	As at 31 December 2025 (Approximate % of issued shares of the Company)	Immediately before the date of grant of share options	Immediately before the date of exercise of share option
Directors											
Mr. Li Haitao	1 November 2023	1 November 2025 to 31 October 2028	5.370	1,844,000	–	–	–	(737,600)	1,106,400 (0.045%)	5.150	N/A
Mr. Liu Zhengyu	1 November 2023	1 November 2025 to 31 October 2028	5.370	1,752,000	–	–	–	(700,800)	1,051,200 (0.043%)	5.150	N/A
Mr. Wang Peihang	1 November 2023	1 November 2025 to 31 October 2028	5.370	1,567,000	–	–	–	(626,800)	940,200 (0.038%)	5.150	N/A
				5,163,000	–	–	–	(2,065,200)	3,097,800		
Other employees in aggregate	1 November 2023	1 November 2025 to 31 October 2028	5.370	50,291,000	–	–	–	(20,116,400)	30,174,600	5.150	N/A
				55,454,000	–	–	–	(22,181,600)	33,272,400		

Notes:

- (1) The first 40%, the second 30% and the remaining 30% of these granted share options will be vested on the second, the third and the fourth anniversary from the date of grant respectively. The vesting of these share options is subject to the achievement of performance targets comprising multiple satisfactory key performance indicators (including the business and financial performance of the Group and individual performance based on the annual performance assessment results).
- (2) As at 31 December 2025, a total of 22,181,600 share options were cancelled pursuant to the terms of the 2014 Share Option Scheme.
- (3) The share price of the Company immediately before the date of the grant of the share options disclosed herein was the closing price quoted by the Stock Exchange on the trading day immediately prior to the date of the grant of the share options. The share price of the Company immediately before the date of exercise of the share options disclosed herein was the weighted average of the closing price(s) of the shares on the day(s) immediately before the date(s) on which the share options within the disclosure category were exercised.

The total number of shares of the Company available for issue under the 2014 Share Option Scheme mandate limit is 165,905,769 shares, which represent approximately 6.79% of the issued shares of the Company as at the date of this report. As at 1 January 2025 and 31 December 2025, there were no share options available for grant under the scheme.

A total of 22,181,600 share options were cancelled during the Year. Furthermore, as of 31 December 2025, none of the share options granted under the scheme were vested, and accordingly, no shares may be issued in respect of such options during the Year.

Other than the above disclosures, no share options under the scheme were granted, exercised, lapsed or cancelled during the Year.

Under the 2014 Share Option Scheme, the total number of shares of the Company issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the shares of the Company in issue. Further, where any further grant of share options to an eligible participant would result in the shares of the Company issued and to be issued upon exercise of all share options granted and to be granted to such eligible participant (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares of the Company in issue, such further grant must be separately approved by the Shareholders in general meeting.

Under the 2014 Share Option Scheme, an offer of a grant of share options may be accepted within 7 days from the respective date of the grant with a cash consideration of HK\$1 payable by the grantee to the Company. There is no prescribed vesting period under the 2014 Share Option Scheme. The period for the exercise of a share option granted under the scheme is determined by the Board, but in any event such period shall not go beyond 5 years from the date of grant.

Under the 2014 Share Option Scheme, the exercise price is solely determined by the Board and shall be at least the higher of: (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

The interests in shares of the Company held by substantial shareholders of the Company are separately disclosed in the section headed "DISCLOSURE OF INTERESTS" on pages 126 to 127 of this annual report.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-Laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him or her in the execution of the duties of his or her office or in relation thereto. The directors' and officers' liability insurance undertaken by the Company during the Year provides such indemnification for all Directors and the directors of its subsidiaries (excluding Shenzhen Expressway and its subsidiaries). The relevant provisions in the Bye-Laws and the directors' and officers' liability insurance were in force during the Year and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(1) Related party transactions

Details of significant related party transactions of the Group (which do not constitute connected transactions and continuing connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) are set out in note 42 to the consolidated financial statements. The Directors confirm that the Company has complied with the disclosure requirements (if any) in accordance with Chapter 14A of the Listing Rules.

(2) Connected transactions

During the Year, there were no connected transactions or continuing connected transactions of the Group that were not fully exempted from shareholders’ approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group regularly monitors and gathers information on amendments to laws, regulations and rules relevant to the Group’s business, strengthens the legal training of its staff, continues to reinforce the mechanisms for the prevention of legal risks and promotes an in-depth integration of legal management and operation management to ensure the Group’s adherence to those applicable laws, rules and regulations and in particular those which may have a material impact on the Group and to timely prevent and control legal risks.

During the Year, the Group commenced and progressed various business projects in strict accordance with laws and regulations. The Group’s logistics business and toll road business are conducted in compliance with regulations including Land Administration Law (《土地管理法》), Urban and Rural Planning Law (《城鄉規劃法》), Urban Real Estate Administration Law (《城市房地產管理法》) and Regulations on Administration of Toll Roads (《收費公路管理條例》). The Group’s logistics financing business also obtained the financing licence from the government and its operations also strictly comply with Company Law, Contract Law, Administrative Measures for the Supervision of Financial Leasing Enterprises (《融資租賃企業監督管理辦法》), Interim Measures for the Supervision and Administration of Privately Offered Investment Funds (《私募投資基金監督管理暫行辦法》) and other relevant state laws and regulations.

DONATIONS

During the Year, the Group made charitable and other donations amounted to approximately HK\$4,174,280.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float of at least 25% of the Company’s issued shares as required under the Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the “CORPORATE GOVERNANCE REPORT” on pages 98 to 125 of this annual report.

AUDITOR

There have been no changes of the auditors of the Company during the past five years. Deloitte Touche Tohmatsu will retire and a resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Li Haitao

Chairman

26 March 2026

CORPORATE GOVERNANCE REPORT

The Company believes that sound corporate governance goes beyond merely meeting the basic requirements of the regulatory authorities for listed companies. More importantly, sound corporate governance can facilitate the Company in achieving its development needs. In formulating and implementing its corporate governance practices, the Company has applied the principles in the Corporate Governance Code (the “Corporate Governance Code”) in Appendix C1 to The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Over the years, the Company has established several governance guidelines and procedures to clearly define the duties, scope of authority and standards of conduct of all parties. This enhances the Company’s corporate governance standards which are continuously reviewed and improved through implementation.

During the year ended 31 December 2025 (the “Year”), the Company has complied with the code provisions set out in the Corporate Governance Code.

The Company consistently strives to enhance its corporate governance practices, thereby promoting the Company’s sustainable development and enhancing value for the shareholders of the Company (the “Shareholders”).

Governance Highlights	
Board Structure and Independence	- More than one-third of the Board are independent non-executive Directors. As at the date of this report, 4 out of 9 Directors are independent non-executive Directors, exceeding the requirements as stipulated in the Listing Rules, ensuring independent oversight and impartial decision-making - The chairmen of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee are all independent non-executive Directors, further strengthening the independence and objective oversight functions of the Board’s specialized committees - The Sustainability Committee was established with clearly defined terms of reference to provide recommendations to the Board on sustainability matters and to oversee the Group’s implementation of sustainable development
Board Diversity	The Company is committed to optimizing the composition of the Board, striving to enhance both its diversity and professionalism. During the Year, the Company appointed a new female executive Director, further advancing gender diversity within the Board. Meanwhile, members of the Board possess diverse professional backgrounds spanning corporate management, finance, human resources and law, and their varied experience and expertise provide solid professional support for the formulation of corporate strategies
Board Meeting and Governance Procedure	- The Board convened 8 physical meetings during the Year, significantly exceeding the requirements as stipulated in the Listing Rules - Directors remained actively engaged in the Company’s affairs, discharging their decision-making and supervisory responsibilities with rigorous diligence and prudence, thereby contributing to the sustainable development of the Company. During the Year, the overall attendance rate at the Board meetings reached 99% - Directors are committed to continuously enhancing their skills and keeping abreast of the times. During the Year, all Directors participated in relevant continuous professional development trainings and activities. They regularly received the reports covering the Group’s key initiatives, financial performance, information disclosure and updates to the Listing Rules. This enabled them to deepen their knowledge of the Company’s development and industry trends, thereby fulfilling their duties more effectively
Refinement of Corporate Governance Policies	During the Year, the Company refined several core corporate governance policies. It revised the terms of reference of the Nomination Committee, the Board Diversity Policy, and the Director Nomination Policy, and newly adopted Employee Diversity, Equity and Inclusion Policy. These initiatives were undertaken to further enhance the corporate governance standards and ensure that the Company’s practices remain aligned with the latest regulatory requirements

CORPORATE CULTURE

The Company has set out the following values to provide guidance on employees' conduct and behaviors as well as the business activities, and to ensure these values are embedded in the Company's policies and business strategies:

Corporate Mission	:	to boost the real economy and to fully assume the role of a state-owned municipal ancillary service developer and operator to serve cities, industries and people's livelihood
Corporate Vision	:	continues to grow stronger, better and larger to become a first-class industrial group
Corporate Character	:	the integration of knowledge and action for driving steady and far-reaching development
Core Values	:	hard work, open-mindedness, pragmatism and coordination
Enterprise Spirit	:	logistics with ethics, for a better world
Business Philosophy	:	building value, sharing future

The Company has always attached great importance to corporate culture building. The Board plays a leading role in setting the Company's mission and strategic direction, as well as shaping and fostering the corporate culture to ensure that all business activities are aligned.

To further strengthen its corporate culture, the Company organized a series of employee care and cultural development activities during the Year, which significantly enhanced organizational cohesion and employees' sense of belonging. These included the successful hosting of the third Corporate Culture Family Day themed "Love, Connection, Sharing" to strengthen the recognition of the "family" culture within the corporate; organizing the "Healthy Living, Yoga with You" yoga course in response to the promotion of healthy lifestyle, demonstrating a genuine focus on employees' physical and mental wellbeing; and coordinating the 2025 Staff Sports Day, which spanned over a month with various competitions to promote internal communication and teamwork. These activities not only enriched the spiritual and cultural lives of employees and fostered a harmonious and progressive working atmosphere, but also allowed employees and their families to deeply experience the warmth and care of the "Shenzhen International Big Family". This further reinforced the Company's mission and core values, laying a solid foundation for the Company's high-quality development.

THE BOARD

Role and responsibilities of the Board

The Board is responsible for leading the Group's development, establishing the Group's strategic goals, and ensuring that the necessary financial and other resources are in place for the Group to meet its objectives. The principal duties of the Board are to manage and decide on the Group's development strategies, management structures, investment and funding, financial control, human resources, and so forth. Significant matters of the Group are required to be approved by the Board, including (but not limited to) the following:

- formulating the Group's development plans;
- determining the Group's operational and management strategies;
- preparing financial statements;
- approving notifiable transactions and connected transactions of the Group as required under the Listing Rules; and
- reviewing the dividends proposal.

CORPORATE GOVERNANCE REPORT

The Chairman and the Chief Executive Officer

The Chairman and the Chief Executive Officer of the Company are two distinct and separate positions and held by different individual. Their respective responsibilities have been clearly established and set out in writing as “The Roles of the Chairman and Chief Executive Officer” of the Company.

The Chairman is responsible for leading the Board and ensuring its effectiveness, fostering an open and communication culture that encourage Directors to actively participate and express their views, thereby enhancing the quality of Board’s decision-making. The Chairman also ensures that sound corporate governance practices and procedures are established, and that appropriate measures are taken to facilitate effective communication with Shareholders. The Chief Executive Officer, on the other hand, is responsible for managing the Group’s day-to-day business operations and implementing its strategies and objectives.

During the Year, Mr. Li Haitao and Mr. Liu Zhengyu serve as the Chairman and the Chief Executive Officer, respectively.

Board Composition

As at the date of this report, the Board consists of nine Directors, including four executive Directors: Mr. Li Haitao, Mr. Liu Zhengyu, Mr. Wang Peihang and Ms. Liu Xiuli; one non-executive Director: Mr. Cai Xiaoping; and four independent non-executive Directors: Mr. Pan Chaojin, Dr. Zeng Zhi, Dr. Wang Guowen and Professor Ding Chunyan. More than one-third of the members of the Board are independent non-executive Directors, exceeding the requirements of the Listing Rules.

Biographies of the Directors are set out in the section headed “Biographies of Directors and Senior Management” on pages 85 to 90 of this report. An updated list of Directors and their roles and functions is available on the websites of the Stock Exchange and the Company.

Board Diversity

The Company firmly believes that board diversity is a key factor in enhancing corporate governance standards, improving decision-making effectiveness, and supporting sustainable development. In accordance with the Company’s Board Diversity Policy, Director Nomination Policy, and related governance practices, when determining the composition of the Board, the Company takes into account various aspects of diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and tenure, ensuring a diverse and complementary board structure.

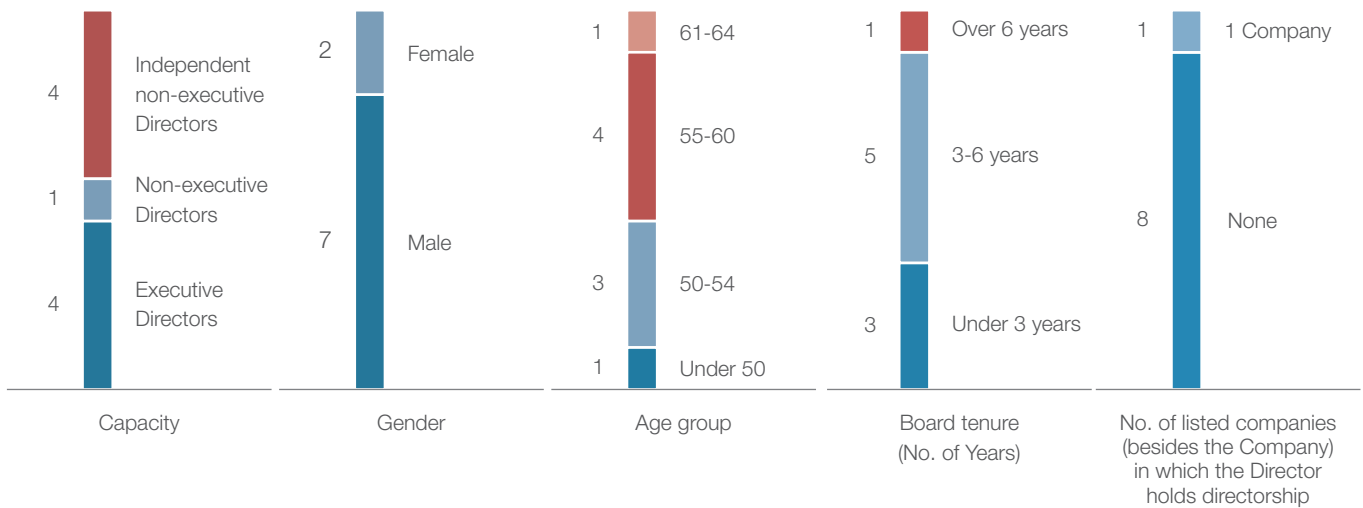
All Board appointments are made on a merit-based principle, with due consideration given to the benefits of diversity throughout the selection process. During the Year, the Company appointed a new female executive Director and chief financial officer with extensive financial management experience, increasing the number of female Board members to two, representing approximately 22% of the Board. Currently, the professional backgrounds of Board members encompass corporate management, finance, human resources, and law, forming a complementary mix of expertise. All Directors possess profound industry knowledge and extensive corporate management experience, enabling them to effectively grasp industry trends, manage risks, and drive the implementation of corporate strategies. This diverse and professional composition is highly aligned with the Company’s development strategy and corporate culture, supporting the Board to make prudent decisions from multiple perspectives and contribute to the Company’s sustainable growth.

To ensure that the composition of the Board remains aligned with the Company’s development needs, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy during the Year, and further refined the measurable objectives, including that the Board must include at least one member of a different gender, while striving to maintain a diverse mix of skills, knowledge, and experience that aligns with the Company’s business needs.

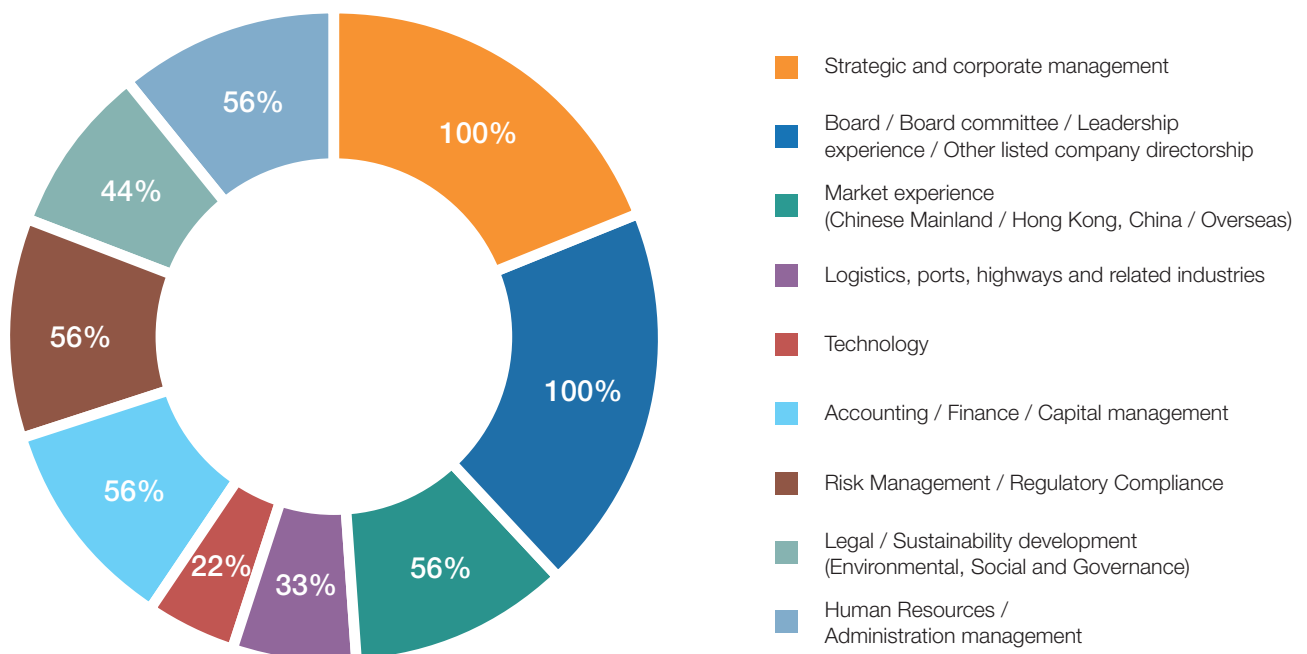
Biographies of the Directors (including their skills and experience) are set out in the section headed “Biographies of Directors and Senior Management” on pages 85 to 90 of this report.

As of the date of this report, the diversity of the Board is summarised as follows:

Perspectives on Board Members Diversity



Composition of Board Skills and Experiences



CORPORATE GOVERNANCE REPORT

To better support the Group’s future strategic development, the Board will continue to strengthen its professional knowledge in areas such as strategic transformation and technological advancement, including logistics technology, artificial intelligence applications, and low-carbon transition. Concurrently, the Board’s succession planning will actively seek to attract talents with relevant backgrounds and expertise, and enhance the female director candidates, thereby continuously strengthening the Board’s overall capabilities and diversity.

Overall Workforce Diversity

The Company firmly believes that diversity, equity, and inclusion are key factors in promoting the Group’s sustainable development and enhancing its competitiveness. The Company is committed to fostering a fair and respectful working environment by attracting talent with diverse backgrounds, skills, and experiences through various recruitment channels, with employees’ qualifications and performance as the core of our decision-making. Furthermore, we value diverse innovation, encourage teamwork, and appropriately respond to the evolving needs of employees at different stages, promoting the mutual growth of employees and the Group.

During the Year, the Company formally adopted the Employee Diversity, Equity, and Inclusion Policy, which affirms the Group’s firm commitment to building an inclusive workplace via a structured framework, thereby contributing to the attainment of the Group’s strategic goals.

As at 31 December 2025, the ratio of men to women (including senior management, but excluding Directors) was approximately 62:38. The gender ratio of the Group’s workforce is primarily influenced by the availability of human resources within the industry in which the Group operates.

Given the current gender composition of the workforce, the Group believes that a reasonable level of diversity has been achieved, and has therefore not set a quantitative gender ratio adjustment target. Looking forward, the Group will continue to focus on the diversity of genders and backgrounds in recruitment and talent development and build a diverse and inclusive team.

Board Independency

As at the date of this report, the Board comprises nine Directors, of which four are independent non-executive Directors, exceeding the requirement of the Listing Rules of at least one-third of the Board. The four independent non-executive Directors are all experienced professionals, with their respective expertise covering different fields, including finance, accounting, logistics, corporate management, law, and corporate governance. In the decision-making process, they are able to objectively evaluate the overall development of the Group and exercise their supervisory functions.

To ensure the Board has access to the independent perspectives and opinions to effectively safeguard the interests of the Company and the Shareholders as a whole, the Company has established the following independence mechanisms, the implementation and effectiveness of which are reviewed annually by the Nomination Committee:

Board structure	To ensure the Board has sufficient number of independent non-executive Directors in compliance with the requirements of the Listing Rules that independent non-executive Directors constitute at least one-third of the Board, and the Nomination Committee conducts an annual assessment of their independence
Appointment and tenure of independent non-executive Directors	In accordance with the Director Nomination Policy, the Nomination Committee, when selecting candidates for independent non-executive directors, comprehensively assesses their independence, character, professional background, experience, and time commitment, while also taking into account the criteria set out in the Board Diversity Policy. Generally, the continuous term of service for an independent non-executive Director should not exceed six years.

Professional background and experience of independent non-executive Directors	To ensure that each independent non-executive Director has extensive experience and professional knowledge, enabling them to access the Group's overall development objectively when making decisions and perform supervisory functions
Access to information and business understanding by independent non-executive Directors	To arrange site visits for non-executive Director and independent non-executive Directors from time to time to enhance their understanding of the Company's business and operations
Management of conflicts of interest	A Director (including non-executive Director and independent non-executive Directors) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same
Communication mechanism for independent views	The Chairman of the Board will meet with the independent non-executive Directors at least once annually, without the presence of the other Directors, to listen to independent views on various issues concerning the Group
Access to external professional advice	Directors (including non-executive Director and independent non-executive directors) may seek independent professional advice when necessary to assist them in discharging their duties, with the relevant costs borne by the Company.

In addition, the Company has received the annual written confirmation from each independent non-executive Director of his/her independence. The Nomination Committee has reviewed the independence of each independent non-executive Director during the Year and considered that all the independent non-executive Directors fulfilled the independence throughout the Year.

Nomination and appointment of Directors

The Company adheres to the principle of merit-based for all Director appointments, evaluating director candidates based on objective criteria, striving to build a diversified Board. To ensure the transparency and standardization of the Director's nomination process, the Company has adopted a Director Nomination Policy. During the Year, the policy was revised to further clarify the procedures for nominating, selecting, and re-electing Directors, as well as the criteria and measures to be followed by the Nomination Committee when assessing candidates.

In accordance with the policy, the Nomination Committee identifies candidates through diverse channels, conducts due diligence and evaluation, and makes recommendations to the Board regarding the appointment of new Directors or the re-election of Directors. The Board retains the ultimate authority for approval.

When assessing the suitability of candidates, the Nomination Committee evaluates them based on a comprehensive assessment of their character and reputation, professional competence and experience, time available to the Board, and diversity attributes (including but not limited to gender, age, cultural background, and professional experience). Candidates for independent non-executive Directors must additionally meet the independence requirements and limit on concurrent directorships as set out in the Listing Rules. Throughout the appointment process, the Company strictly adheres to the Board Diversity Policy, striving to achieve a balanced composition of the Board across multiple dimensions, including gender, age, cultural background, professional experience, and skills, to enhance the quality of the Board's decision-making and the effectiveness of corporate governance.

The Company has entered into a service contract with each Director (including the non-executive Director and the independent non-executive Directors) for a term of three years. None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CORPORATE GOVERNANCE REPORT

In accordance with the Company's Bye-laws (the "Bye-laws"), each Director is subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election at the annual general meeting. In addition, all new Directors appointed during the year to fill a casual vacancy or as an addition to the Board are subject to re-election by the Shareholders at the first annual general meeting after appointments.

In accordance with the Bye-laws, Mr. Wang Peihang, Dr. Zeng Zhi and Professor Ding Chunyan will retire by rotation and, being eligible, will offer themselves for re-election as Directors at the annual general meeting to be held in May 2026 (the "2026 AGM").

Ms. Liu Xiuli was appointed as an executive Director on 28 November 2025. In accordance with the Bye-laws, her term of office will expire at the 2026 AGM and she will retire from office and, being eligible, will offer herself for re-election as Director at the meeting.

Details of the Directors standing for re-election will be set out in the circular of 2026 AGM to the Shareholders.

Changes of Board members

Changes of Board members during the Year and up to the date of this report are as follows:

<i>Effective Date</i>	<i>Name of Directors</i>	<i>Changes</i>
24 January 2025	Dr. Dai Jingming	Resigned as an executive Director
28 November 2025	Ms. Liu Xiuli	Appointed as an executive Director

Ms. Liu Xiuli has obtained the legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 21 November 2025, and has confirmed her understanding of the obligations as a director of a listed issuer.

BOARD MEETINGS PROCEDURES

The Board meets regularly and holds at least four meetings a year and at least one meeting each quarter. If any Director has conflict of interest in a matter to be considered by the Board which the Board deems material, the matter will be addressed through a physical Board meeting instead of a written resolution. That Director will abstain from voting on the relevant Board resolution and will not be counted in the quorum present at the meeting.

During the Year, a total of eight physical Board meetings were held, which significantly exceeded the minimum number of board meetings required under the Corporate Governance Code. Notice of at least fourteen (14) days was given to all Directors for regular Board meetings and notice of at least seven (7) days was given for non-regular Board meetings. To ensure all Directors are given opportunities to make suggestions on agenda items to be discussed at the Board meetings, all draft agendas for regular Board meetings are provided to all Directors for their comment prior to the meetings.

To assist the Directors in planning their schedule in advance, the timetable and the proposed agenda items for the annual regular Board meetings are provided to them at the beginning of each year for review and feedback.

Regarding communication of independent opinions, the Chairman met with the independent non-executive Directors at least once a year without the presence of other Directors. The meeting was successfully held in November 2025.

The following sets out the major work performed by the Board in 2025:

- (1) approving the 2024 annual results and the proposal of payment of final dividend;
- (2) approving the 2024 environmental, social and governance report;
- (3) approving the 2025 interim results;
- (4) reviewing the results and business operations of the first and third quarters of 2025;
- (5) approving the 2025 annual budget;
- (6) approving the recommendation on the re-appointment of the external auditor (the “Auditor”) for 2025;
- (7) approving the changes in the composition of the Board and/or approving the related director service contracts;
- (8) approving the amendments to the terms of reference of the Board’s specialized committee and to the various governance policies of the Company, as well as the adoption of the Employee Diversity, Equity and Inclusion Policy;
- (9) approving the Group’s internal audit plan for 2025;
- (10) approving notifiable transactions of the Group as defined under the Listing Rules; and
- (11) approving the changes in the composition of the Executive Committee.

TRAINING AND DEVELOPMENT OF DIRECTORS

To assist newly appointed Directors in understanding their duties and responsibilities and the Company’s business operations, the Company has formulated an “Induction for Newly Appointed Directors”, providing them with comprehensive relevant materials and documents to facilitate their smooth onboarding. The joint company secretaries are responsible for providing all Directors with the latest information on the Listing Rules and other relevant statutory requirements, thereby assisting them in fulfilling their compliance obligations.

During the Year, all Directors have participated in continuous professional development. They have continuously enhanced their knowledge and skills by attending seminars related to the following topics or by reading professional materials. Some Directors also served as presenters, sharing their experience and insights. All Directors have provided training records to the Company.

CORPORATE GOVERNANCE REPORT

<i>Directors</i>	<i>Topics on training covered</i>				
	<i>Board and Director Duties</i>	<i>Hong Kong Law & Listing Rules (Responsibilities and Regulatory Updates of Listed Companies)</i>	<i>Corporate Governance & Environmental, Social and Governance ("ESG")</i>	<i>Risk Management & Internal Controls</i>	<i>Industry Trends & Developments</i>
Mr. Li Haitao	✓	✓	✓	✓	✓
Mr. Liu Zhengyu	✓	✓	✓	✓	✓
Mr. Wang Peihang	✓	✓	✓	✓	✓
Ms. Liu Xiuli	✓	✓	✓	✓	✓
Mr. Cai Xiaoping	✓	✓	✓	✓	✓
Mr. Pan Chaojin	✓	✓	✓	✓	✓
Dr. Zeng Zhi	✓	✓	✓	✓	✓
Dr. Wang Guowen	✓	✓	✓	✓	✓
Professor Ding Chunyan	✓	✓	✓	✓	✓

* Dr. Dai Jingming resigned as an executive Director on 24 January 2025

During the Year, the Company arranged for the non-executive Director and independent non-executive Directors to conduct site visits to various projects of the Group, including the Qianhai Project, SZI South China Logistics Park Transformation Project, Huizhou Dayawan Project and Nanjing Jiangning Project. Through these site visits, the Directors had a deeper understanding of the Group's business model and operating conditions.

SPECIALIZED COMMITTEES OF THE BOARD AND OTHER COMMITTEES

To support the Board in discharging its duties and promote effective operations, the Board has established an Executive Committee to manage and oversee the day-to-day business operations of the Group. Additionally, four specialized committees have been set up, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Sustainability Committee. Each committee has its own designated responsibilities and terms of reference, and is responsible for reviewing and monitoring specific areas of the Company's operations and making recommendations to the Board.

During the Year, the Board approved the amendments to the Terms of Reference of the Nomination Committee to align with the latest regulatory requirements. The amendments explicitly state that the Nomination Committee must include at least one member of a different gender, and to strengthen its responsibilities in the review of the Board's structure and skills matrix, the implementation of the diversity policies, the evaluation of the Board's performance, and the oversight of the Directors' duties.

Where necessary, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee may seek independent professional advice when necessary to properly discharge their responsibilities. The relevant costs associated with such advice shall be borne by the Company.

A summary of the responsibilities and work performed by the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Sustainability Committee and the Executive Committee during the Year is set out below:

Audit Committee (established in 1995)

The Audit Committee consists of three independent non-executive Directors, currently including Dr. Zeng Zhi (Chairman), Mr. Pan Chaojin and Dr. Wang Guowen.

Responsibilities and work performed in 2025

Under the “Terms of Reference of the Audit Committee”, the main duties of the Audit Committee include the following:

- to discuss and make recommendations to the Board on the appointment, re-appointment, replacement and removal of the Auditor, and to approve the remuneration and terms of engagement of the Auditor, and to deal with any matters in connection with the resignation or dismissal of the Auditor;
- to monitor the integrity of financial statements, interim reports, annual reports and accounts of the Company and to review significant financial judgments contained therein;
- to review the Group’s financial control, risk management and internal control systems and compliance management system, and the Group’s statement on risk management and internal control systems contained in the annual report;
- to discuss with the senior management on the development of Group’s risk management and internal control systems and the compliance management system to ensure that the senior management has performed its duty to establish effective systems; and this discussion should include the adequacy of resources, qualifications and experience of staff, training programmes and budget of the Group’s accounting and financial reporting function; and
- to review arrangements for employees of the Group and external third parties who deal with the Group (such as customers and suppliers) to raise concerns, in confidence and on an anonymous basis about possible improprieties in financial reporting, internal control or other matters; and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

The Audit Committee held 4 meetings in 2025. The work performed during the Year included the following:

- reviewing the annual results for 2024, the interim results for 2025 and the relevant financial statements, and confirming that the related disclosures in the financial statements being complete, accurate and fair and recommending the same to the Board for approval;
- considering the recommendation on the re-appointment of the Auditor for 2025;
- approving the Auditor’s remuneration for 2024;
- reviewing the annual authorisation of non-audit services and the related fees;
- reviewing the adequacy of resources, qualifications and experience of staff of the Group’s accounting, financial reporting, risk management and internal audit functions and their training programme and related budget for 2024;
- reviewing with the management and relevant departments the effectiveness of the Group’s internal control system, risk management, and compliance management system for 2024;
- considering the 2025 internal audit plan of the Group; and
- considering the change of the secretary of the Audit Committee.

During the Year, the Audit Committee members met with the Auditor twice without the presence of the senior management.

Nomination Committee (established in December 2003)

The Nomination Committee consists of two independent non-executive Directors and one executive Director, namely Mr. Pan Chaojin (Chairman), Professor Ding Chunyan and Mr. Wang Peihang.

Responsibilities and work performed in 2025

Under the “Terms of Reference of the Nomination Committee”, the main duties of the Nomination Committee include the following:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, and assist the Board in maintaining a Board skills matrix;
- to identify and recommend to the Board individuals eligible for the appointment of a Director;
- to assess and review factors such as the qualification and experience of candidates for Directors and advise the Board thereon;
- to assess the qualification and experience of the Directors who are subject to retirement by rotation and re-election at each annual general meeting and advise the Board thereon;
- to assess the independence and qualification of independent non-executive Directors;
- to draw up and review, as appropriate, the Board Diversity Policy; and to annually review the implementation of the policy (including the progress made towards the measurable objectives) and report to the Board;
- to support the Company’s regular evaluation of the Board’s performance;
- to review the implementation and effectiveness of the independence mechanism annually;
- to review and assess each Director’s time commitment and contribution to the Board as well as the Director’s ability to discharge his or her responsibilities effectively on a regular basis; and
- to consider and supervise the implementation of the Director Nomination Policy, to review and make recommendations on amendments to the Board where appropriate.

The Nomination Committee held 2 meetings in 2025. The work performed during the Year included the following:

- evaluating and making recommendations to the Board on the performance of the Directors who were subject to retirement or retirement by rotation and re-election at the 2025 annual general meeting;
- reviewing the independence of each independent non-executive Director;
- reviewing the structure, size, composition and diversity of the Board, and the time devoted by the Directors to perform his or her duties;
- reviewing the implementation and effectiveness of the relevant mechanisms to ensure that the independent views and opinions are made available to the Board;
- reviewing the implementation and effectiveness of the Board Diversity Policy;
- assessing a candidate for executive Director, and making recommendations to the Board; and
- reviewing the amendments to existing, and the adoption of new, various governance policies of the Company.

Remuneration and Appraisal Committee (established in December 2003)

The Remuneration and Appraisal Committee consists of two independent non-executive Directors and one non-executive Director, namely Mr. Pan Chaojin (Chairman), Dr. Wang Guowen and Mr. Cai Xiaoping.

Responsibilities and work performed in 2025

Under the “Terms of Reference of the Remuneration and Appraisal Committee”, the main duties of the Remuneration and Appraisal Committee include the following:

- to review and consider the level, policy and structure of remuneration of Directors and senior management of the Company, to establish a formal and transparent procedure for developing remuneration policy, and make recommendations to the Board;
- to consider the remuneration proposals for Directors and senior management, and to ensure that no Director or senior management or any of their associates is involved in the determination and decision of his or her own remuneration;
- to consider the remuneration packages of executive Directors and senior management, including benefits in kind and pension entitlements etc.; and make recommendations to the Board on the remuneration of non-executive directors;
- to make recommendations to the Board on the directors' and senior management's participation in the incentive remuneration scheme and the share scheme, including benefits obtained from bonuses, share options, share awards or other similar schemes and the operation and supervision of these schemes; and
- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration and Appraisal Committee held 2 meetings in 2025. The work performed during the Year included the following:

- reviewing the assessment results of the senior management for 2024; and
- reviewing the service contract between the Company and one executive Director, as well as the renewal of the service contracts with two independent non-executive Directors and one executive Director.

Remuneration of Directors and Senior Management

The emoluments payable to executive Directors are determined by reference to their experience and duties with the Company and the fees payable to non-executive Directors are determined by reference to their qualifications and experience, taking into account the estimated amount of time devoted to the Company's affairs. The Remuneration and Appraisal Committee considered, and would make recommendations to the Board on, the remuneration packages of executive Directors and senior management, including benefits in kind and pension entitlements. The Remuneration and Appraisal Committee should consult the Chairman of the Board and/or the Chief Executive Officer about proposals relating to the remuneration for other executive Directors and seek professional advice, if necessary.

Pursuant to paragraph E.1.5 of the Corporate Governance Code, the remuneration of the senior management members for the Year, categorized by band, is set out below:

Remuneration band*	Number of Individuals
HK\$0 – HK\$1,000,000	1
HK\$1,000,001 – HK\$2,000,000	5

* Due to the change of senior management during the Year, the above disclosure is based on the remuneration of the senior management during their term of service during or throughout the Year (as the case may be).

Details of the Directors' fee and other emoluments of the Directors are set out in note 32 to the financial statements.

Sustainability Committee (established in November 2021)

The Sustainability Committee consists of two executive Directors and two independent non-executive Directors, namely Mr. Liu Zhengyu (Chairman), Mr. Wang Peihang, Dr. Zeng Zhi, and Professor Ding Chunyan.

Responsibilities and work performed in 2025

Under the "Terms of reference of the Sustainability Committee", the main duties of the Sustainability Committee include the following:

- to make recommendations to the Board on the Group's sustainability matters (including management policies, strategies, priorities and objectives);
- to monitor, review and evaluate the priorities and objectives adopted by the Group to implement sustainability;
- to monitor and review emerging sustainability issues and trends that may affect the Group's business operations and performance;
- to monitor the Group's implementation of sustainability and the progress of its objectives, review and assess the potential impact of ESG work on the Group's business model and related risks and opportunities, and listen to internal and external feedback on the ESG work, and put forward improvement suggestions for the next step of ESG work;
- to monitor the Company's effort to strengthen communication with investors, regulatory bodies and other stakeholders, evaluate the Company's ESG governance effect and impact, and promote the establishment of a sustainability culture; and
- to review the disclosures of the Company's ESG report.

The Sustainability Committee held 1 meeting in 2025. The work performed during the Year included the following:

- reviewing the resources related to ESG performance and reporting for 2024; and
- considering the ESG Report for 2024.

Executive Committee (established in March 2024)

The Company abolished the Executive Board Committee and established the Executive Committee on 13 March 2024. The Executive Committee consists of four executive Directors and one non-executive Director, namely Mr. Li Haitao, Mr. Liu Zhengyu, Mr. Wang Peihang, Ms. Liu Xiuli and Mr. Cai Xiaoping.

Responsibilities and work performed in 2025

Under the “Terms of Reference of the Executive Committee”, the main duties of the Executive Committee include the following:

- to oversee the daily operations of the Group’s businesses;
- to deal with the operations of all the Group’s businesses and to delegate authority for relevant business matters;
- to consider the notifiable transactions and connected transactions of the Group as defined under the Listing Rules and advise the Board thereon;
- to review the Group’s strategic plan, business plan, investment plan, and annual financial budget, and submit the them for the Board’s approval;
- to consider and review the Company’s policies on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of the Directors and senior management of the Company; and
- to prepare periodic reports in accordance with the requirements under the Listing Rules, and submit the same for the Board’s approval.

The Executive Committee reports its decisions and recommendations to the Board in a timely manner, and the minutes of the committee meetings in relation to material matters and decisions are circulated to the Board members within a reasonable time after the meetings.

The work performed by the Executive Committee during the Year included considering the Company’s 2024 annual results and dividend proposal, 2025 interim results and business development, budgets for the year 2025, notifiable transactions, the Company’s policy amendments and adoptions, capital operation projects, and approving the business development plans, capital expenditures, debt financing instruments and loans, and changes in the senior management of the Company’s subsidiaries.

CORPORATE GOVERNANCE REPORT

The attendance records of the Board meetings, specialized committee meetings and general meetings of the Company held in 2025

Details of the Directors' attendance at the Board meetings, specialized committee meetings and general meetings of the Company held in 2025 are set out in the following table:

Number of Physical Meetings Attended/ Number of Physical Meetings Held during the Director's Term of Office in 2025						
Directors	Board	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	Sustainability Committee	Annual General Meeting
Executive Directors						
Mr. Li Haitao	8/8	N/A	N/A	N/A	N/A	1/1
Mr. Liu Zhengyu	8/8	N/A	N/A	N/A	1/1	1/1
Mr. Wang Peihang	8/8	N/A	2/2	N/A	1/1	1/1
Dr. Dai Jingming ⁽¹⁾	1/1	N/A	N/A	N/A	N/A	0/0
Ms. Liu Xiuli ⁽²⁾	1/1	N/A	N/A	N/A	N/A	0/0
Non-executive Director						
Mr. Cai Xiaoping	7/8	N/A	N/A	2/2	N/A	1/1
Independent non-executive Directors						
Mr. Pan Chaojin	8/8	4/4	2/2	2/2	N/A	1/1
Dr. Zeng Zhi	8/8	4/4	N/A	N/A	1/1	1/1
Dr. Wang Guowen	8/8	4/4	N/A	2/2	N/A	1/1
Professor Ding Chunyan	8/8	N/A	2/2	N/A	1/1	1/1

Notes:

(1) Dr. Dai Jingming resigned as an executive Director and a member of the Executive Committee on 24 January 2025.

(2) Ms. Liu Xiuli was appointed as an executive Director and a member of the Executive Committee on 28 November 2025.

Directors are expected to devote sufficient time and attention to perform their duties and discharge their responsibilities towards the Group. During the Year, the high attendance rate at the Board meetings and those of its specialized committee meetings fully demonstrated the Directors' strong sense of responsibility and commitment to the Company, and their dedication of sufficient time and attention while fulfilling their duties.

SUPPLY OF AND ACCESS TO INFORMATION

Agendas of all Board meetings and the accompanying Board papers are sent to all Directors in a timely manner, and are generally provided to each Director seven days before the scheduled date of the meeting.

The management of the Company provides the Board and its specialized committees with adequate, complete and reliable information in a timely manner to enable Directors to make informed decisions. The Board and each Director have separate and independent access to the Company's senior management.

The Board is provided with the Group's monthly management report which gives a balanced and understandable assessment of the Group's financial and operating performance, financial position and prospects in sufficient detail to keep the Board informed of the Group's affairs and facilitate Directors to discharge their duties under the Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Board adopted a code of conduct (the “Code of Conduct”) in respect of securities transactions of the Company by Directors and insiders who have access to inside information of the Group on terms more stringent than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) under the Listing Rules. Insiders who have access to inside information include any employees of the Company or directors or employees of subsidiaries of the Company who, as a result of their office or employment, are likely to be in possession of inside information in relation to the Group.

The Company, having made specific enquiry to all Directors, confirms that all Directors have complied with the standards set out in the Model Code and the Code of Conduct at all times throughout the Year.

INDEMNITY OF DIRECTORS

Pursuant to the Bye-Laws, every Director or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him or her in the execution of the duties of his or her office or in relation thereto. During the Year, the Company has arranged for liability insurance cover to indemnify the Directors and senior officers of the Company.

DIVISION OF AUTHORITY BETWEEN THE BOARD AND THE MANAGEMENT

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group and the Board delegates its management and administration functions to the management. The Board established the Executive Committee to manage and monitor, on behalf of the Board, the day-to-day operations of the Group and to implement all decisions made by the Board as well as to oversee corporate governance matters of the Group.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing financial statements that give a true and fair view of the financial position, results and cash flow of the Group. In preparing the financial statements for the year ended 31 December 2025, the Board has selected appropriate accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable and has prepared the financial statements on a going concern basis. For details of the basis of preparation of the financial statements, please refer to note 2 to the consolidated financial statements in this annual report.

The reporting responsibilities of the Directors and the Auditor are further set out in the Independent Auditor’s Report in this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

It is the Board’s duty to ensure the Company establishes and maintains appropriate and effective risk management and internal control systems, and to review their effectiveness at least annually through the Audit Committee. The management is responsible for designing and implementing such risk management and internal control systems. These systems are designed to identify and manage risks that may adversely affect the Group’s ability to achieve business objectives, safeguard assets, prevent and detect fraud and misconduct, ensure accuracy of financial reporting, and comply with applicable laws and regulations. However, they do not provide absolute assurance against material misstatements, errors, losses, frauds, or non-compliance.

By formulating an overall strategy on corporate development, the Company leads and supports its subsidiaries to achieve corporate development in alignment with the Group’s strategic plans. By continuously refining internal management models for its subsidiaries, the Company aims to achieve sustainable development through sound, standardised management.

CORPORATE GOVERNANCE REPORT

As a holding company, the Company has been implementing effective governance over its subsidiaries, guided by the White Paper on the Management and Control of Shenzhen International Holdings Limited as its core framework, which is continuously refined for evolving requirements. To support the Group's business development and expansion, the Company issued a document on optimizing the Group's management and control in 2018, clarifying that the core functions of its headquarters are "setting strategies, building teams, establishing mechanisms, making decisions, conducting rigorous assessments, controlling risks and providing support", while the core functions of its subsidiaries are "executing strategies and generating profits". It also established eight committees, completed the integration of business segments, implemented differentiated control measures, and drew up tailored white papers on the management and control over different types of subsidiaries thereby improving corporate management.

According to its 14th Five-Year Plan, the Group focuses on developing four major segments, namely logistics, port, toll road, and general-environmental protection businesses. Since the setting of the strategic development directions for the urban integrated logistics hub business in 2012, the Group has explored and gradually formulated the short closed-loop "investment, construction, financing and operation" and the long closed-loop "investment, construction, operation and transformation" business models to unlock and realize the value of its asset-heavy projects throughout their life cycles. With the commencement of construction of urban integrated logistics hubs, ports, and toll roads, as well as the gradual development of new businesses, the Group has successively implemented full-process engineering audits and carried out risk prevention and control initiatives targeting new businesses and newly established subsidiaries. Subsequently, we extended our risk control focus to the logistics and supply chain development business, striving to regulate high-risk processes and areas within these businesses to prevent operational, compliance, and other risks. In recent years, the Group continued to optimize and update the investment business risk accountability systems for specific operations to refine assessment criteria, stimulate investment, and, in turn, achieve effective investment risk prevention and control. Recently, the Group published the "Notice on Strengthening Major Contract Management" and the "Guidelines for Further Strengthening the Management of Construction Litigation", with the aims of reinforcing the Group's management of major contracts and guiding its subsidiaries to effectively enhance their levels of project management, audit, and litigation management, thereby mitigating legal risks associated with litigation. In addition, the Group revised the Management Policy of Legal Affairs in 2025, formally establishing the position of Group General Counsel. This further strengthened the legal review mechanism for major operational decisions and the legal assessment mechanism for significant projects, thereby better safeguarding the system for compliant operations.

CORPORATE INTERNAL RISK MANAGEMENT AND CONTROL MODEL

In order to further strengthen risk control and enhance the independence of internal audit function, the Group has established a risk management organizational structure with clearly defined responsibilities. The risk management department is responsible for establishing the Group's comprehensive risk management system and internal legal and compliance management system, assessing the effectiveness of the internal control system, and considering and reviewing investment projects and merger and acquisition projects. The audit department, which is responsible for establishing the Group's internal audit system, independently conducts audit work on the Group and its subsidiaries and follows up on the implementation of audit rectifications. The Group has also established the risk control committee to coordinate, organize and align risk prevention and control efforts and to serve as a reference for the management to make decisions on risk management and control. Through the aforementioned framework, the Group has gradually established and has continued to refine its three-tier risk prevention and control system, comprising primarily the risk management departments of its subsidiaries, the risk control committee at the management level and the Board, and its three lines of defense, which consist primarily of the relevant functional departments of the risk management, audit and supervisory departments at the subsidiary and headquarter levels.

FUNCTION POSITIONING OF THE HEADQUARTERS OF THE GROUP

To fulfill its overall role as a "state-owned municipal service developer and operator" while realizing both economic and social benefits as well as commercial profits and social welfare, the Group has set forth the core functions of its headquarters as its center for investment, financing, decision-making and back-office support based on the characteristics of the industries, the maturity levels of the businesses and the stages of the corporate development of its subsidiaries.

BASIC MANAGEMENT CONTROL

Based on the needs of its strategic management control model, the Group exercises control, support, and guidance over its subsidiaries through key economic activities such as budget management, performance appraisal, investment and financial management, capital management, construction management, procurement management, remuneration management, assets and equity structure, human resources and information management, thereby ensuring the effective implementation of the Group's strategic plans.

SYSTEMS BUILD-UP

In accordance with the basic management control model, the Group has continuously supplemented and improved its existing systems and established clearly defined regulations and procedures. Under such systems, the Group has established a strict authorization system and a rational operational workflows to ensure that all operating activities are properly authorized, thereby safeguarding the Company's assets and the interests of the Shareholders and continuously enhancing performance through an established system modification and improvement mechanism.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company constantly improves its internal control and risk management systems and has established and effectively implemented a comprehensive risk management system that focuses on risk identification, assessment, and prevention, grounded in the control environment, financial control, operational control, compliance control, and risk management. The organizational structure of the Company's risk management includes the Board, the Audit Committee, the management of the Company, the risk control committee, the risk management department, the audit department, and risk coordinators in other departments. The Group's top-level risk management and internal control structure is formalized in the "Comprehensive Risk Management Regulations (2021 Revised Edition)" and the "Internal Control System (2021 Revised Edition)". In 2024, the Group strengthened its compliance management system in a comprehensive manner. The compilation of the "Three Lists" for compliance management at the headquarters of SZI was completed. The Compliance Management Committee was established, and it formulated the "Procedural Guidelines for the Compliance Management Committee" while revising the "Compliance Management Regulations" of the Group. The "Compliance Management Manual" of SZI was also compiled and published, effectively strengthening corporate compliance management from the aspects of organizational structure, system construction, and cultural promotion. In 2025, the headquarters' three compliance lists were further optimized by systematically rationalizing roles, operations, and responsibilities, identifying risks and formulating control measures, as well as improving workflow modules.

The Company conducts quarterly and annual risk assessments and prepares risk management reports in accordance with the established "Comprehensive Risk Management Regulations". For potential risks, the Company conducts full identification and assessment, formulates risk response strategies, and establishes major risk management procedures, with the risk management department carrying out ongoing management of major risk matters. The risk management department prepares an annual assessment report on the Company's internal control and risk management systems.

The Board requires the management to review internal control and risk management performance at the end of each year. Through annual assessments of the Company and its subsidiaries by the risk management department on an ongoing basis, the management determines whether the internal control and risk management systems meet expected objectives and, hence, makes recommendations to rectify any control deficiencies in the systems and monitors such rectification efforts.

The Company believes that the implementation of such internal control and risk management measures and achieving effective governance can effectively manage any material risks that the Group may face and mitigate the impact of risk events on the Group, thereby effectively and reasonably safeguarding the Shareholders' investment and the Company's assets and attaining the long-term strategic objectives of the Company.

CORPORATE GOVERNANCE REPORT

The Company strictly complies with the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, and other relevant laws and regulations. It has established anti-bribery and anti-corruption policies, including "Guidelines for Anti-Fraud Management", "Guidelines for Risk Prevention in Integrity Practices", and "Regulations on Confidential Management in Disciplinary Inspection and Monitoring", which outline principles to combat bribery and corruption, protect whistleblowers, and identify and assess fraud risks.

To enhance the processing of internal and external whistleblower reports, the Company has a whistle-blowing policy and system in place for the employees and those who deal with the Company to raise concerns, in confidence and on an anonymous basis, with the Audit Committee about possible improprieties in any matter related to the Company.

In addition, to identify, process, and announce inside information, the Group has also implemented relevant procedures, including requiring pre-approval for transactions of the Group's securities by specific management members, informing the relevant Directors and employees of the relevant conventional blackout period and restrictions on securities transactions, and identifying projects with code names to prevent possible mishandling of the Group's inside information.

EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board, through the Audit Committee, has conducted a comprehensive review of the Group's internal control and risk management systems for the year 2025. The review covered all material control measures, including financial, operational, and compliance controls, as well as the effectiveness of the internal control and risk management systems. Following the review and based on the management's confirmation to the Board, the Board confirms that the Group's risk management and internal control systems remained stable in operation, with no significant control failings or weaknesses identified. The design and implementation of the systems were generally effective and adequate, meeting the objectives set out in Principle D2 of the Corporate Governance Code and providing reasonable assurance for achieving the Group's operational and governance goals. The Board will continue to encourage the Company's management to continuously refine the internal control and risk management systems for ongoing and effective operation.

During the Year, the Board, through its various specialized committees, conducted detailed reviews of the following matters:

The Board reviewed the changes in the nature and extent of the significant risks (including environmental, social and governance risks) faced by the Group, as well as the Group's ability to respond to changes in its business and the external environment. Monitoring results and risk assessments are regularly reported in detail to the management, the Audit Committee and the Board through material risk management and control reports prepared by the risk management department on a quarterly and annual basis, ensuring timely and adequate information dissemination.

The Board has conducted annual reviews through the Audit Committee and the Sustainability Committee respectively, concerning the resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including those pertaining to accounting, internal audit, and financial reporting functions, as well as those relating to environmental, social and governance performance and reporting. The Board is of the view that the Group's resource allocation is adequate in the aforementioned areas (including staff qualifications and experience, training programmes, and budget).

FUNCTIONS OF THE RISK MANAGEMENT DEPARTMENT

The risk management department of the Company has the following main functions:

- internal control and risk management
- reviewing investment projects
- overseeing asset valuation
- managing legal affairs
- compliance management

Staff of the risk management department are scheduled to participate in various training courses each year in accordance with the Company's needs to enhance their theoretical and practical knowledge. Such training courses include, among others, internal control and risk prevention and management training, compliance management training, investment training, professional training on legal matters, and equity management and asset evaluation training.

The risk management department reviews and analyses the Group's potential risks and formulates corresponding measures. Set out below are some of the examples of the work done by the risk management department during the Year.

<i>Risk</i>	<i>Description</i>	<i>Corresponding measures</i>
Policy risks	- The amendment to the "Regulations on the Administration of Toll Roads" has not yet been finalized. Toll revenue may be affected by such policy adjustment. - Adjustments to local business promotion policies and changes in the supply of logistics land present certain challenges to project expansion. - Port integration has intensified industry competition, while the coal supply chain business is affected by policies such as "dual carbon goals", further intensifying market competition. - Projects in the environmental protection industry are significantly influenced by the new mechanism for public-private partnerships (PPP), which emphasizes the priority of involving private enterprises through franchise models. As a result, it may become more challenging for state-owned environmental companies to secure projects.	- Keep monitoring the status of the amendment to the "Regulations on the Administration of Toll Roads". - Closely monitor industry policies and regional planning, and deepen cultivation of core city clusters such as the Greater Bay Area, the Yangtze River Delta, and the Beijing-Tianjin-Hebei area, while continuously enhancing business promotion and operational capabilities. Additionally, the Group will actively expand new businesses encouraged by policies, such as the integration of "photovoltaic, storage and charging" and "logistics + low-altitude". - Tap deeper into the needs of ports and existing customers, optimize the business structure, and diversify the types of cargoes handled and enhance resilience against cyclical fluctuations. - Keep abreast of policy changes in the environmental protection industry, assess their impacts, and consider corresponding countermeasures.

CORPORATE GOVERNANCE REPORT

<i>Risk</i>	<i>Description</i>	<i>Corresponding measures</i>
Risks related to investment, mergers and acquisitions	- Insufficient preliminary due diligence and inadequate risk identification and control may result in underperformance. - Insufficient forward-looking judgment of market trends may lead to strategic decision-making errors. - Intensified market competition, policy changes, or suboptimal internal integration and management may affect project profitability or development.	- Adhere to a high-quality development goal, reasonably control the pace of investment in new projects, and prioritize the implementation of key projects that are under construction, those with land secured, and those already contracted. - By conducting comprehensive due diligence, assess overall risk exposures and their probability, while implementing risk prevention and control through rigorous contractual terms and agreements, and establish a mechanism to align the team's interests with the project performance. - Establish and strengthen the post-investment management mechanism for controlling stakes and equity participation, and steadily promote integration management to further reduce operational risks.
Risks related to trade receivables	- The supply chain business is susceptible to price fluctuations in bulk commodities such as coal and petroleum coke, as well as credit default risks among upstream and downstream enterprises, leading to increased risks in receivables. - Affected by the macroeconomic slowdown and intensifying market competition, some tenants in logistics parks have experienced rent arrears and lease terminations, which may result in delayed or uncollectible accounts receivable.	- Strengthen the supervision and management of asset-light businesses, such as supply chains; strictly approve new business models; and regularly track accounts receivable and the financial creditworthiness of counterparties, with timely intervention and control measures in place upon detection of any anomalies. - Implement dynamic monitoring and risk assessment for existing businesses, and timely take appropriate measures such as scale control, business exit, or overall divestment to terminate certain businesses where risk-return profiles are mismatched. - For enterprises facing receivable risks, adopt a case-by-case approach with clear accountability and promptly develop risk response measures.

<i>Risk</i>	<i>Description</i>	<i>Corresponding measures</i>
Risks related to construction projects	- With numerous projects under construction, the extensive scope of construction, complex construction techniques and environments, and significant challenges in traffic diversion, present certain construction safety risks. - Heavy-asset projects have long construction cycles and are susceptible to unexpected circumstances, settlement cycles, and management complexities, which may delay project completion. - Unstable material prices and significant challenges in controlling construction cost, which may have a significant impact on the future profitability of projects.	- Strengthen the supervision of safety management for construction units, strictly control the qualifications of personnel and the condition of equipment, and conduct regular safety training and emergency drills. - Improve the quality of engineering design, conduct thorough project surveys and rigorous comparisons of alternative schemes, and ensure that both project progress and quality remain well-controlled. - Emphasize whole-process cost management, closely monitor price fluctuations of key materials, and achieve effective cost control through target assessments and incentive-and-restraint mechanisms. Simultaneously, whole-process tracking and audits will be implemented for key links, including bidding and tendering, design changes, and completion settlement.
Legal and compliance risks	- The structuring of contract terms and the performance of contracts may involve risks. - Affected by the external conditions some enterprises are facing operational difficulties, leading to an increase in the number of default cases, such as rent arrears and unilateral termination of contracts. - During the settlement of engineering projects, various changes throughout the process may lead to disputes between the project contractor and the Company, which may potentially escalate into litigation risks in serious cases. - Tightening management of network and data security imposed by the central government may result in higher information security compliance requirements.	- Refine the organizational structure and system mechanisms for compliance management, strengthen legal review and contract filing, and enhance the rigor, predictability, and enforceability of contractual texts. - Continuously track customer creditworthiness and fulfillment capabilities, strengthen due diligence during the business promotion stage, and promptly identify anomalies during contract performance to take appropriate measures. - Conduct specialized research on engineering settlement disputes, analyze historical litigation cases, and formulate guiding opinions focused on engineering management and settlement auditing to preemptively mitigate risks. - Strictly abide by laws and regulations related to network and information security, and enhance the compliance management level of the Group's data and information security.

CORPORATE GOVERNANCE REPORT

<i>Risk</i>	<i>Description</i>	<i>Corresponding measures</i>
Human resources management	- Internal management capabilities may not fully align with new business models and regulatory requirements, potentially hindering the successful implementation of strategic plans. - The entire recruitment and termination process should be rigorous and compliant; otherwise, there is potential labor-related risk.	- In alignment with strategic development requirements, define clear standards for personnel across different professional tracks and levels to ensure that talent development is well-matched with position requirements. - Develop a platform to enhance talent capabilities, update and expand the talent pool, strengthen multi-directional job training, and refine the cadre development mechanism. - Strictly adhere to the procedures and mechanisms for staff selection and appointment, and request timely rectification when irregularities are detected.
ESG risks	- Environmental: any lack of resource management, insufficient assessment of climate change impacts, or inadequate monitoring of environmental data may adversely affect the Group's sustainable development. - Social: any conflicts with stakeholders, such as employees, suppliers, consumers, or the media, may adversely affect corporate reputation and operational stability. - Corporate Governance: any issues concerning governance structure, transparency, independence, board diversity, or shareholders' rights may weaken the effectiveness of corporate governance.	- Integrate the concept of sustainable development into business and development strategies, focusing on the coordinated development of economic and social benefits. - Establish a Group-wide ESG indicator and management system, strengthen the collection and verification of environmental, social, and corporate governance data, and continuously improve monitoring and control measures. - Disclose ESG-related information in a timely, accurate, and complete manner, draw on international best practices and advanced technologies, and continuously improve ESG management and risk prevention and control standards.

EXTERNAL AUDITOR

During the Year, the fees payable by the Group to the Auditor, Deloitte Touche Tohmatsu (“Deloitte”) in respect of audit services and non-audit services are set out below:

<i>Services rendered</i>	<i>Fee paid/payable (HKD,000)</i>
Audit services	7,421
Non-audit services	
– Review of interim results	1,471
– Review of project circulars	573
– Review of quarterly results of a listed subsidiary	218
– Other	106
Total	9,789

The Audit Committee has reviewed the audit services, non-audit services and the related fees, procedures and effectiveness, independence and objectivity of Deloitte, and recommends the Board to re-appoint Deloitte to be the Auditor for the year 2026 at the forthcoming annual general meeting.

COMPANY SECRETARY

The Company has appointed the joint company secretaries to be responsible for providing secretarial services to the Board and ensuring operations of the Company are in compliance with Hong Kong listed companies’ regulatory requirements as well as enhancing its corporate governance standards.

Directors have access to the advice and services of the joint company secretaries, with a view to ensure that Board procedures and all applicable rules and regulations are followed. Minutes of Board meetings and meetings of all specialized committees under the Board are kept by the joint company secretaries and are available for inspection by the Directors at all times.

Minutes of Board meetings and meetings of all specialized committees under the Board are taken by the joint company secretaries and the secretary of each of the specialized committees should record in sufficient details the matters considered by all Directors and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft minutes of Board meetings and meetings of all specialized committees under the Board are provided to relevant Directors for their comments and the final version of the same is given to relevant Directors for their records within a reasonable time.

Mr. Liu Wangxin together with Ms. Lam Yuen Ling Eva are the joint company secretaries, and Mr. Liu Wangxin is also the principal contact person for the Company’s corporate secretarial matters.

During the Year, both joint company secretaries undertook not less than 15 hours of professional training, respectively, to update their skills and knowledge.

CORPORATE GOVERNANCE REPORT

GENERAL MEETINGS

Each annual general meeting/special general meeting of the Company provides a channel of direct communication between the Board and the Shareholders. Therefore, the Company has high regard for general meetings, and all Directors and senior management make their best efforts to attend. In respect of each matter (including re-election of Directors) at the general meetings of the Company, separate resolutions are proposed by the Chairman of that meeting. At general meetings, all Shareholders are entitled to make recommendations or enquiries with Directors and senior management of the Company regarding issues about the Group's business and operating activities. Directors and senior management of the Company shall explain and elaborate in response to Shareholders' enquiries and recommendations.

The chairman of the Board and the chairmen of each of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee attended the annual general meeting of the Company held in 2025 to answer questions raised by the Shareholders. During the Year, the Company held 1 general meeting.

Voting by poll on Shareholders' resolutions

All resolutions at a general meeting of the Company shall be decided by poll so as to allow Shareholders to have one vote for every share held.

Before commencement of a general meeting, the chairman of the general meeting shall explain clearly to the Shareholders present the detailed procedures for conducting a poll and answer questions from Shareholders regarding the poll. The Company shall announce the poll results on the websites of the Stock Exchange and the Company on the date of the general meetings.

CONSTITUTIONAL DOCUMENTS

During the Year and up to the date of this report, there has been no change in the Company's constitutional documents.

SHAREHOLDERS' COMMUNICATION POLICY

In order to ensure the Shareholders are provided with comprehensive, equal and timely access to balanced and understandable information about the Company, enabling them to exercise their rights in an informed manner and participate actively in the Company's affairs, the Company has adopted the shareholders' communication policy (which has been made available at the Company's website) and annually reviews the policy to ensure its effectiveness.

During the Year, the Company has reviewed the implementation and effectiveness of the shareholders' communication policy. Having considered the various existing channels of communication and Shareholders' participation including without limitation: (a) annual general meetings and special general meetings (if any) which provide a forum for the Shareholders to make comments and exchange views with the Board; (b) publication of announcements, annual reports, ESG report, interim reports and key corporate governance policies on the websites of the Stock Exchange and the Company in a timely manner; and (c) the availability of latest corporate information (including contact information such as telephone, fax number and email address) on the Company's website for effective communication between Shareholders and the Company, the Company considers that the shareholders' communication policy has been properly implemented and effective during the Year.

DIVIDEND POLICY

The Company is committed to creating long-term value for Shareholders through sustainable dividend distributions, striking a balance between Shareholders' returns and the long-term development of the Group. In accordance with the current dividend policy, and subject to the Company's normal operational requirements, the profit distribution ratio based on contributions from the Company's core business is normally not less than 30% per year. For any non-recurring or one-off gains, the distribution decision and profit distribution ratio shall be determined according to the Company's operating performance, cash flow, market value and future capital requirements etc. In the absence of any special circumstances, the Company's annual dividend should be generally stable and consistent with previous years.

In determining whether to declare or recommend any dividend and in setting the dividend level, the Board takes into account the Group's long-term development and the overall interests of Shareholders, business performance, financial position, capital requirements and the use of retained earnings, contractual and regulatory restrictions, as well as other relevant factors that the Board considers appropriate.

Since 2017, the Group has upheld a prudent investment strategy and disciplined capital management, with due consideration given to factors such as the operating environment and development needs in its dividend decisions. The dividend payout ratio has been maintained at approximately 50% throughout this period, demonstrating the Group's stable and sustainable dividend capacity.

Regarding the approval process, the annual profit distribution plan is subject to approval by the general meeting of Shareholders, and the interim dividend proposals may be approved by the Board. Subject to compliance with applicable laws and regulations and the Bye-laws, the Company may distribute dividends in the form of "cash dividends", "scrip dividends", or other methods.

SHAREHOLDERS' RIGHTS

Convening special general meeting on requisition of shareholders

In accordance with the Companies Act 1981 of Bermuda (the "Companies Act"), registered Shareholder(s) holding not less than one-tenth (10%) of the paid-up capital of the Company as at the date of the deposit of the requisition shall have the right to submit a written requisition requiring a special general meeting to be convened by the Board.

The written requisition (i) must state the purposes(s) of the meeting, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for the attention of the joint company secretaries of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified by the Company's share registrar and upon its confirmation that the requisition is proper and in order, the joint company secretaries will make arrangements in accordance with the relevant laws and regulations for the Board to convene a special general meeting by serving sufficient notice to all Shareholders.

Procedures for putting forward proposals at general meetings

In accordance with Sections 79 and 80 of the Companies Act, the registered Shareholders are entitled to put forward a proposal at a general meeting if:

- (a) they represent not less than one-twentieth (5%) of the total voting rights of the Company as at the date of the deposit of the requisition; or
- (b) there are not less than 100 registered Shareholders

The written requisition stating the resolutions is duly signed by the registered Shareholder(s) concerned, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with must be deposited at the registered office of the Company. Upon receipt of a valid written requisition, the Company shall take appropriate actions and make necessary arrangements, and the Shareholders concerned shall be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act.

The Board highly appreciates the insights and feedback from Shareholders and remains open to receiving their perspectives at all times. The Board also welcomes any questions and concerns raised by the Shareholders in relation to the management and governance of the Group. Shareholders may at any time send their enquiries and concerns to the Board in writing through the joint company secretaries at Rooms 2206-2208, 22nd Floor, Greenfield Tower, Concordia Plaza, No. 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.

CORPORATE GOVERNANCE REPORT

Procedures for proposing a person for election as a Director

As regards the procedures for proposing a person for election as a Director, please refer to the procedures made available under the “Corporate Governance” section of the Company’s website (www.szihl.com).

Information Disclosure

Information disclosure is not merely an ongoing responsibility and obligation that a listed company must fulfill. Credible information disclosure can effectively build a bridge of communication and understanding between the Company and investors, regulatory authorities and the general public. This can facilitate a broader and more thorough understanding of the Company’s values. To regulate information disclosure of the Company and protect the legal interests of the Company and its Shareholders, creditors and other stakeholders, the Company formulated the “Rules Governing Information Disclosure” by reference to the Listing Rules and the circumstances of the Company.

INVESTOR RELATIONS

The Group values the support of its investors over the years and is committed to maintaining and developing close relations with them. It is pleased to share the fruits of its business development, corporate strategies and prospects with its investors. The Group also welcomes investors to access information about us and engage in dialogue.

Adhering to its well-established and transparent investor relations management principles, the Group continued to actively strengthen the interactive communication platform with the capital market in 2025 by proactively presenting its results and development while understanding investors’ concern and market opinion through various channels, such as meetings with institutional investors, roadshows (or reverse roadshows) and investor conferences during the Year.

The Group rigorously maintains close communication with the investors and the Shareholders through a diverse range of channels. By hosting results presentations via the formats of both in-person meetings and teleconferences while holding more non-deal roadshows, reverse roadshows, project site inspections, online meetings and large-scale strategy presentations at home and abroad, the Group conducted over 160 interactive activities and communicated with over 530 investors in the domestic and international capital markets during the Year. Such interactive communication channels have enhanced the investors’ understanding of the Group’s business operation, long-term development strategies and investment potential.

The Group also places great emphasis on the investment community. The Group’s investor relations team keeps track of the feedback of the capital market on the Company and reports the opinions, suggestions and expectations of the capital market to the Company’s management in a timely manner for the management team to formulate operation, management and development strategies that are beneficial to the Company’s sustainable development and value accretion. During the Year, reputable securities dealers at home and abroad issued 21 research reports on the Group, to which positive ratings such as “buy”, “outperform” or “overweight” were assigned in most of these reports.

Attributable to such consistent efforts, the Group has won market recognition for its work on investor relations, corporate governance and other aspects, and also achieved notable success in its ESG initiatives. During the Year, the Group received a number of prestigious awards, including the “Most Investment Value Listed Company” award and the “Excellent Investor Relations Listed Company” award at the Golden Bauhinia Awards presented by Hong Kong Ta Kung Wen Wei Media Group, and the Listed Company Awards of Excellence presented by Hong Kong Economic Journal. It was recognized as one of the Top 50 Mid-Cap Listed Companies Award at the presentation ceremony of the 12th Top 100 Hong Kong Listed Companies organized by the Top 100 Hong Kong Listed Companies Research Centre. Additionally, the Group garnered three other distinguished awards including the Outstanding ESG Environmental Performance Award, the Outstanding ESG Social Performance Award and the ESG Commendation Certification at the Outstanding ESG Enterprises Recognition Scheme 2025 jointly organized by Sing Tao News Corporation and The Hong Kong Polytechnic University.

The Group always attaches great importance to communication with capital market practitioners, and the management actively participates in the Group's investor promotional activities, including results presentations, local and overseas roadshows as well as conferences or seminars in the capital market. Details of the major promotional activities held during the Year are as follows:

2025	Major Events
January	Organized Shenzhen International reverse roadshows
March	Held Shenzhen International 2024 annual results presentations
April	Held Shenzhen International 2024 post-annual results non-deal roadshows (Hong Kong, Beijing, Shanghai and Shenzhen)
May	- Participated in SDIC's Strategy Conference in Shenzhen - Participated in Guohai Securities' Summer Strategy Conference 2025 - Participated in Industrial Securities' Capital Markets Forum & Mid-term Strategy Conference - Participated in CITIC Securities' Capital Market Strategy Conference 2025 - Participated in Shenwan Hongyuan's Listed Company Symposium
June	Organised Shenzhen International reverse roadshows
August	- Held the Shenzhen International 2025 interim results presentation - Held the Shenzhen International 2025 post-interim results non-deal roadshow (Hong Kong)
September	- Held Shenzhen International 2025 post-interim results non-deal roadshows (Shanghai, Beijing and Shenzhen) - Participated in Huayuan Securities' 2025 Autumn Strategy Conference
October	- Participated in the ceremony of the "Outstanding ESG Enterprises Recognition Scheme 2025" organized by Sing Tao News Corporation - Participated in the 3rd ESG China Innovation Annual Conference and the ESG International Expo 2025
November	- Participated in Huatai Securities' 2025 Investment Summit - Participated in CICC's 2025 Annual Investment Strategy Conference - Participated in CITIC Capital's Annual Capital Market Conference - Participated in Caitong Securities' Dividend Strategy Conference in Shanghai
December	- Participated in Hong Kong Economic Journal's "Listed Company Awards of Excellence" 2025 award ceremony - Participated in the 2025 Enterprise ESG Sustainability Conference

The Group strives to achieve high quality disclosure and transparency standards. To enhance investors' understanding of its business, the Group explains its business operation to the investors through, among other things, special and annual general meetings, annual and interim reports, and its official website.

The Group's website (www.szihl.com) is the official access to the updates on the Group. Public notices, circulars, press releases, results announcements and other announcements are uploaded to the website on a regular basis. Investors can also access general information on the Group, biographies of the Directors and senior management, as well as business, financial and other information, on the official website.

The Group is committed to further enhancing the transparency and exchange of information by actively organizing investor relations activities, thus enabling investors to have deeper understanding of and trust in the Group's businesses, establish confidence in the Group's future development and gain recognition and support from the market, and fully demonstrating its business potential and intrinsic value. In addition, the Group also collects extensive feedback from the market through these activities for the purpose of improving its governance, operational and management standards.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2025, the interests and short positions of the directors (the "Directors") and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO, or as otherwise required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are set out as follows and in the section headed "SHARE OPTION SCHEME" as set out in the Report of the Directors on pages 94 to 95 of this annual report:

Long position in the ordinary shares of the Company

<i>Name of Director</i>	<i>Number of shares held</i>	<i>Capacity</i>	<i>Nature of interest</i>	<i>Approximate % of the issued shares of the Company⁽¹⁾</i>
Li Haitao	48,519	beneficial owner	personal	0.001%

Note:

(1) The percentage was calculated based on the total number of shares of the Company in issue as at 31 December 2025 (i.e. 2,443,735,570 shares)

Save as disclosed above and in the section headed "SHARE OPTION SCHEME" as set out in the Report of the Directors on pages 94 to 95 of this annual report, as at 31 December 2025, none of the Directors nor chief executives of the Company had any other interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES" above and the section headed "SHARE OPTION SCHEME" as set out in the Report of the Directors on pages 94 to 95 of this annual report, at no time during the year ended 31 December 2025 was the Company, any of its subsidiaries, the holding company of the Company or any of its subsidiaries a party to any arrangement which enabled the Directors, chief executives, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2025, the interests and short positions of the substantial shareholders of the Company and other persons (other than the Directors or chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO are set out below:

Long position in the ordinary shares of the Company

<i>Name of shareholder</i>	<i>Number of shares held</i>	<i>Capacity</i>	<i>Approximate % of the issued shares of the Company⁽¹⁾</i>
Shenzhen Investment Holdings Company Limited ("SIHCL") ⁽²⁾	364,500	beneficial owner	0.01%
	1,058,717,983	interest of controlled corporation	43.32%
Ultrarich International Limited ("Ultrarich") ⁽²⁾	1,058,717,983	beneficial owner	43.32%
UBS Group AG ⁽³⁾	146,517,264	interest of controlled corporation	5.99%
Lian Life Insurance Company Limited ("Lian Life") ⁽⁴⁾	138,567,250	beneficial owner	5.67%

Notes:

- (1) The percentage was calculated based on the total number of shares of the Company in issue as at 31 December 2025 (i.e. 2,443,735,570 shares).
- (2) As informed by SIHCL, it held a long position of 364,500 shares of the Company as a beneficial owner on 31 December 2025. Furthermore, as Ultrarich was a wholly-owned subsidiary of SIHCL and held a long position of 1,058,717,983 shares of the Company on 31 December 2025, SIHCL was deemed to have an interest in these shares and was deemed to hold a long position of an aggregate of 1,059,082,483 shares of the Company.
- (3) According to the disclosure of interests form filed by UBS Group AG to the Stock Exchange on 3 November 2025, as UBS Asset Management (Americas) LLC, UBS Asset Management (Hong Kong) Ltd, UBS Asset Management (Singapore) Ltd, UBS Asset Management (Europe) S.A., UBS Fund Management (Switzerland) AG, UBS Asset Management Life Limited, UBS Financial Services Inc., UBS AG and UBS Switzerland AG are wholly-owned by UBS Group AG, accordingly, UBS Group AG was deemed to be interested in a long position of an aggregate of 146,517,264 shares of the Company held by these companies.
- (4) As informed by Lian Life, it held a long position of 138,567,250 shares of the Company as a beneficial owner on 31 December 2025. Such increase in shareholding was not required to be disclosed under the SFO.

Save as disclosed above, as at 31 December 2025, the Company was not aware of any other substantial shareholders of the Company or any other persons (other than the Directors or chief executives of the Company) who had any interests or short positions in the shares and underlying shares of the Company which as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF SHENZHEN INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Shenzhen International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 132 to 244, which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

KEY AUDIT MATTERS *(continued)***Key audit matter*****Amortisation of concession intangible assets for the operating rights of the toll road business***

As shown in note 10(a)(i), as at 31 December 2025, the carrying amounts of the toll road operating rights of the Group was HKD23,002,134,000, and related amortisation for the year ended 31 December 2025 was HKD1,717,603,000.

The toll road operating rights of the Group are amortised on a units-of-usage basis, whereby amortisation is provided to write off the cost of the toll road operating rights based on the proportion of actual traffic volume for each reporting period over the total projected traffic volume for the operating period of each toll road, with reference to traffic volume forecast reports (the "TVF Reports") issued by independent professional traffic consultant.

Further as shown in note 4.1(a), during the year ended 31 December 2025, the total projected traffic volume in the remaining operating periods of certain expressways was reassessed with the relevant TVF Reports. Thus, the Group has adjusted the amortisation units-of-usage, resulting in decrease in profit after tax of HKD34,299,000.

The total projected traffic volume over the remaining operating periods are significant accounting estimates of the management. These estimates and judgements may be affected by unexpected changes in future market and economic conditions.

Therefore, we identify the amortisation accuracy of the toll road operating rights of the Group as a key audit matter.

How our audit addressed the key audit matter

We have performed the following audit procedures in response to the aforementioned key audit matter:

- Understanding and evaluating the design, implementation and operating effectiveness of the relevant internal controls related to the amortisation of toll road operation rights;
- Assessing the independence and professional capability of the traffic consultants engaged by the Group to issue the TVF Reports;
- Assessing the reasonableness of the actual traffic volume units applied in the calculation of amortisation;
- Comparing the actual traffic volume in the current year with the traffic volume forecasted in the TVF Reports, to evaluate the accuracy and reliability of the forecasted traffic volume and understanding the causes of any significant variances; and
- Re-calculating the amortisation of the toll road operating rights to verify the accuracy of its amount in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 HKSA's 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.

As part of an audit in accordance with HKSA's, 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, misrepresentations, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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.

The engagement partner on the audit resulting in the independent auditor's report is CHU, Yim Yan, Sonia (practising certificate number: P07390).

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong

26 March 2026

CONSOLIDATED BALANCE SHEET

At 31 December 2025

<i>(For reference only)</i>		NOTES	<i>2025</i> <i>HKD'000</i>	<i>2024</i> <i>HKD'000</i>
<i>31.12.2025</i>	<i>RMB'000</i>			
	ASSETS			
	Non-current assets			
18,694,200	Investment properties	6	20,803,695	18,519,634
18,975,822	Property, plant and equipment	7	21,117,095	20,391,880
3,707,098	Land use rights	8	4,125,415	4,056,454
5,679,069	Construction in progress	9	6,319,908	3,410,613
24,704,495	Intangible assets	10	27,492,205	26,187,883
263,798	Goodwill	11	293,566	515,097
16,487,744	Interests in associates	12	18,348,257	19,043,706
9,845,312	Interests in joint ventures	13	10,956,279	10,496,736
1,242,190	Other investments	14	1,382,361	1,209,394
582,365	Deferred tax assets	24	648,080	598,201
7,353,867	Other non-current assets	15	8,183,693	7,821,845
107,535,960			119,670,554	112,251,443
	Current assets			
7,568,541	Inventories and other contract costs	16	8,422,592	4,587,818
533,485	Contract assets	17	593,685	394,285
3,048,015	Other investments	14	3,391,959	637,956
5,071,945	Trade and other receivables	18	5,644,274	4,783,595
3,837,366	Other asset	19	4,270,383	3,534,628
117,904	Derivative financial instruments		131,209	138,110
490,489	Restricted bank deposits	20	545,837	329,644
223,500	Deposits in banks with original maturities over three months	20	248,720	620,745
8,454,788	Cash and cash equivalents	20	9,408,845	8,719,336
29,346,033			32,657,504	23,746,117
136,881,993	Total assets		152,328,058	135,997,560

CONSOLIDATED BALANCE SHEET

At 31 December 2025

<i>(For reference only)</i> 31.12.2025 RMB'000		NOTES	2025 HKD'000	2024 HKD'000
	EQUITY AND LIABILITIES			
	Equity attributable to ordinary shareholders of the Company			
12,268,572	Share capital and share premium	21	13,652,985	13,389,982
19,707,380	Other reserves and retained earnings	22	21,931,204	19,109,757
	Equity attributable to ordinary shareholders of the Company		35,584,189	32,499,739
31,975,952	Non-controlling interests		27,049,208	22,023,419
24,306,419				
56,282,371	Total equity		62,633,397	54,523,158
	Non-current liabilities			
33,034,908	Borrowings	23	36,762,640	41,057,761
884,456	Lease liabilities	28	984,260	872,235
2,154,588	Deferred tax liabilities	24	2,397,716	2,439,497
2,029,053	Other non-current liabilities	25	2,258,016	1,626,394
38,103,005			42,402,632	45,995,887
	Current liabilities			
10,348,503	Trade and other payables	26	11,516,251	13,730,276
98,698	Contract liabilities	27	109,835	250,414
2,179,014	Income tax payable		2,424,899	2,047,910
29,774,299	Borrowings	23	33,134,097	19,391,125
96,103	Lease liabilities	28	106,947	58,790
42,496,617			47,292,029	35,478,515
80,599,622	Total liabilities		89,694,661	81,474,402
136,881,993	Total equity and liabilities		152,328,058	135,997,560

The consolidated financial statements on pages 132 to 244 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

Li Haitao
DIRECTOR

Liu Zhengyu
DIRECTOR

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

<i>(For reference only)</i> 2025 RMB'000		NOTES	2025 HKD'000	2024 HKD'000
15,000,125 (11,845,930)	Revenue Cost of sales and services	29	16,345,347 (12,908,281)	15,570,615 (12,012,658)
3,154,195 166,961 2,721,585 (139,109) (1,064,806)	Gross profit Other income Other gains - net Distribution costs Administrative expenses	30	3,437,066 181,934 2,965,659 (151,584) (1,160,299)	3,557,957 171,271 3,202,516 (120,633) (1,349,973)
(160,279)	Impairment losses (including reversals of impairment losses or impairment gains) on trade and other receivables and contract assets	37(a)(iv)	(174,653)	(239,846)
4,678,547 405,685 335,866	Operating profit Share of results of associates Share of results of joint ventures	12 13	5,098,123 442,067 365,987	5,221,292 1,123,634 360,064
5,420,098	Profit before finance costs and income tax		5,906,177	6,704,990
110,024 (1,404,259)	Finance income Finance cost	33 33	119,891 (1,530,194)	173,596 (1,763,521)
(1,294,235)	Finance costs - net		(1,410,303)	(1,589,925)
4,125,863 (1,423,982)	Profit before income tax Income tax expense	34	4,495,874 (1,551,686)	5,115,065 (1,428,061)
2,701,881	Profit for the year	31	2,944,188	3,687,004
2,064,320 637,561	Attributable to: Ordinary shareholders of the Company Non-controlling interests		2,249,450 694,738	2,872,448 814,556
2,701,881			2,944,188	3,687,004
	Earnings per share attributable to ordinary shareholders of the Company (expressed in HK dollars per share)			
	Basic	35(a)	0.93	1.20
	Diluted	35(b)	0.92	1.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTE	2025 HKD'000	2024 HKD'000
Profit for the year		2,944,188	3,687,004
Other comprehensive income (expense):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive (expense) income of associates and joint ventures 12 & 13		(1,705)	40,173
Exchange difference arising on translation of foreign operations		74,515	(299,439)
		72,810	(259,266)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange difference arising from translation of functional currency to presentation currency		2,774,508	(1,915,575)
Fair value loss on equity security designated at fair value through other comprehensive income ("FVTOCI")		(288)	(348)
Deferred taxation relating to revaluation of equity security		72	87
Gain on revaluation of properties previously occupied by the Group		–	240,523
Deferred taxation relating to revaluation of properties		–	(60,131)
		2,774,292	(1,735,444)
Other comprehensive income (expense) for the year		2,847,102	(1,994,710)
Total comprehensive income for the year		5,791,290	1,692,294
Total comprehensive income (expense) attributable to:			
Ordinary shareholders of the Company		3,906,730	1,741,094
Non-controlling interests		1,884,560	(48,800)
		5,791,290	1,692,294

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to ordinary shareholders of the Company				Non-controlling interests HKD'000	Total HKD'000
	Share capital and share premium HKD'000 (note 21)	Other reserves HKD'000 (note 22)	Retained earnings HKD'000 (note 22)	Sub-total HKD'000		
At 1 January 2025	13,389,982	(200,909)	19,310,666	32,499,739	22,023,419	54,523,158
Profit for the year	-	-	2,249,450	2,249,450	694,738	2,944,188
Other comprehensive (expense) income						
Share of other comprehensive (expense) income of associates and joint ventures	-	(1,838)	-	(1,838)	133	(1,705)
Fair value loss on equity securities designated at FVTOCI	-	(288)	-	(288)	-	(288)
Deferred taxation relating to revaluation of equity securities	-	72	-	72	-	72
Exchange difference arising on translation of foreign operations	-	23,998	-	23,998	50,517	74,515
Exchange difference arising from translation of functional currency to presentation currency	-	1,635,336	-	1,635,336	1,139,172	2,774,508
Total other comprehensive income	-	1,657,280	-	1,657,280	1,189,822	2,847,102
Total comprehensive income for the year	-	1,657,280	2,249,450	3,906,730	1,884,560	5,791,290
Transactions with owners in their capacity as owners						
Transfer to reserve	-	201,458	(201,458)	-	-	-
Dividend relating to 2024 (note 36)	-	-	(1,440,964)	(1,440,964)	-	(1,440,964)
Issue of scrip shares as dividend (note 36)	242,154	-	-	242,154	-	242,154
Share of associates' reserves movement	-	(11,224)	-	(11,224)	(12,981)	(24,205)
Employee share option						
- recognition share-based payments (note 21)	20,849	-	-	20,849	-	20,849
Dividend paid to non-controlling interests by subsidiaries	-	-	-	-	(839,994)	(839,994)
Capital reductions by non-controlling interests (Note (a))	-	-	-	-	(4,364,629)	(4,364,629)
Capital injections by non-controlling interests (Note (b))	-	369,681	-	369,681	8,365,658	8,735,339
Others	-	(2,776)	-	(2,776)	(6,825)	(9,601)
Total transactions with owners in their capacity as owners	263,003	557,139	(1,642,422)	(822,280)	3,141,229	2,318,949
At 31 December 2025	13,652,985	2,013,510	19,917,694	35,584,189	27,049,208	62,633,397

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to ordinary shareholders of the Company					
	Share capital and share premium HKD'000 (note 21)	Other reserves HKD'000 (note 22)	Retained earnings HKD'000 (note 22)	Sub-total HKD'000	Non- controlling interests HKD'000	Total HKD'000
At 1 January 2024	13,257,983	767,241	17,556,982	31,582,206	23,393,455	54,975,661
Profit for the year	–	–	2,872,448	2,872,448	814,556	3,687,004
Other comprehensive income (expense)						
Share of other comprehensive income of associates and joint ventures	–	20,898	–	20,898	19,275	40,173
Fair value loss on equity securities designated at FVTOCI	–	(348)	–	(348)	–	(348)
Deferred taxation relating to revaluation of equity securities	–	87	–	87	–	87
Fair value gain on properties previously occupied by the Group	–	228,406	–	228,406	12,117	240,523
Deferred taxation relating to revaluation of properties	–	(57,102)	–	(57,102)	(3,029)	(60,131)
Exchange difference arising on translation of foreign operations	–	(143,712)	–	(143,712)	(155,727)	(299,439)
Exchange difference arising from translation of functional currency to presentation currency	–	(1,179,583)	–	(1,179,583)	(735,992)	(1,915,575)
Total other comprehensive expense	–	(1,131,354)	–	(1,131,354)	(863,356)	(1,994,710)
Total comprehensive (expense) income for the year	–	(1,131,354)	2,872,448	1,741,094	(48,800)	1,692,294
Transactions with owners in their capacity as owners						
Transfer to reserve	–	161,504	(161,504)	–	–	–
Dividend relating to 2023 (note 36)	–	–	(957,260)	(957,260)	–	(957,260)
Issue of scrip shares as dividend (note 36)	109,033	–	–	109,033	–	109,033
Share of associates' reserves movement	–	3,910	–	3,910	(256)	3,654
Employee share option – recognition share-based payments (note 21)	22,966	–	–	22,966	–	22,966
Dividend paid to non-controlling interests by subsidiaries	–	–	–	–	(1,299,657)	(1,299,657)
Capital injections by non-controlling interests	–	–	–	–	24,409	24,409
Capital reductions by non-controlling interests	–	–	–	–	(43,417)	(43,417)
Others	–	(2,210)	–	(2,210)	(2,315)	(4,525)
Total transactions with owners in their capacity as owners	131,999	163,204	(1,118,764)	(823,561)	(1,321,236)	(2,144,797)
At 31 December 2024	13,389,982	(200,909)	19,310,666	32,499,739	22,023,419	54,523,158

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Notes:

- (a) Capital reductions by non-controlling interests in 2025 mainly represented a redemption of perpetual bonds by Shenzhen Expressway (as defined in note 1)

On 21 April 2025, Shenzhen Expressway redeemed the Renminbi (“RMB”) 4,000,000,000 perpetual bond it issued on 4 December 2020 (the “2020 Perpetual Bond”) (the “Redemption”). As in the opinion of the directors of the Company, Shenzhen Expressway was able to control the delivery of cash or other financial assets to the holders of the 2020 Perpetual Bond, it was recognised as an equity, under non-controlling interest before the Redemption, as a result of the Redemption, a decrease of non-controlling interest of HKD4,358,723,000, being the carrying amount of the 2020 Perpetual Bond on the redemption date, was recorded.

- (b) Capital injections by non-controlling interests in 2025 mainly represent the issuance of A shares to specific targets and the issuance of perpetual bonds by Shenzhen Expressway:

- (i) Issuance of A shares to specific targets:

On 27 March 2025, Shenzhen Expressway issued an aggregate of 357,085,801 A shares to the specific targets (including Xin Tong Chan Development (Shenzhen) Co., Ltd (“XTC Company”)), a wholly-owned subsidiary of the Company) at the issue price of RMB13.17 per share, raising a total fund of approximately RMB4,703 million, among which XTC Company subscribed 75,930,144 of the newly issued A shares and the remaining 281,155,657 shares, amounting to RMB3,702,820,000 (equivalent to HKD3,963,627,000) were subscribed by other specific targets, recorded as capital inject by non-controlling interests. Issue cost of RMB18,569,000 (equivalent to HKD19,877,000) has been netted to the amount of non-controlling interest recognised.

- (ii) Issuance of perpetual bonds:

On 16 April 2025 and 13 May 2025, Shenzhen Expressway raised perpetual bonds with total amount of RMB4,000,000,000 (equivalent to approximately HKD4,358,723,000) to non-controlling interests.

In the opinion of the directors of the Company, as Shenzhen Expressway is able to control the delivery of cash or other financial assets to the holders of the perpetual bonds, the perpetual bonds are classified as equity instrument and the amount raised are recorded as non-controlling interests in the Group’s financial statements. Issue cost of RMB3,858,000 (equivalent to HKD4,204,000) has been netted to the amount of non-controlling interest recognised.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	NOTES	2025 HKD'000	2024 HKD'000
Cash flows from operating activities			
Cash generated from operations	38	5,962,539	5,598,942
Income tax paid		(1,447,674)	(1,219,074)
Net cash generated from operating activities		4,514,865	4,379,868
Cash flows from investing activities			
Purchases of investment properties, property, plant and equipment, land use rights, construction in progress, intangible assets and other non-current assets		(10,014,667)	(9,792,780)
Purchase of structured deposits		(6,559,878)	(1,638,099)
Placement of deposits in banks with original maturities over three months		(228,833)	(156,759)
Increase in interests in associates and joint ventures		(61,078)	(1,397,230)
Purchase of other investments		(46,068)	(50,285)
Redemption of structured deposits		3,854,437	2,046,341
Dividends received		902,962	783,430
Withdrawal of deposits in banks with original maturities over three months		621,118	626,036
Capital reduction of other investments		130,424	–
Interest received		121,034	131,415
Capital reduction of an associate		78,123	–
Repayment from an associate		49,689	–
Proceeds from disposal of property, plant and equipment, land use rights, construction in progress, intangible assets and other non-current assets		1,314	146,233
Disposal of interests in associates		24,452	–
Disposal of subsidiaries and debt receivables		–	3,256,802
Settlement of advances to subsidiaries disposed		–	401,118
Acquisition of subsidiaries		–	5,785
Advances and loan to associates and a joint venture		–	(4,427)
Net cash used in investing activities		(11,126,971)	(5,642,420)
Cash flows from financing activities			
Repayments of borrowings	38(b)	(29,895,899)	(38,282,545)
Redemption of a perpetual capital security		(4,358,723)	–
Dividends paid to the Company's and subsidiaries' shareholders		(2,069,272)	(2,051,993)
Interest paid		(1,589,653)	(1,939,666)
Repayment to an associate	38(b)	(479,460)	(454,399)
Capital element of lease rentals paid	38(b)	(67,968)	(58,136)
Interest element of lease rentals paid	38(b)	(23,470)	(26,195)
Capital reductions by non-controlling interests		(5,906)	(43,417)
Proceeds from borrowings	38(b)	36,495,777	45,378,686
Issuance of perpetual capital securities		4,354,518	–
Capital injections by non-controlling interests		4,380,821	24,409
Advance from an associate	38(b)	–	164,625
Net cash generated from financing activities		6,740,765	2,711,369
Net increase in cash and cash equivalents		128,659	1,448,817
Cash and cash equivalents at the beginning of the year		8,719,336	7,597,796
Effect of foreign exchange rate changes		560,850	(327,277)
Cash and cash equivalents at the end of the year	20	9,408,845	8,719,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

The principal activities of Shenzhen International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) include the following businesses:

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

The Group’s operations are mainly in the People’s Republic of China (“PRC”).

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

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

As at 31 December 2025, Ultrarich International Limited (“Ultrarich”) directly owned 1,058,717,983 ordinary shares of the Company, representing approximately 43.323% of the issued share capital of the Company. As Shenzhen Investment Holdings Company Limited (“SIHCL”) held the 100% equity interest in Ultrarich, it had an indirect interest in 43.323% of the Company’s equity held by Ultrarich. SIHCL directly owned 364,500 ordinary shares of the Company, representing approximately 0.015% of the issued share capital of the Company. SIHCL effectively held 43.338% of the issued share capital of the Company and is the largest shareholder of the Company. SIHCL is supervised and managed by Shenzhen Municipal People’s Government State-owned Assets Supervision and Administration Commission (“Shenzhen SASAC”). The directors of the Company regard Shenzhen SASAC as having control of the Company’s relevant activities and is the de facto controller of the Company due to the voting power it held in the Company.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. Material accounting policy information of the Group are disclosed in note 3.

In preparing the Group’s consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Company’s current liabilities exceeded its current assets by approximately HKD14,634,525,000 as at 31 December 2025.

In order to improve the financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the Group has been implementing a number of measures. These measures include but not limited to considering usage of existing banking facilities, in which unutilised banking facilities amounted to approximately HKD118,020,368,000 as at 31 December 2025.

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments that are measured at fair values at the end of the reporting period.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Application of amendments to an HKFRS Accounting Standard

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or 1 January 2026.

³ Effective for annual periods beginning on or 1 January 2027.

Except for the new standard to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.1 Application of amendments to an HKFRS Accounting Standard *(continued)*

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the income statement; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the income statement and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3.2 Subsidiaries

3.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group has power over the investee, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

(a) Disposal of subsidiaries

When the Group ceases to have control, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. Any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income may be reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.3 Associates and joint ventures

Associates are all entities in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

Joint ventures are an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. The Group's interests in associates and joint ventures include purchase price, other costs directly attributable to the acquisition of the interests in associates and joint ventures, and any direct investment into the investee that forms part of the interests in associates and joint ventures. Upon the acquisition of the ownership interest in an associate or a joint venture, any excess between the cost of the associate and the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or the joint venture, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or the joint venture (after applying the expected credit loss model to such other long-term interests where applicable), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or the joint venture.

The Group determines at each balance sheet date whether there is any objective evidence that the investment in an associate or a joint venture is impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognises the amount in the consolidated income statement. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Profits and losses resulting from transactions between the Group and its associates or joint ventures are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates or joint ventures. Unrealised gains and losses on transactions between the Group and its associates or joint ventures are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.4 Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU"s) (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount of the CGU (or group of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the CGU (or group of CGUs).

On disposal of a CGU during the year, any attributable amount of goodwill is included in the calculation of the profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

3.5 Foreign currency translation

(a) Functional and presentation currency

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 (i.e. the functional currency). The functional currency of the Company is Renminbi ("RMB"), while the consolidated financial statements is presented in Hong Kong dollar ("HKD"), unless otherwise stated. The management of the Group considered that selecting HKD as its presentation currency is more beneficial for the users of the consolidated financial statements as the Company's shares are listed on the Hong Kong Stock Exchange.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.5 Foreign currency translation *(continued)*

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated income statement within “finance income” or “finance cost”. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within “finance income” or “finance cost”, except when capitalised on the basis set out in note 3.22.

At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Translation difference on non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Translation difference on equities held at fair value through profit or loss is recognised in profit or loss as part of the fair value gain or loss. Translation differences on equities classified as FVTOCI are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Company are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised directly in other comprehensive income and accumulated in currency translation reserve. Such exchange differences accumulated in the currency translation reserve are not reclassified to profit or loss subsequently.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.6 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated balance sheet at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the items and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained earnings.

Amortisation on leasehold land and depreciation on property, plant and equipment are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	10-70 years or over the term of the unexpired leases, whichever is shorter
Leasehold improvements	4 years or over the term of the unexpired leases, whichever is shorter
Other properties leased for own use	Over the unexpired term of lease
Motor vehicles	5-8 years
Furniture, fixtures and equipment	3-10 years
Loading equipment and facilities in port and wind-power equipment	5-25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 3.12).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains – net" in the consolidated income statement.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.7 Construction in progress

Construction in progress represents the direct costs of construction incurred plus interest capitalised up to the date of completion of the construction of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment or intangible assets when completed and ready for use.

3.8 Investment properties

Investment property is held for long-term rental yields and is not occupied by the Group. Investment property is initially measured at cost, including any directly attributable expenditure. Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases. After initial recognition, investment property is carried at fair value. Changes in fair values are recorded in the consolidated income statement as part of “other gains – net”. Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

3.9 Land use rights

Land use rights are up-front payments to acquire long-term interests in the usage of land. They are stated at cost and charged to the consolidated income statement over the remaining period of the lease on a straight-line basis, net of any impairment losses.

If a land becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained earnings.

3.10 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.10 Leases *(continued)*

(a) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are office equipments. The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a credit risk adjustment based on bond yields. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date (less any lease incentives received), and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes the present value of an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Except for those that are classified as investment properties and measured under fair value model, right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 3.6 and 3.12). Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 3.8; and
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 3.17.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.10 Leases *(continued)*

(a) As a lessee *(continued)*

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated balance sheet, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to lease and non-lease component. Non-lease components are separated from lease component on the basis of their relative stand-alone selling price. The rental income from operating leases is recognised in accordance with note 3.26(c).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 3.10(a), then the Group classifies the sub-lease as an operating lease.

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.11 Concession intangible assets

(a) Toll Road

Where the Group has entered into contractual service concession arrangements (“Service Concessions”) with local government authorities for its participation in the development, financing, operation and maintenance of toll road infrastructures, the Group carries out the construction or upgrade work of toll roads for the granting authorities and receives in exchange of a right to operate the toll roads concerned and the entitlement to the toll fees collected from users of the toll road services. Concession intangible assets correspond to the right granted by the respective concession grantors to the Group to charge users of the toll road services and the fact that the concession grantors (the respective local governments) have not provided any contractual guarantees in respect of the amounts of construction costs incurred to be recoverable.

Land use rights acquired in conjunction with the Service Concessions which the Group has no discretion or latitude to deploy for other services other than the use in the Service Concessions are treated as intangible assets acquired under the Service Concessions.

Amortisation of concession intangible assets is provided based on a units-of-usage basis, whereby amortisation is provided to write off the cost of the toll road operating rights based on the proportion of actual traffic volume for each reporting period over the total projected traffic volume for the operating period of each toll road, with reference to traffic volume forecast report (the “TVF Report”) issued by independent professional traffic consultant. It is the Group’s policy to review regularly the total projected traffic volume throughout the operating periods of the respective toll roads. If it is considered appropriate, independent professional traffic studies will be performed. Appropriate adjustments will be made should there be a material change, and revised units-of-usage will be calculated by dividing the carrying amounts of the toll road operating rights by the revised total projected traffic volume in the remaining operating period of the respective toll road.

(b) Kitchen waste disposal project

Concession intangible assets related to kitchen waste allows the Group to charge the government department kitchen waste disposal fee according to negotiated price, to generate electricity by biogas, and to sell the oil and grease extracted from the kitchen waste in the franchise period. The income from the kitchen waste disposal project contract is evaluated by the fair value. The project is regarded as a financial asset when the Group can charge the contract awarding party a certain amount of cash or cash equivalents or other financial assets in a given period as the infrastructural construction has been finished. When the Group charge the operating service below a regulated price, the contract awarding party will compensate for the loss according to the contract. The financial assets will be recognised at the time the income is recognised. The project is regarded as an intangible asset when the contract gives the Group the right to charge served clients in a given period. The Group cannot charge cash unconditionally if the charge amount is uncertain. The Group will recognise intangible assets at the time the income is recognised.

The Group recognises the franchised kitchen waste disposal project as an intangible asset.

The Group uses the straight-line amortisation methods in the franchise period.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.12 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Property, plant and equipment, construction in progress, land use rights, right-of-use assets, interest in associates and joint ventures, intangible assets with finite useful lives and contract costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised in the consolidated income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell 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 assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

The recoverable amount of property, plant and equipment, construction in progress, land use rights, right-of-use assets, interest in associations and joint ventures, intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash- generating unit or group of CGUs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.13 Financial assets

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. The instruments are initially stated at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate on initial recognition except for those measured at fair value through profit or loss ("FVTPL"). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 37(c). The financial assets are subsequently accounted for as follows, depending on their classification.

(a) Financial assets other than equity investments

Financial assets held by the Group are classified into one of the following measurement categories:

- amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest.
- FVTOCI, if the contractual cash flows of the instrument comprise solely payments of principal and interest and the instrument is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the instrument is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the instrument does not meet the criteria for being measured at amortised cost or FVTOCI. Changes in the fair value of the instrument (including interest) are recognised in profit or loss.

(b) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVTOCI such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve is transferred to retained earnings, and will not recycle through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 3.26(h).

Interest income recognised is calculated by applying the effective interest rate to the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.14 Credit loss and impairment of assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, deposits in banks with original maturities over three months, restricted bank deposits, trade and other receivables, which are held for the collection of contractual cash flows which represent solely payments of principal and interest);
- contract assets as defined in HKFRS 15 (see note 3.18); and
- lease receivables.

Other financial assets measured at fair value, including equity and debt securities measured at FVTPL and equity securities designated at FVTOCI, are not subject to the ECL assessment.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECL, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECL are measured on either of the following bases:

- 12-month ECL: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECL: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Except for credit-impaired debtors that are assessed individually, ECL on not credit-impaired trade receivables and contract assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of past events and both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECL unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.14 Credit loss and impairment of assets *(continued)*

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ECL is remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised in profit or loss. The Group recognises an impairment gain or loss for financial instruments through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Measurement and recognition of ECL

Except for credit-impaired debtors that are assessed individually, the Group uses a practical expedient in estimating ECL on not credit-impaired trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.14 Credit loss and impairment of assets *(continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3.15 Financial liabilities and equity

Financial liabilities are recognised on the date the Group commits to contractual provisions of the instrument. Financial liabilities (including trade and other payables and borrowings) are initially measured at fair value and subsequently measured at amortised cost using effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts through the expected life of the financial liability, or, where appropriate, a shorter period to net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.17 Inventories and other contract costs

(a) Inventories

Inventories mainly include completed properties for sale, properties under development, materials for sale, wind turbine equipment and toll tickets and materials and spare parts for repairs and maintenance, and they are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, represents the actual cost of purchase and development. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

The cost of completed properties held for sale comprises all costs of development and other costs incurred in bringing the inventories to their present location and condition.

In the case of completed properties developed by the Group which comprise of multiple units which are sold individually, the cost of each unit is determined by apportionment of the total development costs for that development project to each unit on a per square meter basis, unless another basis is more representative of the cost of the specific unit. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises cost of land use rights, construction costs, depreciation of machinery and equipment, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period.

Properties under development are classified as current assets when the construction of the relevant properties commences unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of write-down of inventories is recognised in the profit or loss in the period in which the reversal occurs.

The Group transfers a property from inventories to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.17 Inventories and other contract costs *(continued)*

(b) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 3.17(a)), property, plant and equipment (see note 3.6) or concession intangible assets (see note 3.11).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 3.26.

3.18 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 3.26) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 3.14 and are reclassified to receivables when the right to the consideration has become unconditional (see note 3.19).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 3.26). 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 (see note 3.19).

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.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.19 Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 3.18).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 3.14).

3.20 Cash and cash equivalents

Bank balances for which its utilisation is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 20.

3.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as borrowing costs over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and are limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.23 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or equity.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates and joint ventures. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's and joint venture's undistributed profits is not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.23 Current and deferred tax *(continued)*

(b) Deferred tax *(continued)*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when 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, except for freehold land, which is always presumed to be recovered entirely through sale.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(c) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.24 Short-term and other long-term employee benefits

(a) Pension obligations

The Group operates a defined contribution retirement benefits scheme, Mandatory Provident Fund (the “MPF Scheme”), under the Mandatory Provident Fund Ordinance in Hong Kong for all Hong Kong employees who are eligible to participate in the MPF Scheme. Besides, the Group participates in defined contribution retirement schemes organised by the local government authorities in the PRC.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate scheme. Contributions payable or paid by the Group and employees are calculated as a percentage of employees’ basic salaries. The amounts of employee benefit expenses charged to the consolidated income statement represent the contribution payable or paid by the Group to the scheme during the year.

Apart from these, the Group has no legal or constructive obligations for further payments.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.24 Short-term and other long-term employee benefits *(continued)*

(b) Share-based payments

The Group participates an equity-settled, share-based compensation plan, for staff remuneration under which the entity receives services from employees as consideration for equity instruments (options) of the company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to serve a certain period of time).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. The Group recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained earnings.

(c) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

3.25 Provisions

Provisions for environmental restoration, restructuring costs, legal claims and the resulting maintenance and resurfacing cost, except for upgrade services under the respective service concessions, are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.26 Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

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

(a) Toll revenues

The Group's toll revenue from operation of the toll roads is recognised when the related services have been provided, revenue and total costs can be measured reliably and economic benefits with transaction can flow into the Group. The settlement period of the toll revenue from toll road operations is normally within a month due to the implementation of unified toll collection policy on expressways of the Group in the PRC.

(b) Construction service revenue under service concessions

Revenue generated by construction and upgrade services rendered by the Group is measured at the fair value of the consideration received or receivable, where total income and expenses associated with the construction contract and the stage of completion can be determined reliably. The consideration may be rights to attain a financial asset or an intangible asset.

The Group uses the input method to determine the appropriate amount of income and expenses to be recognised in a given period. The stage of completion is measured by reference to the construction costs of the related infrastructures incurred up to the balance sheet date as a percentage of total estimated costs for each contract.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.26 Revenue and other income *(continued)*

(c) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(d) Logistic related service revenues

Logistic related service revenues includes: (i) provision of logistics management, including freight forwarding services, and other ancillary services; (ii) loan financing services and (iii) cargo shipment, cargo handling, transshipment and storage of port. Logistics related service revenues are recognised when the related services are rendered.

(e) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(f) Sales of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when the property is delivered to customer, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet under contract liabilities (see note 3.18).

(g) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 3.14).

(h) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

3.28 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be reliably measured.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

3.29 Dividend distribution

Dividend distribution to the Company's ordinary shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, when appropriate.

3.30 Related parties

- (a) A person, or a close member of that person's family, is related to the Group 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 the Group's parent.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***3.30 Related parties** *(continued)*

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (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) Both entities 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 note 3.30(a);
 - (vii) A person identified in note 3.30(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); or
 - (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 Group's parent.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. As the future is inherently uncertain, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Amortisation of concession intangible assets

The Group applied HK(IFRIC) - Interpretation 12 "Service Concession Arrangements" and recognised concession intangible assets under the Service Concessions and provides amortisation thereon.

Amortisation of concession intangible assets is provided under the Traffic Flow Amortisation Method. Adjustments may need to be made to the amortisation based on unit usage according to the revised total projected traffic volume of concession intangible assets should there be a material difference between total projected traffic volume and the actual results.

The directors of the Company performed a periodic assessment of the total projected traffic volume. The Group engages independent professional traffic consultants to perform independent professional traffic studies and make appropriate adjustment if there is a material difference between projected traffic volume and actual traffic volume.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.1 Critical accounting estimates and assumptions *(continued)*

(a) Amortisation of concession intangible assets *(continued)*

During the year ended 31 December 2025, the Group engaged independent professional traffic consultant to reassess the total traffic volume in the remaining operating period of certain expressways. The Group has adjusted the amortisation units-of-usage for the related concession intangible assets according to the revised total projected traffic volume of Coastal Expressway (Shenzhen Section) since 1 July 2025, on a prospective basis. Such change in accounting estimate will affect the amortisation amount and has resulted in decrease in profit after tax of HKD34,299,000 (2024: increase in profit after tax of HKD2,256,000) for the year ended 31 December 2025. This adjustment will also affect the amortisation charges in the future.

(b) Impairment of non-financial assets and goodwill

Non-financial assets, including property, plant and equipment, construction in progress, land use rights, right-of-use assets, interest in associates and joint ventures, intangible assets with finite useful lives and contract costs, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amounts are estimated individually, or when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Goodwill is allocated to a CGU (or group of CGUs), for which, is tested for impairment annually or more frequently when there is indication that the unit may be impaired.

If the recoverable amount of the CGU (or group of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the CGU (or group of CGUs).

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs and is compared with the carrying amount of the relevant cash-generating unit or group of CGUs.

The recoverable amount is the higher of an asset's fair value less costs to sell 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. Key assumptions used include the growth rates of business volume, unit price, cost of sales, gross profit rate, operating period, and required rate of return. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

(c) Provision of ECL for trade receivables

In measuring ECL, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. Except for credit-impaired debtors that are assessed individually, ECL on not credit-impaired trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. ECL is remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.2 Critical judgements in applying accounting policies

(a) Significant influence over associates

For certain associates of which the Group holds less than 20% ownership, significant judgements are required in assessing whether the Group has significant influence over these entities. The Group considers it exercises significant influence over these entities by its participation in the financial and operating activities in these entities through its representation on their respective board of directors.

(b) Control over Shenzhen Expressway

After the issuance of A shares to specific targets as disclosed in note (b) to the condensed consolidated statement of changes in equity, the Group's shareholding in Shenzhen Expressway would decrease from approximately 51.56% to approximately 47.30%. Management of the Group assessed that the Group continue to have control over Shenzhen Expressway by taking into consideration the relative size of and dispersion of the shareholdings owned by the other shareholders of Shenzhen Expressway. After assessment, the directors of the Group concluded that the Group has sufficiently dominant voting interest to direct the relevant activities of Shenzhen Expressway and therefore the Group has control over Shenzhen Expressway.

5. SEGMENT INFORMATION

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

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

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

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

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

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

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

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Board for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

For the year ended 31 December 2025

	Toll roads and general- environmental protection business HKD'000	Logistics business				Sub-total HKD'000	Head office functions and others HKD'000	Total HKD'000
		Logistics parks HKD'000	Logistics services HKD'000	Port and related services HKD'000	Logistics park transformation and upgrading business HKD'000			
Revenue from contracts with customers within the scope of HKFRS 15								
– Point in time	7,406,901	246	370,075	4,058,962	-	4,429,283	-	11,836,184
– Over time	2,688,425	294,674	-	-	40,632	335,306	-	3,023,731
Sub-total	10,095,326	294,920	370,075	4,058,962	40,632	4,764,589	-	14,859,915
Revenue from leases	-	1,366,458	-	-	118,974	1,485,432	-	1,485,432
Revenue	10,095,326	1,661,378	370,075	4,058,962	159,606	6,250,021	-	16,345,347
Operating profit (loss)	1,804,858	95,694	(69,112)	96,294	3,699,273	3,822,149	(528,884)	5,098,123
Share of results of joint ventures	343,486	31,306	-	3,218	-	34,524	(12,023)	365,987
Share of results of associates	460,566	1,176	(8,315)	-	(128,278)	(135,417)	116,918	442,067
Finance income	77,760	7,615	110	836	474	9,035	33,096	119,891
Finance costs	(886,184)	(119,522)	(1,907)	(26,771)	(58,117)	(206,317)	(437,693)	(1,530,194)
Profit (loss) before income tax	1,800,486	16,269	(79,224)	73,577	3,513,352	3,523,974	(828,586)	4,495,874
Income tax expense	(503,516)	(10,978)	(2,432)	(19,496)	(937,250)	(970,156)	(78,014)	(1,551,686)
Profit (loss) for the year	1,296,970	5,291	(81,656)	54,081	2,576,102	2,553,818	(906,600)	2,944,188
(Profit) loss attributable to non-controlling interests	(731,521)	23,522	(2,998)	(14,729)	30,456	36,251	532	(694,738)
Profit (loss) attributable to ordinary shareholders of the Company	565,449	28,813	(84,654)	39,352	2,606,558	2,590,069	(906,068)	2,249,450
Depreciation and amortisation	2,694,114	417,731	22,474	105,536	22,903	568,644	246,262	3,509,020
Capital expenditure								
– Additions in investment properties, property, plant and equipment, construction in progress, land use rights and intangible assets	2,531,365	4,403,290	115,490	182,025	38,947	4,739,752	1,301,531	8,572,648
– Additions in interests in an associate	-	-	-	-	-	-	61,078	61,078
– Additions in interests in joint ventures	321,183	-	-	-	-	-	1,137	322,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

For the year ended 31 December 2024

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION *(continued)*

Notes:

- (a) The revenue from toll roads included construction service revenue under Service Concessions amounted to HKD2,174,631,000 for the year (2024: HKD2,130,496,000).
- (b) The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.
- (c) All revenues are derived from external customers located in the PRC. The Group's non-current assets, other than financial instruments and deferred tax assets are mainly located in the PRC, revenues derived from non-current assets located in other countries and regions are not material.
- (d) No analysis of the Group's assets and liabilities by reportable and operating segments is disclosed as it is not regularly provided to the chief operation decision maker for review.

6. INVESTMENT PROPERTIES

	2025 HKD'000	2024 HKD'000
Beginning of the year	18,519,634	15,080,718
Additions	1,765,016	2,747,783
Change in fair value recognised in profit or loss (note 30)	(363,966)	(222,404)
Transferred from property, plant and equipment (note 7)	–	721,517
Transferred from land use rights (note 8)	–	134,584
Transferred from construction in progress (note 9)	–	29,948
Transferred from other non-current assets (note 15)	–	637,400
Transferred to property, plant and equipment (note 7)	–	(502)
Disposal	–	(40,391)
Exchange difference	883,011	(569,019)
End of the year	20,803,695	18,519,634
Analysis of the carrying amount is as follows:		
Investment properties	19,759,626	13,504,272
Investment properties under construction	1,044,069	5,015,362
	20,803,695	18,519,634

The Group leases out premises and warehouses under operating leases. The leases typically run for an initial period of 1 to 20 years, with an option to renew the lease after that date at which time all terms are renegotiated. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term. Lease payments are usually adjusted every year to reflect market rentals. None of the leases includes variable lease payments.

During the year ended 31 December 2024, the Group had reclassified certain property from owner-occupied property to investment property to earn rentals, as evidenced by the end of the Group's owner-occupation of those property. Accordingly, property, plant and equipment of HKD480,994,000 was transferred to investment properties.

Included in investment properties, there are leasehold lands with original lease terms of 50 years for logistic business in the PRC.

6. INVESTMENT PROPERTIES *(continued)***Fair Value Hierarchy**

The Group's investment properties were revalued at each balance sheet date. The valuations were determined by reference to valuations performed by Asset Appraisal Limited, an independent professional qualified property valuer who have, among their staff, Fellow of the Hong Kong Institute of Surveyors with recent experience in valuating properties in similar location and categories of the properties being valued.

None of the Group's investment properties measured at fair value are categorised as Level 1 nor Level 2. The Group's investment properties are at Level 3 valuation.

	Valuation techniques	Unobservable input	Range
Investment properties	Market comparison approach	Market unit rate	HKD3,338 to HKD32,859 per square metre (2024: HKD2,017 to HKD34,040 per square metre)
Investment properties	Income capitalisation method	Capitalisation rate	3.30% to 7.50% (2024: 3% to 7.10%)
		Expected vacancy rate	5% to 25% (2024: 7.5% to 25%)
		Expected market rental growth rate	1% to 5% (2024: 1% to 5%)
Investment properties under construction	Market comparison approach	Further costs for completing the properties	Depend on the progress and complexity of the construction
		Market unit rate	HKD2,544 to HKD4,076 per square metre (2024: HKD2,415 to HKD4,998 per square metre)
Investment properties under construction	Replacement costs approach	Current costs of replacement of the properties	Depend on the progress and complexity of the construction

The fair value of investment properties determined using market comparison approach is determined by reference to recent sales price of comparable properties on a price per square metre basis, adjusted for a premium or a discount specific to the quality of the Group's buildings compared to the recent sales property. Higher premium for higher quality properties will result in a higher fair value measurement.

The fair value of investment properties derived using the income capitalisation method is determined by discounting the projected cash flows associated with the properties using capitalisation rates. The valuation takes into account expected market rental growth and vacancy rate of the respective properties. The capitalisation rates used have been adjusted for the quality and location of the buildings. The fair value measurement is positively correlated to the expected market rental growth, and negatively correlated to the vacancy rate and the capitalisation rates.

The fair value of investment properties under construction determined using market comparison approach is determined by reference to recent sales price of comparable properties on a price per square metre basis, adjusted for estimated further costs for completing the properties. Higher further costs for completion will result in a lower fair value measurement.

The fair value of investment properties under construction determined using replacement costs approach is determined by reference to recent sales price of comparable land plus the current costs of replacement of the properties. Higher replacement costs will result in a higher fair value measurement.

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For the year ended 31 December 2025

6. INVESTMENT PROPERTIES *(continued)*

Undiscounted lease payments under non-cancellable operating lease

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:

	2025 HKD'000	2024 HKD'000
Within 1 year	580,972	423,337
After 1 year but within 2 years	405,229	306,819
After 2 years but within 3 years	253,838	230,833
After 3 years but within 4 years	172,611	165,140
After 4 years but within 5 years	132,874	109,246
After 5 years	458,004	499,997
	2,003,528	1,735,372

7. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2025

	Buildings HKD'000	Other properties leased for own use HKD'000	Leasehold improvements HKD'000	Motor vehicles HKD'000	Furniture, fixtures and equipment HKD'000	Loading equipment and facilities in port and wind-power equipment HKD'000	Total HKD'000
Net book value as at 1 January 2025	13,808,263	290,351	12,439	73,859	1,364,304	4,842,664	20,391,880
Transfer from construction in progress (note 9)	966,963	-	-	-	136,097	60,374	1,163,434
Additions	146,477	159,526	613	21,193	157,512	93,472	578,793
Disposals	(316,335)	(281)	-	(2,340)	(7,411)	(600)	(326,967)
Exchange difference	631,285	15,337	544	3,431	62,911	219,394	932,902
Depreciation	(739,511)	(66,988)	(1,979)	(17,589)	(283,658)	(318,526)	(1,428,251)
Impairment (Note b)	(185,246)	-	-	-	-	(9,450)	(194,696)
Closing net book value	14,311,896	397,945	11,617	78,554	1,429,755	4,887,328	21,117,095
At 31 December 2025							
Costs	20,258,777	1,110,120	33,422	274,239	7,080,173	8,050,299	36,807,030
Accumulated depreciation and impairment	(5,946,881)	(712,175)	(21,805)	(195,685)	(5,650,418)	(3,162,971)	(15,689,935)
Net book value	14,311,896	397,945	11,617	78,554	1,429,755	4,887,328	21,117,095

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For the year ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Year ended 31 December 2024

	<i>Buildings</i> <i>HKD'000</i>	<i>Other properties leased for own use</i> <i>HKD'000</i>	<i>Leasehold improvements</i> <i>HKD'000</i>	<i>Motor vehicles</i> <i>HKD'000</i>	<i>Furniture, fixtures and equipment</i> <i>HKD'000</i>	<i>Loading equipment and facilities in port and wind-power equipment</i> <i>HKD'000</i>	<i>Total</i> <i>HKD'000</i>
Net book value as at 1 January 2024	13,124,217	322,069	11,515	39,264	1,435,024	4,848,677	19,780,766
Additions	29,944	33,845	3,730	51,319	219,223	131,698	469,759
Transfer from construction in progress (note 9)	3,015,892	–	–	238	104,360	335,347	3,455,837
Acquisition of subsidiaries	–	–	–	–	50	–	50
Transfer from investment properties (note 6)	502	–	–	–	–	–	502
Transfer from non-current assets (note 15)	371,664	–	–	–	–	–	371,664
Disposal of subsidiaries	(760,692)	–	–	(702)	(105,560)	–	(866,954)
Transfer to investment properties	(480,994)	–	–	–	–	–	(480,994)
Disposals	(75,205)	(590)	–	(503)	(30,648)	(2,462)	(109,408)
Exchange difference	(470,660)	(10,345)	(411)	(2,021)	(47,788)	(165,044)	(696,269)
Depreciation	(702,976)	(54,628)	(2,395)	(13,736)	(200,123)	(299,708)	(1,273,566)
Impairment (Note b)	(243,429)	–	–	–	(10,234)	(5,844)	(259,507)
Closing net book value	13,808,263	290,351	12,439	73,859	1,364,304	4,842,664	20,391,880
At 31 December 2024							
Costs	17,762,698	747,681	31,898	183,356	4,318,500	6,423,707	29,467,840
Accumulated depreciation and impairment	(3,954,435)	(457,330)	(19,459)	(109,497)	(2,954,196)	(1,581,043)	(9,075,960)
Net book value	13,808,263	290,351	12,439	73,859	1,364,304	4,842,664	20,391,880

As at 31 December 2025, property ownership certificates for buildings, used in the operation of toll roads and logistic parks, with net book value of HKD527,519,000 (2024: HKD905,535,000) and HKD1,076,077,000 (2024: HKD3,205,172,000), respectively, has not yet procured. Due to the unique feature of the Group's operation of toll roads, the affiliated buildings and structures should be reverted to the government when the approved operating periods expired. Thus, the Group does not have a plan of procuring the relevant property ownership certificates. For buildings used in the operation of logistic parks, the Group is in the process of procuring the property ownership certificate and expected to complete in 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

(a) Right-of-use assets

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

	2025 HKD'000	<i>2024</i> <i>HKD'000</i>
Leased properties and buildings included in "Property, plant and equipment"	811,763	776,011
Land use rights (note 8)	4,125,415	4,056,454
	4,937,178	4,832,465

The above right-of use assets are carried at depreciated cost.

The initial lease terms of the leased properties and buildings included in property, plant and equipment ranged from 2 to 20 years.

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

	2025 HKD'000	<i>2024</i> <i>HKD'000</i>
Depreciation and amortisation charge of right-of-use assets by class of underlying asset:		
Property, plant and equipment	42,080	41,893
Land use rights (note 8)	131,049	136,390
	173,129	178,283
Interest on lease liabilities (note 33)	39,664	42,269
Expense relating to short-term leases	95,949	99,680
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	2,796	2,062

Total cash outflow for leases except for land use rights in the current year amounted to HKD190,183,000 (2024: HKD186,073,000). During the year ended 31 December 2025, cash outflow for acquisition of land use rights is HKD108,329,000 (2024: HKD446,422,000).

7. PROPERTY, PLANT AND EQUIPMENT *(continued)***(b) Impairment assessment**

As a result of changes in the economic environment where the Group operates, and other facts and circumstances, certain of the Group's property, plant and equipment, together with the land use rights where the impaired building situated, are not operating at management's expectation, the management of the Group concluded there were indication for impairment and conducted impairment assessment on the identified property, plant and equipment and the land use rights. The recoverable amounts of these assets are estimated individually and when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Impairment losses identified in the years in respective to:

	Impairment loss recognised	
	2025 HKD'000	2024 HKD'000
Property, plant and equipment	194,696	259,507
Land use rights	76,278	–
	270,974	259,507

Impairment losses identified are assessed:

	Impairment loss recognised	
	2025 HKD'000	2024 HKD'000
Individually	9,450	12,802
In CGU	261,524	246,705
	270,974	259,507

The recoverable amounts of property, plant and equipment with carrying amount of HKD9,450,000 (2024: HKD13,593,000) are assessed individually, which are determined by reference to recent transaction prices for similar assets. Impairment amounting to HKD9,450,000 (2024: HKD12,802,000) were recognised for these assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

(b) Impairment assessment *(continued)*

For assets that are not possible to estimate the recoverable amount individually, the recoverable amounts of the CGUs are determined which are then based on its value-in-use. For value-in-use assessment, management of the Group prepared cash flow forecasts for a five-year period based on the assumptions including the estimations of growth rates of business volume, unit price and cost of sales. The growth rates are estimated based on past performance and management's expectations of the market development. The cash flow forecasts are discounted by using pre-tax discount rates that reflect the cost of capital of each CGU and the industry specific factors. Based on the assessment by the Group management, impairment losses of the assets assessed by reference to the recoverable amounts of CGUs have been recognised for the year and summarised below:

	<i>Carrying amount HKD'000</i>	<i>Recoverable amount HKD'000</i>	<i>Impairment loss recognised HKD'000</i>
At 31 December 2025			
PPE CGU A	1,168,084	1,048,219	119,865
PPE CGU B	771,893	630,234	141,659
			261,524
	<i>Carrying amount HKD'000</i>	<i>Recoverable amount HKD'000</i>	<i>Impairment loss recognised HKD'000</i>
At 31 December 2024			
PPE CGU A	1,349,418	1,143,300	206,118
PPE CGU C	108,280	67,693	40,587
			246,705

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8. LAND USE RIGHTS

	2025 HKD'000	2024 HKD'000
Beginning of the year	4,056,454	4,231,866
Additions	108,329	446,422
Disposal	(16,475)	(26,508)
Amortisation (note 7(a))	(131,049)	(136,390)
Impairment (note 7(b))	(76,278)	–
Disposal of subsidiaries (note 41)	–	(185,086)
Transfer to Investment properties (note 6)	–	(134,584)
Exchange difference	184,434	(139,266)
End of the year	4,125,415	4,056,454

Leasehold lands included as land use rights as above are located in the PRC with medium-term leases.

9. CONSTRUCTION IN PROGRESS

	2025 HKD'000	2024 HKD'000
Beginning of the year	3,410,613	3,104,279
Additions	3,858,316	3,904,324
Transfer to property, plant and equipment (note 7)	(1,163,434)	(3,455,837)
Disposal of a subsidiary (note 41)	–	(415)
Transfer to investment property (note 6)	–	(29,948)
Impairment (note 30)	–	(12,981)
Exchange difference	214,413	(98,809)
End of the year	6,319,908	3,410,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INTANGIBLE ASSETS

	2025 HKD'000	2024 HKD'000
Cost	50,946,095	46,496,040
Accumulated amortisation and impairment	(23,453,890)	(20,308,157)
Net book value as at 31 December	27,492,205	26,187,883
	2025 HKD'000	2024 HKD'000
Beginning of the year	26,187,883	29,280,325
Additions	2,262,194	2,212,008
Disposals	(1,314)	(5,253)
Amortisation	(2,031,508)	(1,889,762)
Acquisition of a subsidiary	–	7,758
Disposal of subsidiaries (note 41)	–	(2,263,403)
Others	–	(45,090)
Impairment (Note (b))	(133,605)	(175,247)
Exchange difference	1,208,555	(933,453)
End of the year	27,492,205	26,187,883

Notes:

- (a) The Group's intangible assets include concession intangible assets related to toll roads and kitchen waste disposal projects:

(i) Toll roads

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

As at 31 December 2025, the carrying amounts of the toll road operating rights of the Group was HKD23,002,134,000 (2024: HKD21,503,125,000). According to the relevant regulations, these operating rights are not renewable and the Group does not have any termination options. Amortisation of concession intangible assets related to toll roads amounted to HKD1,717,603,000 (2024: HKD1,639,055,000) has all been charged to the consolidated income statement under "Cost of sales and services".

The operating rights of certain toll roads were pledged for secured borrowings (see note 23(a)).

(ii) Kitchen waste disposal project

Concession intangible assets related to kitchen waste disposal project allow the Group to charge the government department for kitchen waste disposal fee according to negotiated price, to generate electricity by biogas, and to sell the oil and grease extracted from the kitchen waste in the franchise period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INTANGIBLE ASSETS (continued)

- (b) As a result of changes in the economic environment where the Group's kitchen waste disposal business operates, and other facts and circumstances, the Group's kitchen waste disposal business in certain geographical locations are operating adversely during the year, management of the Group concluded there were indication for impairment and conducted impairment assessment on these concession intangible assets. The recoverable amounts of these assets are estimated individually and when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs, including allocation of corporate assets when reasonable and consistent basis can be established. Each cash generating unit represents the Group's operation in respective geographical locations.

Intangible assets with carrying amount of HKD35,437,000 (2024: HKD100,232,000) are assessed, on individual basis, to be fully impaired during the year ended 31 December 2025, as no future economic benefit is expected to be generated from them.

For intangible assets that are not possible to estimate the recoverable amount individually, the recoverable amounts of the CGUs, of which the intangible assets belong, are determined based on its value-in-use. For value-in-use assessment, management of the Group prepared cash flow forecasts for a five-year period based on the assumptions including the estimations of growth rates of business volume and unit price. The growth rates are estimated based on past performance and management's expectations of market development. The cash flow forecasts are discounted by using pre-tax discount rates that reflect the cost of capital of each CGU and the industry specific factors. Based on the assessment by the Group management, impairment losses of the concession intangible assets assessed by reference to the recoverable amounts of CGUs have been recognised for the years and summarised below:

	<i>Carrying amount HKD'000</i>	<i>Recoverable amount HKD'000</i>	<i>Impairment loss recognised HKD'000</i>
At 31 December 2025			
Intangible assets CGU A	266,484	228,713	37,771
Intangible assets CGU C	151,512	140,995	10,517
Intangible assets CGU E	109,834	92,729	17,105
Intangible assets CGU F	109,528	88,937	20,591
Intangible assets CGU G	102,887	94,701	8,186
Intangible assets CGU H	97,626	93,628	3,998
			98,168
	<i>Carrying amount HKD'000</i>	<i>Recoverable amount HKD'000</i>	<i>Impairment loss recognised HKD'000</i>
At 31 December 2024			
Intangible assets CGU A	291,508	279,707	11,801
Intangible assets CGU B	215,295	190,588	24,707
Intangible assets CGU C	165,349	158,196	7,153
Intangible assets CGU D	78,089	46,735	31,354
			75,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. GOODWILL

	2025 HKD'000	2024 HKD'000
Beginning of the year	515,097	543,515
Impairment loss recognised in the year	(240,158)	(10,464)
Exchange difference	18,627	(17,954)
End of the year	293,566	515,097

Impairment tests for CGUs containing goodwill

Goodwill is allocated to the Group's CGUs identified according to following business:

	2025 HKD'000	2024 HKD'000
Toll roads	–	215,844
Logistics parks	278,879	285,213
Logistics services	11,038	10,552
Port and related services	3,649	3,488
	293,566	515,097

As at 31 December 2025 and 2024, the Group determined the recoverable amount of all the CGUs of toll roads, logistics parks, logistics services and port and related services in order to assess the impairment for goodwill.

- (a) The recoverable amount of the CGU of toll roads business (the "Toll Road CGU") is determined based on a value in use calculation according to the present value of the estimated future cash flow of the toll roads business. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering the predictive period to expiration of concession rights of relevant toll roads with a pre-tax discount rate ranging from 6.80% to 7.20% (2024: 7.12% to 7.83%). The key assumptions for the value in use calculation include growth rate of traffic flow and gross profit rate.

During the year, due to development of other expressways surrounding the Group's toll roads, dispersing the traffic volume and impacting the profitability of the Toll Road CGU. The directors of the Company have consequently determined the recoverable amount of the Toll Road CGU has been RMB373,893,000 lower than its carrying amount, resulting in impairment of goodwill amounting to RMB202,893,000 (equivalent to HKD221,089,000) and impairment of interest in joint ventures amounting to RMB171,000,000 (equivalent to HKD186,335,000). The impairment losses has been included in profit or loss in the "other gain – net" line item.

- (b) The recoverable amounts of the CGUs of logistics parks business are determined based on value in use of the CGUs. The value in use is calculated according to the present value of the estimated future cash flow of the logistics parks business. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering a five-year period with a pre-tax discount rate of 6.2% to 6.5% (2024: 6.2%) and projection of terminal value using the perpetuity method at a growth rate of 2.0% to 3.0% (2024: 3.0%). The key assumptions for the value in use calculation include revenue growth rates and gross margin, which are determined based on the Group's past performance and inflation rate. The management of the Group believes that any reasonable possible change in the above assumptions will not result in significant further impairment.

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For the year ended 31 December 2025

12. INTERESTS IN ASSOCIATES

	2025 HKD'000	2024 HKD'000
Beginning of the year	19,043,706	17,493,560
Additions (Note (a))	61,078	1,409,770
Partial disposals without losing of significant influence	(20,776)	–
Capital reduction	(78,123)	–
Share of results of associates	442,067	1,123,634
Share of other comprehensive income of associates	(2,999)	41,862
Share of other reserves movement of associates	(24,205)	3,654
Dividends	(1,917,129)	(392,875)
Disposals	–	(241)
Others	–	(9,153)
Exchange difference	844,638	(626,505)
End of the year	18,348,257	19,043,706

The year-end balance comprises the following:

	2025 HKD'000	2024 HKD'000
Share of net assets	16,668,491	17,437,921
Goodwill on acquisition (Note (b))	1,679,766	1,605,785
	18,348,257	19,043,706

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INTERESTS IN ASSOCIATES *(continued)*

The major associates as listed below are held indirectly by the Company, their place of business and country of incorporation is the PRC. They are accounted for using equity method.

Name	% Ownership interest indirectly held by the Company		Business nature
	2025	2024	
Shenzhen Airlines Company Limited ("Shenzhen Airlines") (Note (c))	49%	49%	Aviation services
Air China Cargo Co., Ltd ("Air China Cargo") (Note (d))	8.76%	8.76%	Aviation services
Shenzhen International United Land Co., Ltd. ("United Land Company")	34.3%	34.3%	Real estate development
Guangzhou Western Second Ring Expressway Company Limited	25%	25%	Construction, operation and management of highways
Nanjing Yangzi River Third Bridge Company Limited	35%	35%	Construction, operation and management of bridges
Guangdong Yangmao Expressway Company Limited ("Yangmao Company")	25%	25%	Construction, operation and management of highways
Shenzhen International Qianhai Real Estate (Shenzhen) Co., Ltd. ("Qianhai Real Estate")	50%	50%	Real estate development
Shenzhen International Qianhai Business Development (Shenzhen) Co., Ltd ("Qianhai Business")	50%	50%	Real estate development
Chongqing Derun Environment Company Limited ("Derun Company")	20%	20%	Environment management and resources recovery
Foshan Shunde ShengChuang Expressway Environmental Science Industry M&A investment partnership	45%	45%	Investment management
China AMC-Shenzhen International Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (the "AMC REIT") (Note (e))	30%	31.28%	Construction, operation and management of urban integrated logistics hubs
E Fund Shenzhen Expressway Closed-end Infrastructure Securities Investment Fund (the "E Fund-Shenzhen REIT") (Note (e))	40%	40%	Construction, operation and management of an expressway
Shenzhen Qianhai Shenwan Cloud Warehouse International Smart Logistics Port Co., Ltd. ("Shenwan Cloud Warehouse") (Note (a))	49%	–	Construction, operation and management of urban integrated logistics hubs

Notes:

- (a) During the year ended 31 December 2025, the Group and another investor jointly established Shenwan Cloud Warehouse, with an initial contribution amounted to approximately RMB56 million (equivalent to HKD61 million), representing 49% interest in Shenwan Cloud Warehouse.

During the year ended 31 December 2024, the Group subscribed 31.28% and 40% interest in AMC REIT and E Fund – Shenzhen REIT, amounted to approximately RMB448 million (equivalent to HKD 484 million) and RMB819 million (equivalent to HKD 891 million), respectively.

The investments are accounted for as interests in associates as the directors of the Company assessed that the Group has significant influence over the investments through its involvement in their operations and its interest in them.

- (b) This balance mainly represents goodwill arising from the acquisition of equity interests in Yangmao Company and Derun Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INTERESTS IN ASSOCIATES *(continued)*

Notes: *(continued)*

- (c) During the year ended 31 December 2025, Shenzhen Airlines has introduced a new investor through a public tender. The capital increase agreement was signed on 18 December 2025 and the capital injection is completed in January 2026. Upon the completion of the capital injection, the Group's equity interest in Shenzhen Airlines will be diluted from 49% to approximately 28.09%. Shenzhen Airlines will remain an associate of the Group.
- (d) The Board anticipated the Group has significant influence over this entity by its participation in the financial and operating activities of this entity through its representation on the board of directors.
- (e) In the opinion of the Board, Qianhai Business and Derun Company are material associates to the Group. Qianhai Business and Derun Company are private companies with no quoted market prices available for their shares. Set out below are the summarised financial information for the two associates.

Summarised balance sheet

	Qianhai Business		Derun Company	
	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000
Current assets	3,201,537	8,100,088	16,189,703	12,315,113
Current liabilities	(1,821,647)	(5,237,969)	(11,874,198)	(13,342,632)
Net current assets (liabilities)	1,379,890	2,862,119	4,315,505	(1,027,519)
Non-current assets	1,249,124	1,072,296	57,334,090	56,003,028
Non-current liabilities	–	–	(23,224,084)	(18,716,519)
Net non-current assets	1,249,124	1,072,296	34,110,006	37,286,509
Non-controlling interests	–	–	(17,902,811)	(16,826,388)
Equity attributable to the owners of the associate	2,629,014	3,934,415	20,522,700	19,432,602

Summarised statement of comprehensive income

	Qianhai Business		Derun Company	
	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000
Revenue	4,091,610	3,880,985	14,483,538	14,342,404
Profit for the year	1,268,476	1,426,994	836,316	742,164
Other comprehensive income	–	–	45,643	105,555
Total comprehensive income	1,268,476	1,426,994	881,959	847,719
Dividends received from the associate	1,362,101	–	108,532	130,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

(e) (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in the associates

	<i>Qianhai Business</i>		<i>Derun Company</i>	
	2025	<i>2024</i>	2025	<i>2024</i>
	HKD'000	<i>HKD'000</i>	HKD'000	<i>HKD'000</i>
Opening net assets	3,934,415	2,622,658	19,432,602	19,894,732
Profit for the year	1,268,476	1,426,994	836,316	742,164
Other comprehensive income	–	–	45,643	105,555
Dividend paid	(2,724,202)	–	(542,660)	(650,900)
Currency translation differences	150,325	(115,237)	750,799	(658,949)
Closing equity attributable to the owners of the associate	2,629,014	3,934,415	20,522,700	19,432,602
The Group's share of the associate's net assets attributable to their owners	1,314,507	1,967,208	4,104,540	3,886,520
Goodwill	–	–	1,628,037	1,556,334
Add: Fair value adjustments upon acquisition	177,881	925,048	–	–
Carrying value	1,492,388	2,892,256	5,732,577	5,442,854

Note: The Group shares 50% of equity interests of Qianhai Business and 20% of equity interests of Derun Company.

The Group's share of losses of Shenzhen Airlines exceeds its interest in it and ceased to recognise further losses from Shenzhen Airlines:

	2025	<i>2024</i>
	HKD'000	<i>HKD'000</i>
The unrecognised share of loss of Shenzhen Airlines for the year	527,418	1,208,946
Cumulative unrecognised share of loss of Shenzhen Airlines	7,064,494	6,537,076

(f) Aggregate financial information of associates that are not individually material is as follows:

	2025	<i>2024</i>
	HKD'000	<i>HKD'000</i>
Aggregate carrying amount of the Group's interests in associates that are not individually material	11,123,292	10,708,596
The Group's share of profit	413,913	261,704
The Group's share of other comprehensive (expense) income	(12,128)	20,751
The Group's share of total comprehensive income	401,785	282,455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. INTERESTS IN JOINT VENTURES

	2025 HKD'000	2024 HKD'000
Beginning of the year	10,496,736	10,870,097
Additions (Note b)	322,320	–
Share of results of joint ventures	365,987	360,064
Share of other comprehensive income (expense) of joint ventures	1,294	(1,689)
Dividends received	(526,824)	(368,831)
Impairment (note 11(a))	(186,335)	–
Exchange difference	483,101	(362,905)
End of the year	10,956,279	10,496,736

Notes:

- (a) The major joint ventures as listed below are held indirectly by the Company. Their place of business and country of incorporation is the PRC. They are accounted for using equity method.

Name	% Ownership interest indirectly held by the Company		Business nature
	2025	2024	
Shenzhen Airport International Express Supervision Center Co., Ltd.	50%	50%	Equipment services for customs monitoring
Shenshi (Shenzhen) Smart Logistics Infrastructure Private Equity Fund Partnership (Limited)	40%	40%	Warehouse management
Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS JV") (Note (b))	45%	N/A	Development, operation and management of an expressway
Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("GZ West JV")	50%	50%	Development, operation and management of an expressway

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. INTERESTS IN JOINT VENTURES *(continued)*

Notes: (continued)

- (b) Included in the additions during the year ended 31 December 2025 are mainly the Group's additional contribution to the GS JV primarily through converting the profit distributed by the GS JV into its capital, amounted to RMB294,750,000 (equivalent to HKD321,183,000).

GS JV is established to undertake the development, operation and management of the GS Superhighway, an expressway in Guangdong Province of the PRC running between Shenzhen and Guangzhou. The operating period is 30 years from the official opening date of 1 July 1997. The Group's entitlement to the profit of the toll operations of GS JV is 50% for the initial 10 years of operating period, 48% for the next 10 years and 45% for the last 10 years of the operating period. The registered capital previously injected by the Group to GS JV had been repaid to the Group by GS JV during the financial year ended 30 June 2008.

With the economic development and the increase in car ownership in Guangdong Province, the traffic flow on GS Superhighway has been nearly saturated and the reconstruction and expansion of GS Superhighway (the "Project") are required. The Project will be divided into two sections, i.e. the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway ("Guangzhou-Dongguan Section"), and the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway ("Shenzhen Section"). The Guangzhou-Dongguan Section was approved by the Guangdong Provincial Development and Reform Commission in 2023 and expansion work has been commenced by the end of 2023. The Shenzhen Section was approved by the Guangdong Provincial Development and Reform Commission in June 2025 and expansion work has been commenced during the year. To meet the funding needs of this section's reconstruction and expansion project, the Group intends to contribute, by way of registered capital, a total of RMB3.285 billion (equivalent to HKD3.580 billion) to GS JV. Before and after completion of capital contribution matters, the Group hold 45% equity interests in GS JV. During the year, the Group increased its capital contribution by a total of RMB294,750,000 (equivalent to HKD321,183,000) mainly through profit distribution converted into capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. INTERESTS IN JOINT VENTURES *(continued)*

Notes: *(continued)*

- (c) In the opinion of the Board, GS JV and GZ West JV are material joint ventures to the Group. GS JV and GZ West JV are private companies with no quoted market prices available for their shares. Set out below are the summarised financial information for GS JV and GZ West JV.

Summarised balance sheet

	GS JV		GZ West JV	
	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000
Current assets	6,923,355	2,306,027	240,777	496,527
Current liabilities	(908,735)	(2,032,159)	(873,145)	(1,002,501)
Net current assets (liabilities)	6,014,620	273,868	(632,368)	(505,974)
Non-current assets	17,498,551	15,194,619	11,351,183	11,423,353
Non-current liabilities	(9,767,075)	(2,936,369)	(3,241,140)	(3,575,915)
Net non-current assets	7,731,476	12,258,250	8,110,043	7,847,438
Net assets	13,746,096	12,532,118	7,477,675	7,341,464

Summarised statement of comprehensive income

	GS JV		GZ West JV	
	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000
Revenue	3,069,599	3,129,951	1,231,573	1,376,306
Profit for the year and total comprehensive income	625,151	581,454	160,007	202,029

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures.

	GS JV		GZ West JV	
	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000
Dividends received from the joint venture	152,460	146,453	178,912	180,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. INTERESTS IN JOINT VENTURES *(continued)*

Notes: *(continued)*

(c) *(continued)*

Reconciliation of the summarised financial information presented to the carrying amount of the groups interests in the joint ventures

	GS JV		GZ West JV	
	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000
Opening net assets	12,532,118	12,710,402	7,341,464	7,756,685
Profit for the year	625,151	581,454	160,007	202,029
Capital injections	713,741	–	–	–
Dividend paid	(713,741)	(325,451)	(357,824)	(361,226)
Currency translation differences	588,827	(434,287)	334,028	(256,024)
Closing net assets	13,746,096	12,532,118	7,477,675	7,341,464
Share of net assets	6,185,743	5,639,453	3,738,838	3,670,732
Adjustments for unrealised profit	(66,294)	(64,165)	–	–
Provision for impairment	–	–	(186,335)	–
Interest in the joint venture	6,119,449	5,575,288	3,552,503	3,670,732

(d) Aggregate financial information of joint ventures that are not individually material is as follows:

	2025	2024
	HKD'000	HKD'000
Aggregate carrying amount of the Group's interests in joint ventures that are not individually material	1,284,327	1,250,716
The Group's share of profit (loss)	4,666	(2,605)
The Group's share of other comprehensive income (expense)	1,294	(1,689)
The Group's share of total comprehensive income (expense)	5,960	(4,294)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. OTHER INVESTMENTS

	2025 HKD'000	2024 HKD'000
Equity securities designated at FVTOCI		
– Unlisted equity securities	48,808	46,939
Financial assets measured at FVTPL		
– Listed securities in the PRC (Note (a))	882,365	639,162
– Listed securities in HK (Note (b))	56,746	50,838
– Unlisted equity securities (Notes (c))	316,008	261,605
– Unlisted fund investment (Note (d))	755,562	848,806
– Structured deposits (Note (e))	2,714,831	–
	4,774,320	1,847,350
Less: non-current portion	(1,382,361)	(1,209,394)
Current portion	3,391,959	637,956

Notes:

- (a) As at 31 December 2025 and 2024, listed equity investments in the PRC represent the Group's interest in listed real estate investment trusts and Shenzhen Water Planning and Design Institute Co., Ltd.
- (b) As at 31 December 2025 and 2024, listed equity investments carried at market price represent 58,200,000 shares (2024: 58,200,000 shares) of listed banking shares investments amounting to HKD56,746,000 (2024: HKD50,838,000).
- (c) As at 31 December 2025 and 2024, unlisted equity securities mainly represent the Group's interest in Guangdong United Electronic Services Co., Ltd.
- (d) As at 31 December 2025 and 2024, the amount represents investments in the Yuanzhi Credit Suisse Smart Airport Logistics Industry Private Equity Fund and investments in Shenzhen SASAC Cooperative Development Private Investment Fund.
- (e) As at 31 December 2025, the Group's structured deposits represent financial products issued by banks, with maturity of 152 to 271 days and expected returns at 0.60% to 2.27% per annum. These investments are classified as financial assets at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. OTHER NON-CURRENT ASSETS

	2025 HKD'000	2024 HKD'000
Contract assets that is expected to be recovered after more than one year	905,916	1,876,143
Receivables of electricity subsidy	1,136,496	1,440,330
Receivables of finance leases (note 18 (b))	1,054,780	1,143,805
Prepayment for non-current assets	2,882,819	1,679,001
Receivables of construction projects	1,165,085	755,316
Others	1,038,597	927,250
	8,183,693	7,821,845

16. INVENTORIES AND OTHER CONTRACT COSTS

	2025 HKD'000	2024 HKD'000
Land held for future development	390,908	373,021
Land and properties under development for sale	6,534,027	2,638,760
Completed properties for sale	1,055,091	1,032,387
Wind turbine equipment	390,534	373,334
Bunker	448,984	401,986
Others	109,852	198,564
Write-down	(506,804)	(430,234)
	8,422,592	4,587,818

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

	2025 HKD'000	2024 HKD'000
Carrying amount of inventories sold	3,689,142	3,361,140
Write-down of inventories	103,989	178,425
Total	3,793,131	3,539,565

- (b) The analysis of carrying amount of leasehold land held for properties development for sale included in above mentioned inventories is as follows:

	2025 HKD'000	2024 HKD'000
In the PRC, with remaining lease term of:		
between 10 and 50 years	2,292,795	2,193,603
50 years or more	4,253,456	506,618
	6,546,251	2,700,221

The amount of properties expected to be recovered after one year is HKD 2,672,618,000 (2024: HKD2,535,651,000). All the other inventories are expected to be recovered within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. CONTRACT ASSETS

	2025 HKD'000	2024 HKD'000
Arising from performance under construction contracts	1,589,993	2,291,831
Less: Loss allowance	(90,392)	(21,403)
Contract assets, net of loss allowance	1,499,601	2,270,428
Less: Non-current portion	(905,916)	(1,876,143)
Current portion	593,685	394,285

As at 1 January 2024, the amount of contract assets (including current and non-current portion), net of loss allowance, is HKD3,364,412,000.

Pursuant to the terms of the construction contracts, payment of the constructions are scheduled in stages over the construction period upon completion of defined milestones. The respective price of service provided is included in contract assets until the Group's fulfilment of the respective milestone.

The amount of contract assets that is expected to be recovered after one year, as included in other non-current assets, is HKD905,916,000 (2024: HKD1,876,143,000).

18. TRADE AND OTHER RECEIVABLES

	2025 HKD'000	2024 HKD'000
Trade receivables and bill receivables (Note (a))	3,069,380	2,231,252
Less: Loss allowance	(498,549)	(412,766)
Trade receivable, net of loss allowance	2,570,831	1,818,486
Lease receivables (Note (b))	240,311	182,760
Advance to non-controlling interests (Note (c))	181,950	136,702
Dividend receivables from associates	109,059	247,872
Amounts due from associates	99,693	148,748
Amount due from a joint venture	1,948	3,126
Compensation for demolition of property, plant and equipment	395,236	–
Other debtors	814,689	795,985
	4,413,717	3,333,679
Deposits and prepayments	1,230,557	1,449,916
	5,644,274	4,783,595

Notes:

- (a) The settlement period of the toll revenue from toll road operations is normally within a month due to the implementation of unified toll collection policy on expressways in the PRC. Trade receivables other than toll revenue generally due within 120 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 37(a)(iv).

As at 1 January 2024, the amount of trade receivable, net of loss allowance, was HKD1,708,205,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES *(continued)*

Notes: (continued)

(a) *(continued)*

As at 31 December 2025, the ageing analysis of trade receivables based on revenue recognition date was as follows:

	2025 HKD'000	2024 HKD'000
0-90 days	1,034,176	706,121
91-180 days	114,115	226,068
181-365 days	713,769	524,506
Over 365 days	1,207,320	774,557
	3,069,380	2,231,252

(b) Receivables from finance lease

	2025 HKD'000	2024 HKD'000
Total receivables	1,295,091	1,326,565
Less: non-current portion (note 15)	(1,054,780)	(1,143,805)
Current portion	240,311	182,760

(c) Amounts due from non-controlling interests are unsecured, interest-free and repayable on demand.

19. OTHER ASSET

On 31 October 2023, a wholly-owned subsidiary of the Group (the "Subsidiary") entered into a land consolidation and preparation supervision agreement (the "Land Preparation Agreement") with Shenzhen Longhua City Renewal and Land Development Bureau* (深圳市龍華區城市更新和土地整備局), Shenzhen Longhua Administration of Planning and Natural Resources Bureau (深圳市規劃和自然資源局龍華管理局) (the "Longhua Administration Bureau") and Shenzhen Longhua Minzhi Subdistrict Office (深圳市龍華區民治街道辦事處) (collectively the "Parties") in relation to the consolidation and preparation of a piece of land with approximately 530,000 square meters (the "Existing Land") comprising the Group's logistics park (the "Land Preparation Project"), pursuant to which the Parties agreed to implement the Land Preparation Project via a comprehensive approach which involves monetary compensation and reservation of land.

Pursuant to the Land Preparation Agreement, the Group will be compensated by approximately RMB1,058 million in cash (the "Demolition Compensation") for demolition of property, plant and equipment on the Existing Land and a reservation of land (the "Reserved Land"), amongst which, the final area to be reserved and the allowed usage of the Reserved Land is subject to the approval of the Shenzhen City Planning Board (深圳市城市規劃委員會法定圖則委員會), and the Shenzhen City Planning Board announced, in October 2024, the approved area and the allowed usage of the Reserved Land with details of public housing on the Reserved Land outstanding.

19. OTHER ASSET *(continued)*

In December 2024, the Subsidiary and the Parties entered into a supplementary agreement (the “Supplementary Agreement”), pursuant to which, the Subsidiary and the Parties agreed to proceed the Land Preparation Project in three phases. At each phase, the Group will transfer a pre-determined portion of the Existing Land and then will be entitled to obtain the pre-determined portion of the Reserved Land.

Up to 31 December 2024, land with a total area of approximately 356,000 square meters, as the phase one pre-determined portion of the Existing Land (the “Phase 1 Transfer Land”), has been transferred to the government.

During the year ended 31 December 2025, land with a total area of approximately 114,000 square meters, as the phase two pre-determined portion of the Existing Land (the “Phase 2 Transfer Land”), has been transferred to the government, establishing the rights to the phase two pre-determined portion to be reserved (the “Phase 2 Reserved Land”). The Phase 2 Reserved Land include two plots of lands, Plot 02 and Plot 03, details of Plot 02 has been announced in December 2025 while details of Plot 03 is outstanding as at 31 December 2025.

The fair value of Plot 2 was determined to be RMB3,837,366,000 (equivalent to HKD4,270,383,000) (2024: fair value of the Phase 1 Reserved Land was determined to be RMB3,322,550,000 (equivalent to HKD3,534,628,000)) and is recognised as other assets on the consolidated balance sheet as at 31 December 2025. A provision on land premium to be paid to the government as part of the consideration is estimated to be RMB286,535,000 (equivalent to HKD318,869,000) (2024: RMB332,255,000 (equivalent to HKD353,463,000)) and included in other payable. The final land premium of the Phase 1 Reserved Land was approximately RMB266 million (equivalent to approximately HKD290 million), being RMB67 million lower than the amount estimated in the year ended 31 December 2024, the difference has been recognised to gain on Land Preparation Project in the year ended 31 December 2025. A net gain, including the land premium difference, of RMB3,588,380,000 (equivalent to HKD3,910,188,000) (2024: RMB2,909,564,000 (equivalent to HKD3,095,281,000)) is recognised as gain on disposal in 2025. Subsequently, the Group entered into a land transfer agreement with the Longhua Administration Bureau for Plot 2 in March 2026.

In addition, gain from demolition of property, plant and equipment amounted to RMB128,128,000 (equivalent to HKD139,619,000) (2024: RMB58,578,000 (equivalent to HKD62,317,000)) is recognised in the year ended 31 December 2025.

The fair value of Plot 02 (2024: the Phase 1 Reserved Land) was determined by reference to a valuation performed by Shenzhen GoFiner Land, Real Estate Assessment & Assets Evaluation Consulting Co.Ltd, an independent professional valuer, which is based on the expected adjusted demarcated land price method and residual method. The adjusted demarcated land price method makes reference to demarcated land prices of similar lands which are adjusted to reflect the conditions and locations of the Phase 2 Reserved Land (stage I). The residual method is based on the expected value of the developed property, taking into account the expected selling price, and then subtracting estimated future costs, taxes, and fees required to complete the development. The fair value measurement is positively correlated to the expected selling price of the properties to be developed and negatively correlated to the estimated future costs, taxes and fees to complete the development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. CASH AND CASH EQUIVALENTS

	2025 HKD'000	2024 HKD'000
Cash at bank and on hand (Note (a))	10,203,402	9,669,725
Less: Restricted bank deposits (Note (b))	(545,837)	(329,644)
Less: Deposits in banks with original maturities over three months (Note (c))	(248,720)	(620,745)
Cash and cash equivalents	9,408,845	8,719,336

Notes:

(a) The cash at bank and on hand were denominated in the following currencies:

	2025 HKD'000	2024 HKD'000
RMB	9,655,914	9,422,281
HKD	536,602	234,376
United States dollar ("USD")	10,756	12,953
Other currencies	130	115
	10,203,402	9,669,725

(b) As at 31 December 2025 and 2024, the restricted bank deposits mainly represented restricted project funds.

(c) As at 31 December 2025 and 2024, the deposits in banks with original maturities over 3 months mainly represented time deposits carry interest at respective market rates range from 1.90% to 3.30% (2024: 1.15% to 3.30%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. SHARE CAPITAL AND SHARE PREMIUM

	<i>Number of issued shares</i>	<i>Ordinary share capital HKD'000</i>	<i>Share premium HKD'000</i>	<i>Total HKD'000</i>
At 1 January 2024	2,393,148,888	2,393,150	10,864,833	13,257,983
Issue of scrip shares as dividend (note 36)	16,490,162	16,490	92,543	109,033
Employee share options – recognition of share-based payment (note 32)	–	–	22,966	22,966
At 31 December 2024	2,409,639,050	2,409,640	10,980,342	13,389,982
Issue of scrip shares as dividend (note 36)	34,096,520	34,097	208,057	242,154
Employee share options – recognition of share-based payment (note 32)	–	–	20,849	20,849
At 31 December 2025	2,443,735,570	2,443,737	11,209,248	13,652,985

(a) Authorised and issued shares

As at 31 December 2025, the total authorised number of shares was 3,000 million (2024: 3,000 million) with par value of HKD1.00 per share (2024: HKD1.00 per share). All issued shares are fully paid.

(b) Share options

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	<i>2025</i>		<i>2024</i>	
	<i>Average exercise price HKD</i>	<i>Number of share options</i>	<i>Average exercise price HKD</i>	<i>Number of share options</i>
Beginning of the year	5.37	55,454,000	5.37	55,454,000
Cancelled (note 32(a))		(22,181,600)		–
End of the year	5.37	33,272,400	5.37	55,454,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. OTHER RESERVES AND RETAINED EARNINGS

	Fair value reserve HKD'000 (Note (a))	Reserve funds HKD'000 (Note (b))	Capital reserve HKD'000	Goodwill reserve HKD'000	Merger reserve HKD'000	Revaluation surplus HKD'000	Other reserves HKD'000 (Note (c))	Currency translation reserve HKD'000	Contributed surplus HKD'000 (Note (d))	Other reserves sub-total HKD'000	Retained earnings HKD'000	Total HKD'000
At 1 January 2025	4,712	5,309,103	59,723	(159,583)	(734,447)	713,772	2,316,576	(7,723,770)	13,005	(200,909)	19,310,666	19,109,757
Profit attributable to ordinary shareholders of the Company	-	-	-	-	-	-	-	-	-	-	2,249,450	2,249,450
Fair value loss on equity securities designated at FVOCI	(288)	-	-	-	-	-	-	-	-	(288)	-	(288)
Deferred taxation relating to revaluation of equity securities	72	-	-	-	-	-	-	-	-	72	-	72
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	(1,838)	-	-	(1,838)	-	(1,838)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	23,998	-	23,998	-	23,998
Exchange difference arising from translation of functional currency to presentation currency	(221)	-	-	-	-	-	-	1,635,557	-	1,635,336	-	1,635,336
Total comprehensive (expense) income	(437)	-	-	-	-	-	(1,838)	1,659,555	-	1,657,280	2,249,450	3,906,730
Transfer to reserve	-	201,458	-	-	-	-	-	-	-	201,458	(201,458)	-
Share of associates' reserve's movement	-	-	-	-	-	-	(11,224)	-	-	(11,224)	-	(11,224)
Dividend relating to 2024 (note 36)	-	-	-	-	-	-	-	-	-	-	(1,440,964)	(1,440,964)
Capital injections by non-controlling interests	-	-	369,681	-	-	-	-	-	-	369,681	-	369,681
Others	-	-	-	-	-	-	(2,776)	-	-	(2,776)	-	(2,776)
At 31 December 2025	4,275	5,510,561	429,404	(159,583)	(734,447)	713,772	2,300,738	(6,064,215)	13,005	2,013,510	19,917,694	21,931,204

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22. OTHER RESERVES AND RETAINED EARNINGS (continued)

	Fair value reserve HKD'000 (Note (a))	Reserve funds HKD'000 (Note (b))	Capital reserve HKD'000	Goodwill reserve HKD'000	Merger reserve HKD'000	Revaluation surplus HKD'000 (Note (c))	Other reserves HKD'000 (Note (c))	Currency translation reserve HKD'000	Contributed surplus HKD'000 (Note (d))	Other reserves sub-total HKD'000	Retained earnings HKD'000	Total earnings HKD'000
At 1 January 2024	4,973	5,147,599	59,723	(159,583)	(734,447)	542,468	2,293,978	(6,400,475)	13,005	767,241	17,556,982	18,324,223
Profit attributable to ordinary shareholders of the Company	-	-	-	-	-	-	-	-	-	-	2,872,448	2,872,448
Fair value loss on equity securities designated at FVTOCI	(348)	-	-	-	-	-	-	-	-	(348)	-	(348)
Deferred taxation relating to revaluation of equity securities	87	-	-	-	-	-	-	-	-	87	-	87
Gain on revaluation of properties previously occupied by the Group	-	-	-	-	-	228,406	-	-	-	228,406	-	228,406
Deferred taxation relating to revaluation of properties	-	-	-	-	-	(57,102)	-	-	-	(57,102)	-	(57,102)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	20,898	-	-	20,898	-	20,898
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	(143,712)	-	(143,712)	-	(143,712)
Exchange difference arising from translation of functional currency to presentation currency	-	-	-	-	-	-	-	(1,179,583)	-	(1,179,583)	-	(1,179,583)
Total comprehensive (expense) income	(261)	-	-	-	-	171,304	20,898	(1,323,295)	-	(1,131,354)	2,872,448	1,741,094
Transfer to reserve	-	161,504	-	-	-	-	-	-	-	161,504	(161,504)	-
Share of associates' reserve's movement	-	-	-	-	-	-	3,910	-	-	3,910	-	3,910
Dividend relating to 2023 (note 36)	-	-	-	-	-	-	-	-	-	-	(957,260)	(957,260)
Others	-	-	-	-	-	-	(2,210)	-	-	(2,210)	-	(2,210)
At 31 December 2024	4,712	5,309,103	59,723	(159,583)	(734,447)	713,772	2,316,576	(7,723,770)	13,005	(200,909)	19,310,666	19,109,757

Notes:

- The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVTOCI held at the end of the reporting period.
- In accordance with the PRC regulations, certain subsidiaries of the Group in the PRC are required to transfer part of their profits after taxation to various reserve funds, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies, in accordance with their joint venture agreements and/or articles of association.
- Other reserves mainly represented the differences between the considerations paid or received and the relevant carrying value of net assets of the subsidiaries acquired or disposed of for the transactions with certain non-controlling interests, share of other comprehensive income of associates and the share of associates' reserve's movement.
- The contributed surplus of the Group represents the difference between the nominal value of the shares of the former group holding company, acquired pursuant to the Group reorganisation on 9 January 1990, over the nominal value of the Company's shares issued in exchange thereof.

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For the year ended 31 December 2025

23. BORROWINGS

	Notes	2025 HKD'000	2024 HKD'000
Secured bank borrowings	(a)	6,486,506	10,930,306
Unsecured bank borrowings and other borrowings		35,866,635	24,574,200
Medium-term notes	(b)	4,510,030	2,689,343
Corporate bonds	(c)	11,247,773	8,299,060
Panda bonds	(d)	10,097,453	10,747,177
Super short-term commercial paper	(e)	1,688,340	3,208,800
		69,896,737	60,448,886
Less: Amount due within one year		(33,134,097)	(19,391,125)
Amount shown under non-current liabilities		36,762,640	41,057,761
Analysis of borrowings due within one year:			
Secured bank borrowings		530,279	3,094,473
Unsecured bank borrowings and other borrowings		19,872,437	11,849,927
Medium-term notes		1,173,231	31,250
Corporate bonds		4,242,322	112,234
Panda bonds		5,627,488	1,094,441
Super short-term commercial paper		1,688,340	3,208,800
		33,134,097	19,391,125

Notes:

- (a) The Group's borrowings had been secured by the pledge of the Group's assets and carrying amounts of the respective assets are as follows:

	2025 HKD'000	2024 HKD'000
Other non-current assets	–	650,078
Intangible assets	15,012,273	15,735,862
	15,012,273	16,385,940

In addition to the above, shareholdings in certain subsidiaries owned by the Group, are also pledged to various banks for bank facilities granted to the Group as at 31 December 2025 and 2024.

- (b) Details of Group's medium-term-notes are as follows:

	2025 HKD'000	2024 HKD'000
– RMB1,000 million, 2.89% medium-term notes maturing in 2026	1,132,192	1,081,960
– RMB1,000 million, 3.05% medium-term notes maturing in 2028	1,123,195	1,073,555
– RMB500 million, 2.16% medium-term notes maturing in 2027	558,548	533,828
– RMB1,000 million, 1.70% medium-term notes maturing in 2028	1,130,718	–
– RMB500 million, 1.70% medium-term notes maturing in 2028	565,377	–
	4,510,030	2,689,343

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For the year ended 31 December 2025

23. BORROWINGS (continued)

Notes: (continued)

(c) Details of Group's Corporate Bonds are as follows:

	2025 HKD'000	2024 HKD'000
– USD300 million, 1.75% Corporate Bonds maturing in 2026	2,365,199	2,308,306
– RMB1,000 million, 3.35% Corporate Bonds maturing in 2026	1,128,519	1,078,200
– RMB550 million, 2.88% Corporate Bonds maturing in 2026	615,335	587,796
– RMB550 million, 2.25% Corporate Bonds maturing in 2027	620,026	592,518
– RMB1,500 million, 3.18% Corporate Bonds maturing in 2029	1,717,532	1,641,287
– RMB1,000 million, 2.20% Corporate Bonds maturing in 2029	1,114,211	1,064,957
– RMB950 million, 2.7% Corporate Bonds maturing in 2034	1,073,366	1,025,996
– RMB2,300 million, 2.29% Corporate Bonds maturing in 2030	2,613,585	–
	11,247,773	8,299,060

(d) Details of Group's Panda Bonds are as follows:

	2025 HKD'000	2024 HKD'000
– RMB1,000 million, 2.95%, 6-years Panda Bonds issued in 2022	–	1,094,441
– RMB1,500 million, 2.88%, 6-years Panda Bonds issued in 2023	1,691,918	1,617,401
– RMB1,600 million, 2.99%, 5-years Panda Bonds issued in 2023	1,803,739	1,724,298
– RMB1,900 million, 2.95%, 6-years Panda Bonds issued in 2023	2,131,830	2,037,940
– RMB4,000 million, 2.21%, 3-years medium-term notes issued in 2024	4,469,966	4,273,097
	10,097,453	10,747,177

At the end of the third year of above bonds' duration, the issuer shall be entitled to adjust the coupon rate of corporate bonds and investors shall be entitled to sell back the bonds to the issuer.

(e) As at 31 December 2025, there is one super short-term commercial paper of RMB1,500 million (equivalent to HKD1,635 million) issued by Shenzhen Expressway for a term of 270 days bearing interest at 1.64% per annum.

As at 31 December 2024, there were two super short-term commercial papers of RMB1,500 million (equivalent to HKD1,596 million) and RMB1,500 million (equivalent to HKD1,596 million) for a term of 270 days and 80 days bearing interest at 1.75% and 2.03% per annum, respectively.

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For the year ended 31 December 2025

23. BORROWINGS (continued)

At 31 December 2025, the borrowings are repayable as follows:

	2025 HKD'000	2024 HKD'000
Within 1 year	33,134,097	19,391,125
Between 1 and 2 years	7,474,779	6,700,504
Between 2 and 5 years	18,421,120	25,814,892
Over 5 years	10,866,741	8,542,365
	69,896,737	60,448,886

The carrying amounts of the borrowings are denominated in the following currencies:

	2025 HKD'000	2024 HKD'000
HKD	1,110,512	2,227,292
RMB	66,421,026	55,913,288
USD	2,365,199	2,308,306
	69,896,737	60,448,886

The ranges of interest rates of the borrowings, denominated in respective currencies, at the balance sheet date were as follows:

	2025	2024
HKD	4.23% to 4.66%	5.21% to 6.24%
RMB	1.64% to 3.45%	2.1% to 3.96%
USD	1.75%	1.75%

The Group has unutilised banking facilities as follows:

	2025 HKD'000	2024 HKD'000
Floating rate		
– Expiring within 1 year	54,457,101	84,011,843
– Expiring after 1 year	63,563,267	26,719,513
	118,020,368	110,731,356

24. DEFERRED TAX

The components of deferred tax assets (liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

		Fair value changes of other financial assets	Payroll and other expenses accrued but not paid	New toll station operating subsidiaries	Temporary differences arising from Meilinguan Project	Temporary difference of the tax effect on right-of-use assets	Temporary difference of the tax effect on lease liabilities	Business combinations involving enterprises not under common control	Accruals for construction costs and PRC land appreciation tax	Fair value changes of other investment reserves	Others	Total
	Concession intangible assets	HKD'000	Tax losses HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 1 January 2024	(700,011)	(156,371)	80,955	81,816	11,985	18,703	(21,252)	(732,948)	159,167	(325,885)	(439,497)	(2,008,892)
Change of fair value reserve on other financial assets credited to equity	-	87	-	-	-	-	-	-	-	-	-	87
Revaluation of properties credited to other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
(Charged) credited to the profit or loss (note 34)	(4,764)	(9,906)	(64,229)	(16,470)	(2,008)	14,963	(891)	50,588	(30,142)	55,601	(146,803)	(154,368)
Disposal of a subsidiary	317,748	-	-	-	-	-	-	-	-	-	-	317,748
Exchange differences	16,478	5,413	(1,461)	(2,414)	(361)	(914)	727	23,503	(4,732)	9,809	17,524	64,260
At 31 December 2024	(370,549)	(160,777)	15,265	62,932	9,616	32,752	(21,416)	(658,857)	124,233	(260,475)	(568,776)	(1,841,296)
At 1 January 2025	(370,549)	(160,777)	15,265	62,932	9,616	32,752	(21,416)	(658,857)	124,233	(260,475)	(568,776)	(1,841,296)
Change of fair value reserve on other financial assets credited to equity	-	72	-	-	-	-	-	-	-	-	-	72
Credited (charged) to the profit or loss (note 34)	76,952	(48,432)	(12,670)	(22,107)	(221)	89,364	(88,334)	(143)	-	79,017	99,255	172,744
Exchange differences	(15,436)	(8,434)	434	2,430	438	3,408	(2,864)	(30,357)	5,726	(10,320)	(24,095)	(81,156)
At 31 December 2025	(309,033)	(217,571)	3,029	43,255	9,833	125,524	(112,614)	(689,357)	130,019	(191,778)	(493,616)	(1,749,636)

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For the year ended 31 December 2025

24. DEFERRED TAX *(continued)*

	2025 HKD'000	2024 HKD'000
Deferred tax assets	648,080	598,201
Deferred tax liabilities	(2,397,716)	(2,439,497)
	(1,749,636)	(1,841,296)

Deferred tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of tax losses amounting to HKD5,271,366,000 (2024: HKD4,326,460,000) due to the unpredictability of future profit streams. Tax losses of approximately HKD4,922,263,000 (2024: HKD4,039,211,000) will expire within the next five (2024: five) years from the end of the reporting period.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding income tax rate will be reduced from 10% to 5%.

Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HKD7,633,689,000 (2024: HKD8,030,930,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

25. OTHER NON-CURRENT LIABILITIES

	2025 HKD'000	2024 HKD'000
Deferred income:		
– Compensations from government regarding operation of toll station (Note (a))	191,214	276,215
– Other government grants (Note (b))	1,368,297	802,334
Long-term employee bonus	128,700	123,032
Operating costs in the extended period for toll road compensation	181,929	153,643
Others	387,876	271,170
	2,258,016	1,626,394

Notes:

- The amount mainly represents government compensations amounting to HKD191,214,000 (2024: HKD276,215,000) for the operation subsidy of toll stations and ramp.
- Other deferred income mainly includes government grants amounting to HKD1,302,549,000 (31 December 2024: HKD762,552,000) which was received from the government for the purpose of subsidising the Group's development, operation and setting up certain integrated logistics hubs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. TRADE AND OTHER PAYABLES

	2025 HKD'000	2024 HKD'000
Trade payables (Note (a))	4,567,840	5,161,218
Construction payables (Note (b))	2,362,551	2,480,584
Dividend payable	69,561	100,029
Provision on land premium (note 19)	318,869	353,463
Other payables and accrued expenses	2,579,073	2,295,666
Amounts due to associates (Note (c))	1,618,357	3,339,316
	11,516,251	13,730,276

Notes:

- (a) The ageing analysis of trade payables based on the date of invoices was as follows:

	2025 HKD'000	2024 HKD'000
0-90 days	1,887,828	2,217,907
91-180 days	214,193	571,125
181-365 days	329,603	217,941
Over 365 days	2,136,216	2,154,245
	4,567,840	5,161,218

- (b) Construction payables mainly includes: (i) advances from government relating to construction projects in an amount of HKD185,976,000 (2024: HKD210,304,000); and (ii) payable for projects of logistics parks and entrusted management and construction of highways in an amount of HKD2,176,575,000 (2024: HKD2,270,280,000).

- (c) Amounts due to associates:

	As at 31 December 2025 HKD'000	As at 31 December 2024 HKD'000
Qianhai Real Estate (Note (i))	484,775	452,748
Qianhai Business (Note (ii))	548,884	2,279,660
United Land Company (Note (iii))	432,115	412,326
Other associates	152,583	194,582
	1,618,357	3,339,316

Notes:

- (i) Amounts are unsecured, interest bearing at 3.5% (2024: 3.5%) per annum and repayable on demand.
- (ii) Amounts are unsecured, interest bearing at 2.9% (2024: 2.9%) per annum and repayable on demand.

During the year ended 31 December 2025, amounts of approximately HKD1,391 million are set off with dividend receivables from Qianhai Business as agreed by the Group and Qianhai Business.

- (iii) Amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. CONTRACT LIABILITIES

	2025 HKD'000	2024 HKD'000
Sales and maintenance fees received in advance	6,021	5,756
Property development pre-sale proceeds	13,925	21,165
Other sales and services fee received in advance	89,889	223,493
	109,835	250,414

As at 1 January 2025, contract liabilities amounted to HKD250,414,000.

Movements in contract liabilities

	2025 HKD'000	2024 HKD'000
Beginning of the year	250,414	165,640
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 year	(256,499)	(163,268)
Contracts liabilities recognised during the year	107,549	255,358
Exchange difference	8,371	(7,316)
End of the year	109,835	250,414

All contract liabilities as at 31 December 2025 are expected to be recognised as revenue within one year.

28. LEASE LIABILITIES

The lease liabilities were repayable as follows:

	2025 HKD'000	2024 HKD'000
Within 1 year	106,947	58,790
After 1 year but within 2 years	69,064	41,617
After 2 years but within 5 years	174,138	92,930
After 5 years	741,058	737,688
	1,091,207	931,025
Less: current portion	(106,947)	(58,790)
Amount shown under non-current liabilities	984,260	872,235

Lease liabilities carry weighted-average interest rate at 4.0% (2024: 4.2%).

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29. REVENUE

(i) Disaggregation of revenue

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

	2025 HKD'000	2024 HKD'000
Revenue from contracts with customers within the scope of HKFRS 15		
Toll roads and general-environmental protection business		
– Toll revenue	5,583,360	5,482,033
– Entrusted construction management service and construction consulting service revenue	336,506	481,714
– Construction service revenue under service concession arrangements	2,174,631	2,130,496
– General-environmental protection services	1,653,826	1,528,572
– Others	347,003	406,396
	10,095,326	10,029,211
Logistics business		
– Logistics parks	294,920	229,035
– Logistics services	370,075	332,587
– Port and related services	4,058,962	3,585,793
– Logistics park transformation and upgrading business	40,632	28,970
	4,764,589	4,176,385
	14,859,915	14,205,596
Revenue from other sources		
– Leases	1,485,432	1,365,019
	16,345,347	15,570,615

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets are disclosed in note 5.

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

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts for revenue expected to be recognised in the future are as follows:

	2025 HKD'000	2024 HKD'000
Pre-completion sales contracts for properties under development	13,925	21,165
Other sales and services contracts	40,921	38,731
	54,846	59,896

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date, it is highly probable that the Group will satisfy the conditions for earning those bonuses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. OTHER GAINS – NET

	2025 HKD'000	2024 HKD'000
Gain on Land Preparation Project (note 19)	4,049,807	3,157,598
(Loss) gain on disposal of other non-current assets	(8,811)	54,711
Change in fair value of other investments	248,432	46,804
Change in fair value of derivative financial instruments	(88,772)	(66,870)
Change in fair value of investment properties (note 6)	(363,966)	(222,404)
Impairment loss recognised on goodwill	(240,158)	(10,464)
Impairment loss recognised on other non-current assets (Note)	(404,579)	(617,017)
Impairment loss recognised on interest in a joint venture (note 13)	(186,335)	–
Gain on disposal of subsidiaries	–	783,349
Others	(39,959)	76,809
Total	2,965,659	3,202,516

Note:

Impairment losses identified in the year in respective to non-current assets assessed:

	2025 HKD'000	2024 HKD'000
	Impairment loss recognised	
Property, plant and equipment (note 7(b))	194,696	259,507
Intangible assets (note 10(b))	133,605	175,247
Land use rights (note 7(b))	76,278	–
Construction in progress	–	12,981
Other non-current assets	–	169,282
	404,579	617,017

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For the year ended 31 December 2025

31. PROFIT FOR THE YEAR

	2025 HKD'000	2024 HKD'000
Profit for the year has been arrived at after charging:		
Construction services cost under service concession arrangements	2,049,184	1,944,624
Kitchen waste disposal project costs	853,043	750,172
Depreciation and amortisation	3,509,020	3,299,718
Employee benefit expenses (note 32)	1,879,778	1,752,914
Cost of inventories sold (note 16)	3,793,131	3,539,565
Other tax expenses	285,814	360,832
Commission, management fee and maintenance expenses for toll roads	370,437	361,312
Entrusted construction management service costs	161,223	333,687
Auditors' remuneration		
– Audit services	7,421	8,418
– Non-audit services	2,368	5,080
Legal and consultancy fees	75,800	89,492

32. EMPLOYEE BENEFIT EXPENSES

	2025 HKD'000	2024 HKD'000
Wages and salaries	1,429,872	1,352,634
Pension costs-defined contribution plans	181,192	186,844
Share-based payment expenses (note 21)	20,849	22,966
Others	247,865	190,470
	1,879,778	1,752,914

From 1 December 2000, an MPF scheme has been set up for eligible employees in Hong Kong of the Group. Contributions to the MPF Scheme by the Group and employees are calculated at rates specified in the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group by an independently administered fund.

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay long service payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period. In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022, which, in the opinion of the Board, has immaterial impact on the Group's LSP liability.

The Group also contributes to employee retirement schemes established by the PRC local governments in respect of certain subsidiaries in the PRC. The PRC local governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the consolidated income statement as incurred.

No forfeited contributions (2024: nil) were utilised during the year and none is available at the year-end to reduce future contribution.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. EMPLOYEE BENEFIT EXPENSES *(continued)*

(a) Share options

On 1 November 2023, 55,454,000 share options (the “2023 Share Options”) with an exercise price of HKD5.37 per share were granted to certain directors of the Company and selected employees of the Group. The exercise price of the 2023 Share Options represents the average closing price for the five business days immediately preceding the date of grant. 40% of the share options granted is to be vested on 1 November 2025, another 30% of the share options granted will be vested on 1 November 2026, and the remaining 30% of the share options granted will be vested on 1 November 2027. Vesting of the above mentioned share is conditional upon the individual performance of respective grantees and the achievement of certain performance targets of the Group.

The estimated fair values of the options was HKD1.10 each.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Average exercise price HKD	Number of share options	Average exercise price HKD	Number of share options
Beginning of the year	5.37	55,454,000	5.37	55,454,000
Cancelled		(22,181,600)		–
End of the year	5.37	33,272,400	5.37	55,454,000

The Group recognised share-based payment expense of HKD20,849,000 (2024: HKD22,966,000) for the year ended 31 December 2025 in relation to share options granted by the Company.

These fair values of the share options were calculated using the Binomial model. The inputs into the model were as follows:

	2023
Grant date closing share price	HKD5.37
Exercise price	HKD5.37
Expected volatility	29.526%
Expected life	4 years
Risk-free rate	4.094%
Expected dividend yield	4.786%

The variables and assumptions used in computing the fair value of the share options were based on the best estimate of the directors of the Company. The value of a share option varied with different variables of certain subjective assumptions.

32. EMPLOYEE BENEFIT EXPENSES *(continued)***(a) Share options** *(continued)*

The entitlements of share options outstanding as at 31 December 2025 for each of the Directors and selected employees, in aggregate, are as follows:

Grantee	Number of Share Options	Vesting Period	Exercise Period
Li Haitao	553,200	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Li Haitao	553,200	1/11/2023-31/10/2027	1/11/2027-31/10/2028
Liu Zhengyu	525,600	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Liu Zhengyu	525,600	1/11/2023-31/10/2027	1/11/2027-31/10/2028
Wang Peihang	470,100	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Wang Peihang	470,100	1/11/2023-31/10/2027	1/11/2027-31/10/2028
	3,097,800		
Selected employees	15,087,300	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Selected employees	15,087,300	1/11/2023-31/10/2027	1/11/2027-31/10/2028
	30,174,600		
	33,272,400		

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32. EMPLOYEE BENEFIT EXPENSES *(continued)*

(b) Directors' emoluments

The remuneration of each Director for the year ended 31 December 2025 is set out below:

	<i>Fees</i> <i>HKD'000</i>	<i>Salary</i> <i>HKD'000</i>	<i>Discretionary</i> <i>bonuses</i> <i>HKD'000</i>	<i>Other</i> <i>benefits</i> <i>HKD'000</i>	<i>Employer's</i> <i>contribution</i> <i>to retirement</i> <i>scheme</i> <i>HKD'000</i>	<i>Total</i> <i>HKD'000</i>
Executive directors						
Li Haitao	-	327	829	69	154	1,379
Liu Zhengyu	-	414	800	69	158	1,441
Wang Peihang	-	384	715	69	149	1,317
Dai Jingming (Note (i))	-	-	-	-	-	-
Liu Xiuli (Note (ii))	-	91	-	-	-	91
Non-executive director						
Cai Xiaoping	-	163	-	-	-	163
Independent non-executive directors						
Pan Chaojin	350	-	-	-	-	350
Wang Guowen	350	-	-	-	-	350
Zeng Zhi	350	-	-	-	-	350
Ding Chunyan	350	-	-	-	-	350
	1,400	1,379	2,344	207	461	5,791

The remuneration of each Director for the year ended 31 December 2024 is set out below:

	<i>Fees</i> <i>HKD'000</i>	<i>Salary</i> <i>HKD'000</i>	<i>Discretionary</i> <i>bonuses</i> <i>HKD'000</i>	<i>Other</i> <i>benefits</i> <i>HKD'000</i>	<i>Employer's</i> <i>contribution</i> <i>to retirement</i> <i>scheme</i> <i>HKD'000</i>	<i>Total</i> <i>HKD'000</i>
Executive directors						
Li Haitao	-	325	791	66	144	1,326
Liu Zhengyu	-	412	754	66	148	1,380
Wang Peihang	-	382	699	66	141	1,288
Dai Jingming	-	542	-	-	-	542
Non-executive directors						
Zhou Zhiwei	-	16	27	3	6	52
Cai Xiaoping	-	97	-	-	-	97
Independent non-executive directors						
Pan Chaojin	350	-	-	-	-	350
Wang Guowen	350	-	-	-	-	350
Zeng Zhi	350	-	-	-	-	350
Ding Chunyan	281	-	-	-	-	281
	1,331	1,774	2,271	201	439	6,016

32. EMPLOYEE BENEFIT EXPENSES *(continued)***(b) Directors' emoluments** *(continued)**Notes:*

- (i) Resigned on 24 January 2025.
- (ii) Appointed on 28 November 2025.

The emoluments of executive directors are for their services in connection with the management of the affairs of the Company and the Group. The emoluments of non-executive directors and independent non-executive directors are for their services as directors of the Company.

During the year ended 31 December 2025 and 2024, no emoluments had been paid by the Group to the directors or the five highest-paid individuals referred to in (c) below as an inducement to join or upon joining the Group or as a compensation for loss of office.

(c) Five highest paid individuals

No directors (2024: nil) were included in the five individuals whose emoluments were the highest in the Group for the year. The emoluments payable to the five (2024: five) individuals during the year is as follows:

	2025 HKD'000	2024 HKD'000
Basic salaries and allowances	2,719	3,191
Year-end bonuses	4,006	3,983
Contributions to the retirement scheme	750	662
Share-based payment expenses	874	1,306
Other benefits	116	35
	8,465	9,177

The emoluments fell within the following bands:

	2025	2024
HKD1,000,001 - HKD1,500,000	3	–
HKD1,500,001 - HKD2,000,000	2	5
	5	5

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33. FINANCE INCOME AND COSTS

	2025 HKD'000	2024 HKD'000
Finance income		
Interest income from bank deposits	(85,666)	(126,554)
Other interest income	(34,225)	(47,042)
Total finance income	(119,891)	(173,596)
Finance costs		
Interest expense		
– Bank borrowings	959,457	1,229,288
– Debt instruments issued	665,283	634,844
– Lease liabilities	39,664	42,269
– Others	136,902	145,273
Net foreign exchange (gains) losses	(52,918)	25,528
Less: finance costs capitalised on qualified assets	(218,194)	(313,681)
Total finance costs	1,530,194	1,763,521
Net finance costs	1,410,303	1,589,925

Finance costs of HKD218,194,000 (2024: HKD313,681,000) have been capitalised for construction in progress and properties under development, using an average interest rate of 2.5% (2024: 3.1%) per annum.

34. INCOME TAX EXPENSE

	2025 HKD'000	2024 HKD'000
Current income tax		
PRC Corporate Income Tax ("CIT")	1,640,655	1,335,573
PRC Land Appreciation Tax ("LAT")	–	(61,880)
Withholding income tax	83,775	–
Deferred tax (note 24)	(172,744)	154,368
	1,551,686	1,428,061

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

CIT charged to the consolidated income statement was calculated based on the assessable profits of the Company's subsidiaries located in the PRC of the year at a rate of 25% (2024: 25%).

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

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group has not made relevant disclosures of qualitative and quantitative information about the Group's exposure to the Pillar Two income taxes.

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For the year ended 31 December 2025

34. INCOME TAX EXPENSE *(continued)*

The taxation on the Group's profit before income tax differs from the theoretical amount that would have arisen using the main statutory tax rate applicable to profit of the Group due to the following:

	2025 HKD'000	2024 HKD'000
Profit before income tax	4,495,874	5,115,065
Tax calculated at a tax rate of 25%	1,123,969	1,278,766
Tax impact of:		
– Different tax rates in other jurisdiction	–	(64,413)
– Tax exemptions and concessions	(123,930)	(89,640)
– Non-taxable income	(138,901)	(73,723)
– Non-deductible expenses	97,135	151,515
– Share of results of joint ventures and associates	(202,013)	(370,925)
– Tax losses and deductible temporary difference not recognised	699,550	674,614
– Use of unrecognised tax losses and deductible temporary difference in respect of prior years	(20,262)	(13,704)
– Adjustment in respect of prior years	32,363	(18,019)
– Withholding income tax	83,775	–
– LAT and LAT deductible for PRC CIT purpose	–	(46,410)
Income tax expense	1,551,686	1,428,061

35. EARNINGS PER SHARE

(a) Basic

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

	2025 HKD'000	2024 HKD'000
Earnings		
Profit attributable to ordinary shareholders of the Company	2,249,450	2,872,448
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue	2,427,855	2,401,935
Basic earnings per share (HKD per share)	0.93	1.20

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35. EARNINGS PER SHARE *(continued)*

(b) Diluted

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

	2025 HKD'000	2024 HKD'000
Earnings		
Profit attributable to ordinary shareholders of the Company	2,249,450	2,872,448
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue	2,427,855	2,401,935
Adjustments – share options	15,882	9,663
Weighted average number of ordinary shares for diluted earnings per share	2,443,737	2,411,598
Diluted earnings per share (HKD per share)	0.92	1.19

36. DIVIDENDS

The 2024 final dividend of HKD1,440,964,000 in aggregate (HKD0.598 per ordinary share of final dividend) were settled in June 2025.

According to the scrip dividend scheme approved by shareholders in the annual general meeting held on 9 May 2025 (2024: 14 May 2024), 34,096,520 (2024: 16,490,162) new shares were issued at a price of HKD7.102 (2024: HKD6.612) per share, amounted to HKD242,154,000 (2024: HKD109,033,000) and the remaining dividend of HKD1,198,810,000 (2024: HKD848,227,000) was paid in cash in June 2025 (2024: June 2024).

	2025 HKD'000	2024 HKD'000
2024 final dividend of HKD0.598 (2023 final dividend of HKD0.40) per ordinary share	1,440,964	957,260

At the board meeting on 26 March 2026, the board recommended the payment of final dividend for the year of 2025 of HKD0.46 per ordinary share. Such dividends are to be approved by the shareholders at the forthcoming annual general meeting of the Company in 2026. These consolidated financial statements do not reflect this as dividend payable.

37. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excessive liquidity.

(i) Currency risk

The Group mainly operates in the PRC with most of the transaction considerations settled in RMB. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

	2025 HKD'000	2024 HKD'000
Assets		
HKD	536,602	234,376
USD	10,756	12,953
	547,358	247,329
Liabilities		
USD	2,365,199	2,308,307
	2,365,199	2,308,307

Apart from the above, the Group did not have significant exposure to foreign exchange risk. Nevertheless, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 December 2025, should HKD and USD be weakened/strengthened by 5% against RMB, with all other factors remain unchanged, the profit after income tax for the year would be affected as follows:

	(Decrease) increase in profit after income tax	
	2025 HKD'000	2024 HKD'000
HKD against RMB		
– Weakened by 5%	(20,123)	(8,789)
– Strengthened by 5%	20,123	8,789
USD against RMB		
– Weakened by 5%	88,292	86,076
– Strengthened by 5%	(88,292)	(86,076)

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37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(ii) 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.

Apart from deposits held in banks, the Group has no significant interest-bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing bank deposits resulted from the changes in interest rates, because the interest rates of deposit balances are not expected to change significantly.

The Group's interest rate risk arises from long-term bank borrowings, medium-term notes, corporate bonds and Panda Bonds. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Medium-term notes, corporate bonds and Panda Bonds issued at fixed rates expose the Group to fair value interest rate risk. The Group adjusts the proportion of borrowings at fixed rate against borrowings at floating rate based on the change of the financial market environment.

During 2025 and 2024, the Group's borrowings at variable rates were mainly denominated in HKD and RMB. For bank borrowings in the PRC, the interest rate would be adjusted accordingly should the lending rate promulgated by the People's Bank of China ("PBOC") changed.

As at 31 December 2025, borrowings of the Group which were issued at floating rates amounted to approximately HKD 27,523,427,000 (2024: HKD25,835,464,000). As at 31 December 2025, should the interest rate be increased/decreased by 50 basis points with all other factors remain unchanged and without taking into account interest capitalisation, the profit after tax of the Group would be decreased/increased by approximately HKD103,213,000 (2024: HKD96,883,000).

(iii) Price risk

The Group is exposed to equity securities price risk in respect of listed and unlisted investments. The Group is not exposed to significant commodity price risk.

The table below summarises the impact of increase/decrease of share price of listed and unlisted investments. The analysis is based on the assumptions that the price of the listed and unlisted investments had increased/decreased by 5% as at the end of each reporting period with all other factors remain unchanged:

	<i>Change in profit, net of tax – increase/(decrease)</i>	
	<i>2025 HKD'000</i>	<i>2024 HKD'000</i>
Share price		
– Increased by 5%	75,642	67,731
– Decreased by 5%	(75,642)	(67,731)
	<i>Impact on other components of equity, net of tax – increase/(decrease)</i>	
	<i>2025 HKD'000</i>	<i>2024 HKD'000</i>
Share price		
– Increased by 5%	2,440	2,347
– Decreased by 5%	(2,440)	(2,347)

37. FINANCIAL RISK MANAGEMENT *(continued)***(a) Financial risk factors** *(continued)***(iv) Credit risk and impairment assessment**

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 receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable and derivative financial assets is limited because the counterparties are banks and financial institutions are either state-owned banks, listed banks or large/medium sized commercial banks, for which the Group considers to have low credit risk.

Trade receivables and contract assets

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the Group's historical credit loss experience and the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 120 days from the date of billing. Normally, the Group does not obtain collateral from customers. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

At the end of the reporting period, the Group does not have significant credit concentration risk.

Except for credit-impaired debtors with gross carrying amount of HKD626,408,000 (2024: HKD379,655,000) and loss allowance of HKD400,677,000 (2024: HKD228,558,000) that are assessed individually, the Group measures loss allowances for other trade receivables and contract assets at an amount equal to their lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status or aging analysis is further distinguished between the Group's different customer bases.

As at 31 December 2025, debtors with gross carrying amount of HKD1,232,480,000 (2024: HKD747,946,000) are larger than 5% of the Group's total trade receivables, were assessed individually for impairment loss, and loss allowance of HKD57,097,000 (2024: HKD46,823,000) that were identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iv) Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets *(continued)*

Logistic business

	<i>Expected credit loss rate %</i>	<i>Gross carrying amount HKD'000</i>	<i>Loss allowance HKD'000</i>
At 31 December 2025			
Current (not past due)	1.77	519,566	9,204
1 – 90 days past due	13.76	41,169	5,664
91 – 180 days past due	31.37	50,674	15,898
181 – 270 days past due	46.07	9,917	4,569
271 – 365 days past due	64.43	7,261	4,678
More than 1 year past due	100.00	18,415	18,415
		647,002	58,428
At 31 December 2024			
Current (not past due)	0.94	433,769	4,079
1 – 90 days past due	9.04	47,149	4,264
91 – 180 days past due	28.02	6,021	1,687
181 – 270 days past due	46.67	8,234	3,843
271 – 365 days past due	70.85	8,326	5,899
More than 1 year past due	100.00	15,868	15,868
		519,367	35,640

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37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iv) Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets *(continued)*

Toll roads and general-environmental protection business

	<i>Expected credit loss rate %</i>	<i>Gross carrying amount HKD'000</i>	<i>Loss allowance HKD'000</i>
At 31 December 2025			
1 – 90 days	0.15	199,452	296
91 – 180 days	0.83	5,299	44
181 – 365 days	0.59	24,414	143
1 – 2 years	13.28	90,859	12,066
2 – 3 years	16.21	11,505	1,865
Over 3 years	69.03	84,229	58,144
		415,758	72,558
At 31 December 2024			
1 – 90 days	0.10	180,919	181
91 – 180 days	0.10	82,261	85
181 – 365 days	2.22	147,353	3,271
1 – 2 years	6.16	49,225	3,031
2 – 3 years	35.30	42,354	14,952
Over 3 years	52.66	193,001	101,628
		695,113	123,148

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For the year ended 31 December 2025

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iv) Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets *(continued)*

Expected loss rates are based on actual loss experience over the past 18 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

	2025		2024	
	Credit- impaired HKD'000	Not credit- impaired HKD'000	Credit- impaired HKD'000	Not credit- impaired HKD'000
Balance at 1 January	228,558	205,611	151,052	175,197
Transferred from (to) credit-impaired	2,717	(2,717)	2,632	(2,632)
Impairment losses recognised (Net reversal of impairment loss)	78,358	52,305	84,803	39,577
Exchange difference	91,044	(66,935)	(9,929)	(6,531)
Balance at 31 December	400,677	188,264	228,558	205,611

Other non-current receivables, contract assets that is expected to be recovered after more than one year, lease receivables, advance to non-controlling interest, amounts due from associates and joint venture, dividend receivable from associates, deposits and other receivables

The management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of these balances based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of these balances. Based on assessment by the management of the Group, there were other non-current receivables and lease receivables with gross carrying amount of HKD3,839,334,000 (2024: HKD3,889,574,000) were impaired with loss allowance of HKD243,670,000 (2024: HKD189,990,000), and ECL for the remaining outstanding balances is insignificant.

Deposits in banks and cash at banks

The management of the Group considers that the credit risks on bank balances and pledged bank deposit are limited because the banks are financial institutions with high credit ratings assigned by international credit-rating agencies. The Group assessed 12-month ECL by reference to probability of default, loss given default by the relevant credit rating grades published by international credit rating agencies and concluded that the ECL is insignificant.

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For the year ended 31 December 2025

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(v) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group. The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its standby committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<i>Contractual undiscounted cash outflow (including interest payments)</i>					<i>Carrying amount</i>
	<i>Less than 1 year HKD'000</i>	<i>Between 1 and 2 years HKD'000</i>	<i>Between 2 and 5 years HKD'000</i>	<i>Over 5 years HKD'000</i>	<i>Total HKD'000</i>	
At 31 December 2025						
Bank and other borrowings	19,903,841	2,450,976	11,882,211	12,629,099	46,866,127	42,353,141
Corporate bonds	322,083	1,410,753	8,464,968	1,154,329	11,352,133	11,247,773
Panda bonds	5,889,551	98,375	4,469,966	–	10,457,892	10,097,453
Medium-term notes	1,173,230	–	3,336,800	–	4,510,030	4,510,030
Super short-term commercial paper	1,689,514	–	–	–	1,689,514	1,688,340
Trade and other payables (excluding other taxes payable, deferred income and staff welfare benefit payable)	9,485,854	–	–	–	9,485,854	9,485,854
Lease liabilities	144,729	111,214	290,368	1,174,912	1,721,223	1,091,207
	38,608,802	4,071,318	28,444,313	14,958,340	86,082,773	80,473,798

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37. FINANCIAL RISK MANAGEMENT (continued)

(a) Financial risk factors (continued)

(v) Liquidity risk (continued)

	Contractual undiscounted cash outflow (including interest payments)				Total HKD'000	Carrying amount HKD'000
	Less than 1 year HKD'000	Between 1 and 2 years HKD'000	Between 2 and 5 years HKD'000	Over 5 years HKD'000		
At 31 December 2024						
Bank and other borrowings	16,020,095	2,251,229	11,905,707	9,988,268	40,165,299	35,504,506
Corporate bonds	350,722	4,115,959	3,515,638	1,147,074	9,129,393	8,299,060
Panda bonds	1,376,345	250,521	9,746,779	–	11,373,645	10,747,177
Medium-term notes	74,681	1,120,576	1,661,312	–	2,856,569	2,689,343
Super short-term commercial paper	3,218,895	–	–	–	3,218,895	3,208,800
Trade and other payables (excluding other taxes payable, deferred income and staff welfare benefit payable)	12,812,475	–	–	–	12,812,475	12,812,475
Lease liabilities	97,597	78,756	196,053	1,183,409	1,555,815	931,025
	33,950,810	7,817,041	27,025,489	12,318,751	81,112,091	74,192,386

(b) 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 protect interest for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount and payment schedule of dividends paid to shareholders, capital returned to shareholders, new shares issued, perpetual securities issued, or assets sold to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances. Total equity is calculated as "equity", as shown in the consolidated balance sheet.

The Group maintained a consistent strategy to keep the gearing ratio at a reasonable level. The gearing ratios at 31 December 2025 and 2024 were as follows:

	2025 HKD'000	2024 HKD'000
Total borrowings	69,896,737	60,448,886
Less: cash and bank balances	(10,203,402)	(9,669,725)
Net debt	59,693,335	50,779,161
Total equity	62,633,397	54,523,158
Gearing ratio	95%	93%

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For the year ended 31 December 2025

37. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Fair value estimation

The directors of the Company consider that the carrying amounts of financial assets of HKD16,310,955 (2024: HKD15,587,540) and financial liabilities HKD81,103,204 (2024: HKD73,850,481) as at 31 December 2025 recorded at amortised costs in the consolidated financial statements approximate their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input)

The following table presents the Group's financial assets and financial liabilities that are measured at fair value.

<i>As at 31 December 2025</i>				
	<i>Level 1 HKD'000</i>	<i>Level 2 HKD'000</i>	<i>Level 3 HKD'000</i>	<i>Total HKD'000</i>
Assets				
Equity securities designated at FVTOCI				
– Unlisted equity securities	–	–	48,808	48,808
Financial assets measured at FVTPL				
– Listed securities in the PRC	882,365	–	–	882,365
– Listed securities in HK	56,746	–	–	56,746
– Unlisted equity securities	–	–	316,008	316,008
– Unlisted fund investment	–	–	755,562	755,562
– Structures deposits	–	–	2,714,831	2,714,831
Derivative financial instruments	–	–	131,209	131,209
<i>As at 31 December 2024</i>				
	<i>Level 1 HKD'000</i>	<i>Level 2 HKD'000</i>	<i>Level 3 HKD'000</i>	<i>Total HKD'000</i>
Assets				
Equity securities designated at FVTOCI				
– Unlisted equity securities	–	–	46,939	46,939
Financial assets measured at FVTPL				
– Listed securities in the PRC	639,162	–	–	639,162
– Listed securities in HK	50,838	–	–	50,838
– Unlisted equity securities	–	–	261,605	261,605
– Unlisted fund investment	–	–	848,806	848,806
Derivative financial instruments	–	–	138,110	138,110

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Fair value estimation *(continued)*

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 31 December 2025, the fair value of the Group's certain non-listed equity securities in level 3 were estimated using the market method. The management of the Group believes that their fair values and its changes based on valuation techniques are reasonable and are the most appropriate value at 31 December 2025. In addition, the fair value of the Group's certain non-listed equity securities and investment funds in level 3 are estimated using the recent transaction prices and with reference to the fair value of the underlying net assets of the investments. The management of Group believes that their carrying amounts are not materially different from their fair values as at 31 December 2025.

Information about Level 3 fair value measurements:

	<i>Valuation techniques</i>	<i>Significant unobservable inputs</i>	<i>Range</i>
As at 31 December 2025			
Financial assets measured at FVTPL			
– Unlisted equity securities (Note i)	Market comparable companies	Adjusted P/B multiplier The discount of lack of marketability	2.10 32.32%
– Unlisted fund investment (Note ii)	Market approach	Industry comparable return	36.35% to 49.12%

37. FINANCIAL RISK MANAGEMENT *(continued)***(c) Fair value estimation** *(continued)***Financial instruments in level 3** *(continued)*

	<i>Valuation techniques</i>	<i>Significant unobservable inputs</i>	<i>Range</i>
As at 31 December 2024			
Financial assets measured at FVTPL			
– Unlisted equity securities (Note i)	Market comparable companies	Adjusted P/B multiplier The discount of lack of marketability	2.02 32.32%
– Unlisted fund investment (Note ii)	Assets based approach Market approach	Annual return rate Industry comparable return	2.65% 9.06% to 47.06%
(i) The fair value of unlisted equity instruments is determined using the price/earning ratios or price/book value 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 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the Groups' profit by HKD17,934,000 (2024: HKD15,201,000).			
(ii) At 31 December 2025 and 31 December 2024, the fair value of unlisted fund investment is dependent on the fair value of the deposits and the long-term equity investment held by the unlisted fund. The fair value of deposits held by unlisted fund is generally derived using the assets based approach, which depend on the annual return rate of deposits. The fair value of long-term equity investment held by unlisted fund is generally derived using the market method. This valuation method is based on the industry comparable return. The significant unobservable inputs of the market approach is industry comparable return, which is estimated according to average market cap weighted return of comparable companies.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Fair value estimation *(continued)*

Financial instruments in level 3 *(continued)*

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

	<i>Financial assets at FVTOCI HKD'000</i>	<i>Financial assets at FVTPL HKD'000</i>
Unlisted equity securities, fund investments, structured deposits and derivative financial instruments:		
At 1 January 2024	48,915	2,023,223
Total losses:		
– in profit or loss	–	(35,398)
– in other comprehensive income	(348)	–
Redemptions	–	(402,482)
Settlements	–	(4,452)
Transfer out of level 3	–	(278,748)
Exchange difference	(1,628)	(53,622)
At 31 December 2024	46,939	1,248,521
Total gains (losses):		
– in profit or loss	–	78,909
– in other comprehensive income	(288)	–
Additions	–	2,618,925
Settlements	–	(10,195)
Capital reduction	–	(130,424)
Exchange difference	2,157	111,874
At 31 December 2025	48,808	3,917,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

- (a) Reconciliation of profit before income tax to consolidated cash generated from operations is set out as below

	Notes	2025 HKD'000	2024 HKD'000
Profit before income tax		4,495,874	5,115,065
Adjustments for:			
Depreciation	7	1,411,549	1,273,566
Amortisation of land use rights	8	65,963	136,390
Amortisation of intangible assets	10	2,031,508	1,889,762
Net impairment loss of trade receivables and contract assets	37(a)	174,653	239,846
Impairment loss recognised on intangible assets	10	133,605	175,247
Impairment loss recognised on goodwill	11	240,158	10,464
Impairment loss recognised on interest in an joint venture	13	186,335	–
Impairment loss on property, plant and equipment	7	194,696	259,507
Impairment loss recognised on land use rights	8	76,278	–
Impairment loss recognised on CIP	9	–	12,981
Impairment loss recognised on other non-current assets	30	–	169,282
Write-down of inventories	16	103,989	178,425
Gain on disposal of subsidiaries	30	–	(783,349)
Change in fair value of derivative financial instruments	30	88,772	66,870
Share-based payment expenses	32	20,849	22,966
Gain on disposal of property, plant and equipment	30	(4,040,996)	(3,212,309)
Change in fair value of other investments	30	(248,432)	(46,804)
Change in fair value of investment properties	6	363,966	222,404
Interest income	33	(119,891)	(173,596)
Finance costs	33	1,530,194	1,763,521
Share of results of associates and joint ventures	12 & 13	(808,054)	(1,483,698)
Dividend income		(49,966)	(52,159)
Other losses	30	39,959	–
Operating cash flow before movements in working capital		5,891,009	5,784,381
Changes in working capital:			
Inventories and other contract costs		(31,462)	(222,862)
Trade and other receivables		(232,938)	(1,047,120)
Trade and other payables		(654,231)	258,089
Contract assets		(244,050)	35,684
Contract liabilities		(148,950)	118,436
Other non-current assets		758,953	(231,889)
Other non-current liabilities		540,827	167,347
Restricted bank deposits		83,381	736,876
Cash generated from operations		5,962,539	5,598,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Reconciliation of liabilities arising from financing activities

	<i>Borrowings HKD'000 (note 23)</i>	<i>Lease liabilities HKD'000 (note 28)</i>	<i>Amount due to associates HKD'000 (note 26)</i>	<i>Total HKD'000</i>
For the year ended 31 December 2025				
At 1 January 2025	60,448,886	931,025	3,339,316	64,719,227
Changes from financing cash flows:				
Proceeds from borrowings	36,495,777	-	-	36,495,777
Repayment of borrowings and interests	(31,485,552)	-	(479,460)	(31,965,012)
Capital element of lease rentals paid	-	(67,968)	-	(67,968)
Interest element of lease rentals paid	-	(23,470)	-	(23,470)
Total changes from financing cash flows	5,010,225	(91,438)	(479,460)	4,439,327
Exchange adjustments	2,812,886	52,430	65,753	2,931,069
Other change:				
Set off dividends receivables	-	-	(1,362,101)	(1,362,101)
Increase in lease liabilities	-	159,526	-	159,526
Interest expenses (note 33)	1,624,740	39,664	54,849	1,719,253
Total other change	4,437,626	251,620	(1,241,499)	3,447,747
At 31 December 2025	69,896,737	1,091,207	1,618,357	72,606,301

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Reconciliation of liabilities arising from financing activities *(continued)*

	<i>Borrowings HKD'000 (note 23)</i>	<i>Lease liabilities HKD'000 (note 28)</i>	<i>Amount due to associates HKD'000 (note 26)</i>	<i>Total HKD'000</i>
For the year ended 31 December 2024				
At 1 January 2024	55,338,686	1,012,247	3,670,941	60,021,874
Changes from financing cash flows:				
Proceeds from borrowings	45,378,686	–	–	45,378,686
Repayment of borrowings and interests	(39,699,422)	–	(454,399)	(40,153,821)
Capital element of lease rentals paid	–	(58,136)	–	(58,136)
Interest element of lease rentals paid	–	(26,195)	–	(26,195)
Advance from associates	–	–	164,625	164,625
Total changes from financing cash flows	5,679,264	(84,331)	(289,774)	5,305,159
Exchange adjustments	(1,985,941)	(32,877)	(118,499)	(2,137,317)
Other change:				
Decrease in lease liabilities	–	(6,283)	–	(6,283)
Interest expenses (note 33)	1,416,877	42,269	76,648	1,535,794
Total other change	(569,064)	3,109	(41,851)	(607,806)
At 31 December 2024	60,448,886	931,025	3,339,316	64,719,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

39. GUARANTEES AND CONTINGENCIES

- (a) As at 31 December 2025, the Group has given collateral liability guarantees by phases of approximately HKD584 million (2024: HKD845 million) to banks in respect of housing loans extended to purchasers of properties by banks. Pursuant to the terms of guarantees, in the event of any defaults in mortgage repayments by those purchasers, the Group shall undertake to repay outstanding mortgage loans together with any accrued interest and penalty due to banks by purchasers in defaults. The validity period of the Group's guarantee shall commence from the date of grant of relevant mortgage loans and expire upon receipts of property ownership certificates by respective purchasers. The directors of the Group consider that, in case of default in repayments, the net realisable value of related properties should be able to cover the outstanding mortgage loans together with any accrued interest and penalty and, accordingly, no loss allowance has been made in respect of the guarantees.

Moreover, the Group has given guarantees for the performance of certain projects of Shenzhen Expressway, with a total guarantee amount of approximately RMB641 million (equivalent to HKD713 million).

- (b) As at 31 December 2025, certain subsidiaries the Group is involved in pending litigations, with a total claimed amount of approximately RMB862,100,000 (2024: RMB822,014,000), including:
- (i) In June 2025, an independent third party (the "Purchaser") filed an arbitration (the "Arbitration") against Guizhou Guishen Investment Development Co., Ltd and Guizhou Shenzhen Expressway Land Co., Ltd, two subsidiaries of the Group (the "Owner Subsidiaries") in relation to an acquisition of the equity interests and creditor's right of certain subsidiaries of the Owner Subsidiaries pursuant to an agreement entered into by the Purchaser and the Owner Subsidiaries in 2019. The claims of the Arbitration totalling to approximately RMB163 million;
 - (ii) Shenzhen Expressway Private Equity Industry Investment Fund Management Co., Ltd. (the "Investment Fund", a subsidiary of the Company), CCCC Second Harbor Engineering Co., Ltd (the "CCCC Second Harbor") and other limited partners jointly initiated Shenzhen Expressway Infrastructure Private Equity Investment Fund Partnership Enterprise (LLP) (the "Infrastructure Fund") in 2022 and CCCC Second Harbor injected capital into the Infrastructure Fund. In January 2024, the CCCC Second Harbor initiated an arbitration against the Investment Fund and the Infrastructure Fund, requesting for its withdrawal from the partnership of the Infrastructure Fund and returning its injected capital and the accrued interest totalling to approximately RMB144 million;
 - (iii) Nanjing Wind Power being sued by Huai'an Zhongheng New Energy Co., Ltd. ("Huai'an New Energy", an associate company of the Company), for a compensation of approximately RMB124,245,000 due to goods quality issues and safety incidents; and
 - (iv) Other pending litigations totalling approximately RMB430,687,000.

As of 31 December 2025, the above cases are still in process. With the assistance of the attorney representing in the cases, the directors of the Company believes that the outcome of the lawsuit and the compensation obligation (if any) cannot be reliably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

40. COMMITMENTS

	2025 HKD'000	2024 HKD'000
Capital commitments – expenditure of property, plant and equipment, concession intangible assets and land premium		
– Contracted but not provided for	14,175,685	18,484,415

Investment commitments:

On 24 January 2025, Hehe China Development (Expressway) Co., Ltd., a wholly-owned subsidiary of the Company, and the other shareholder of a joint venture of the Group entered into a capital injection agreement pursuant to which the Group and the other shareholder agreed to inject capital to the joint venture in the portion of the respective holding, the capital injection amount agreed by the Group amounted to approximately RMB2,990 million has not been injected as at 31 December 2025.

41. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2024

In June 2024, the Group and two subsidiaries of China AMC-Shenzhen International REIT (the “AMC Subsidiaries”), a company that became an associate of the Group in June 2024, entered into the transfer agreements pursuant to which the Group agrees to sell and the AMC Subsidiaries agrees to acquire, the entire equity interest in Hangzhou Shenzhen International Integrated Logistics Hub Development Co., Ltd. (“Hangzhou Logistics”) and Guizhou Shenzhen International Integrated Logistics Hub Development Co., Ltd. (“Guizhou Logistics”) at a total consideration of approximately RMB1,133,787,000 (equivalent to HKD1,224,659,000). The disposal was completed on 28 June 2024 and Hangzhou Logistics and Guizhou Logistics ceased as subsidiaries of the Group.

In March 2024, Shenzhen Expressway and one of its subsidiaries (the “Yichang Expressway”) and a subsidiary of E Fund (the “E Fund Subsidiary”), a company became an associate of the Group in March 2024, entered into an equity transfer agreement and a creditor’s right transfer agreement pursuant to which the E Fund Subsidiary agrees to acquire from the Group the 100% equity interest in and two debt receivables from Yichang Expressway at a total consideration of approximately RMB2,045,920,000 (equivalent to HKD2,225,519,000). The disposal was completed on 21 March 2024 and Yichang Expressway ceased to be a subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

41. DISPOSAL OF SUBSIDIARIES (continued)

For the year ended 31 December 2024 (continued)

The following table summarises the amount of assets and liabilities at the respective derecognition dates:

	<i>Hangzhou Logistics HKD'000</i>	<i>Guizhou Logistics HKD'000</i>	<i>Yichang Expressway HKD'000</i>	<i>Total HKD'000</i>
Intangible assets	–	–	2,263,403	2,263,403
Property, plant and equipment	520,358	304,628	41,968	866,954
Land use rights	115,927	69,159	–	185,086
Construction in progress	–	–	415	415
Other non-current assets	2,376	4,756	–	7,132
Trade and other receivables	8,161	3,375	14,039	25,575
Cash and cash equivalents	39,703	20,084	133,589	193,376
Deferred tax liabilities	–	–	(317,748)	(317,748)
Trade and other payables	(229,292)	(241,065)	(71,785)	(542,142)
Tax payable	(8,106)	(6,308)	(808)	(15,222)
Other non-current liabilities	–	–	(705,396)	(705,396)
Net assets derecognised	449,127	154,629	1,357,677	1,961,433
Net assets derecognised	(449,127)	(154,629)	(1,357,677)	(1,961,433)
Debt receivables transferred	–	–	(705,396)	(705,396)
Total consideration	897,932	326,727	2,225,519	3,450,178
Gain on disposal of subsidiaries	448,805	172,098	162,446	783,349
Total consideration received	897,932	326,727	2,225,519	3,450,178
Cash and cash equivalents derecognised	(39,703)	(20,084)	(133,589)	(193,376)
Net cash inflow in the disposal including in the investing activities	858,229	306,643	2,091,930	3,256,802

42. RELATED-PARTY TRANSACTIONS

As described in note 1, the Company is de facto controlled by Shenzhen SASAC. The transactions entered into with associates, joint ventures and other state-owned entities are related party transactions. Management considers certain state-owned enterprises have material transactions with the Group in its ordinary course of business, which include but not limited to (1) capital expenditure incurred for service concession projects and construction in progress with stated owned contractors and the corresponding payable balances due to these contractors and guaranteed deposits; (2) purchase of goods, including use of public utilities; and (3) bank deposits and borrowings. These transactions are mainly carried out on terms comparable to those conducted with third parties or standards promulgated by relevant government authorities and have been reflected in the consolidated financial statements.

Management believes that meaningful information relating to related party transactions has been disclosed.

Apart from the related party transactions and balances already disclosed in other notes to the consolidated financial statements, the following material transactions were carried out with related parties during the year:

- (a) On 1 December 2016, Yunji Smart Engineering Co., Ltd. (formerly known as Shenzhen Expressway Engineering Consulting Co., Ltd.) ("Yunji Smart") became an associate of Shenzhen Expressway, and Shenzhen Expressway and Yunji Smart entered into a service agreement pursuant to which Yunji Smart provides engineering consulting, management and testing service. During the year ended 31 December 2025, Shenzhen Expressway paid service fee to Yunji Smart amounting to RMB12,767,000 (equivalent to HKD14,208,000) (2024: RMB24,298,000 (equivalent to HKD25,849,000)).
- (b) As at 31 December 2025, certain associates of the Group provided cash advances to the Group, with details disclosed in note 26(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries:

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non-controlling interests %
Shenzhen International Total Logistics (Shenzhen) Co., Ltd. [◊]	Investment holding	RMB200,000,000	100	–
Shenzhen Total Logistics Service Co., Ltd. [®]	Provision of total logistics and transportation ancillary services	RMB31,372,549	71	29
Xin Tong Chan Development (Shenzhen) Co., Ltd. ^Δ	Investment holding	RMB200,000,000	100	–
Shenzhen International South-China Logistics Co., Ltd. [®]	Development, construction, operation and management of South China Logistic Park	RMB350,000,000	100	–
Shenzhen International Supply Chain Management Nanjing Co., Ltd. [®]	Supply chain management services	RMB10,000,000	100	–
Shenzhen International Holdings (SZ) Limited. ^Δ	Investment holding	HKD2,180,000,000	100	–
Shenzhen EDI Co., Ltd. [®]	Provision of electronic information exchange, transmission and value-added information sharing services	RMB22,760,000	59.91	40.09
Shenzhen International West Logistics Co., Ltd. [®]	Development, construction, operation and management of Western Logistic Park	RMB450,000,000	100	–
Shenzhen Longda Expressway Company Limited ^{®▽}	Operation and management of Longda Expressway	RMB200,000,000	89.93	10.07
Shenzhen Expressway Corporation Limited ^Δ	Investment, construction, operation and management of toll highways and roads	RMB2,537,856,127	47.30	52.70
Hubei Magerk Expressway Management Private Limited ^{Δ▽}	Operation and management of highways and expressways	USD28,000,000	100	–

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For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non-controlling interests %
Shenzhen International Booming Total Logistics Co., Ltd. [®]	Logistic services and related warehouse facilities	RMB90,000,000	55.39	44.61
Shenzhen Shen Guang Hui Highway Development Company [®]	Investment holding	RMB105,600,000	100	–
Nanjing Xiba Wharf Co., Ltd. ^{®*}	Construction, operation and management of Wharf and Logistics Centres at Xiba Port of Nanjing	RMB455,000,000	70	30
Guangdong Qinglian Highway Development Company Limited ^{®▽}	Development, operation and management of highways	RMB3,361,000,000	76.37	23.63
Shenzhen Meiguan Expressway Company Limited ^{®▽}	Construction, operation and management of an expressway	RMB332,400,000	100	–
Nanjing Xiba Port Co., Ltd. ^{®*}	Construction, operation and management of Wharf and logistics centres at Xiba Port in Phase 2 of Nanjing	RMB420,000,000	70	30
Shenzhen International Logistics Development Co., Ltd. ^{®*}	Investment holding	RMB1,250,000,000	100	–
Shenyang Shenzhen International Integrated Logistics Properties Co., Ltd. ^{®*}	Construction, operation and management of Shenyang International Logistics Integrated Logistics Park at Shenyang Yuhong District	RMB250,000,000	100	–
Wuxi Shenzhen International Integrated Logistics Hub Co., Ltd. [△]	Construction, operation and management of urban integrated logistics hub at Wuxi Huishan District	USD50,000,000	100	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non- controlling interests %
Wuhan Shenzhen International Integrated Logistics Hub Development Co., Ltd. [®]	Construction, operation and management of urban integrated logistics hub at Wuhan Dongxihu District	RMB100,000,000	100	–
Wuhan Shenzhen International Supply Chain Management Co., Ltd. [△]	Construction, operation and management of urban integrated logistics hub at Wuhan Caidian District	USD30,000,000	100	–
Shenzhen International Modern Urban Logistics Hub Co., Ltd. [®]	Construction, operation and management of logistics hub at Shenzhen Longhua	RMB200,000,000	100	–
Changsha Shenzhen International Integrated Logistics Hub Development Co., Ltd. [®]	Construction, operation and management of urban integrated logistics hub at Changsha Jinxia Economic Development Zone	RMB181,000,000	100	–
Xi'an Shenzhen International Integrated Logistics Hub Development Co., Ltd. [△]	Construction, operation and management of urban integrated logistics hub at Xi'an National Civil Aerospace Industrial Base	USD15,000,000	100	–
Yiwu Shenzhen International Integrated Logistics Hub Development Co., Ltd. [△]	Construction, operation and management of urban integrated logistics hub at Yiwu	USD50,000,000	100	–
Chengdu Shenzhen International Supply Chain Management Co., Ltd. ^{®*}	Construction, operation and management of urban integrated logistics hub at Qingbai River in Chengdu	RMB100,000,000	100	–
Kunming Shenzhen International Supply Chain Management Co., Ltd. ^{®*}	Construction, operation and management of urban integrated logistics hub in Yangzonghai Scenic Area in Kunming, Yunnan Province	RMB150,000,000	100	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non-controlling interests %
Shenzhen International Properties and Management (Shenzhen) Co., Ltd. ^Δ	Project investment and enterprise management consulting services	RMB50,000,000	100	–
Shenzhen International Supply Chain Management Co., Ltd. ^{⊗*}	Logistics service and construction of warehousing facilities	RMB30,000,000	100	–
Shenzhen International Finance Leasing Co., Ltd. ^{⊙*}	Monetary and financial services and financial leasing business	RMB300,000,000	48 [□]	52
Jurong Shenzhen International Integrated Logistics Hub Development Co., Ltd. [⊗]	Construction, operation and management of urban integrated logistics hub at Huayang Street	RMB70,000,000	100	–
Longgang shenlong Integrated Logistics Hub Development Co., Ltd. [⊗]	Development, construction, operation and management of urban integrated logistics hub at Zhejiang Longgang District	USD50,000,000	100	–
Chongqing Shenzhen International Integrated Logistics Hub Development Co., Ltd. ^Δ	Construction, operation and management of urban integrated logistics hub at Shuangfu Town	USD7,660,000	100	–
Ningbo Shenzhen International Integrated Logistics Hub Development Co., Ltd. ^{Δ*}	Construction, operation and management of urban integrated logistics hub Ningnan Trade and Logistics Zone in Fenghua City, Ningbo	USD20,000,000	100	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non- controlling interests %
Kunshan Shenzhen International Integrated Logistics Hub Development Co., Ltd. [®]	Construction, operation and management of urban integrated logistics hub at Lujia Town, Kunshan City	RMB89,600,000	100	–
Guizhou Hengtongli Property Company Limited [®]	Real estate development	RMB52,229,945.55	68.69	31.31
Shenzhen Qinglong Expressway Company Limited ^{®▽}	Construction, operation and management of an expressway	RMB324,000,000	50 [□]	50
Shenzhen International New Vision Limited	Investment holding	USD100	100	–
Shenzhen International Ports Development (HK) Limited	Investment holding	HKD2	100	–
Advance Great Limited	Investment holding	USD1	100	–
Successful Plan Assets Limited	Investment holding	USD1	100	–
Shenzhen International Qianhai Development Limited	Investment holding	HKD1	100	–
Shenzhen International Qianhai Asset Management (Shenzhen) Co., Ltd. [®]	Real estate development and investment management	RMB5,000,000	83.30	16.70
Changsha Shenchang High Speed Trunk Road Co., Ltd. ^{®▽}	Construction, operation and management of an expressway	RMB200,000,000	51	49
Shenzhen Outer Ring Expressway Investment Co., Ltd. ^{®▽}	Construction, operation and management of an expressway	RMB100,000,000	100	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non-controlling interests %
Nanjing Wind Power Technology Co., Ltd. ^⑦	Research and development, production, sales of wind power generation system; investment and operation of wind farms	RMB357,142,900	51	49
Baotou Nanfeng Wind Power Technology Co., Ltd. ^⑦	Investment, development and operation of wind power projects	RMB6,000,000	67	33
Shanghai Shengqing Supply Chain Management Co., Ltd.	Operation and management of logistic park at Shanghai Qingpu District	RMB10,000,000	100	–
Zhongshan Shenju Integrated Logistics Hub Development Co., Ltd. ^⑧	Operation and management of logistic park at Zhongshan Huojia Development Zone	RMB41,152,952	100	–
Zhengzhou Shenzhen International Supply Chain Management Co., Ltd. ^④	Construction, operation and management of urban integrated logistics hub at Erqi Zone	RMB110,000,000	100	–
China Total Logistics Co., Limited	Provision of logistic related services	HKD2	100	–
Shenzhen International China Logistics Development Limited	Investment holding	HKD1	100	–
Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd. ^⑦	Ecological protection and environmental management industry	RMB149,933,000	67.14	32.86
Jiangsu Xingwang Logistics Co., Ltd. ^⑧	Terminal construction and operation, port loading and unloading and Warehousing business of Jingjiang Port-Shenzhen International Logistics Center	RMB820,000,000	70	30
Shenzhen International Bay Area Investment Development Co., Ltd. ^⑧	Co-ordinate the investment, construction and operation management of modern logistics parks and industrial parks in Shenzhen and the Greater Bay Area	RMB620,000,000	100	–
Shenzhen Shenguo Railway Logistics Development Co., Ltd. ^⑧	Freight forwarder; Container cargo transport agent; Auxiliary activities of railway transportation	RMB1,295,000,000	66	34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non- controlling interests %
Shenzhen South China Digital Valley Production City Development Co., Ltd. [®]	Hold and operate a comprehensive and ecological high-end modern logistics service gathering area	RMB35,000,000	100	–
Shenzhen International Qianhai Investment and Management (Shenzhen) Co., Ltd. [®]	Engaged in the development of real estate projects such as houses and apartments	RMB5,000,000	100	–
Pingshen International Real Estate (Shenzhen) Co., Ltd. [®]	Holding and operating Prologis Pingshan Logistics Park	RMB100,000,000	100	–
Jiangyin Shenzhen International Integrated Logistics Hub Development Co., Ltd. [®]	Holding and operating a logistics park located in Jiangyin	USD 35,000,000	100	–
Weipei (Shanghai) Aviation Supplies Services Co., Ltd. [®]	Holding and operating a logistics park in Shanghai	USD 16,417,460	100	–
Weizhi (Chongqing) Storage Service Co., Ltd. [®]	Holding and operating a logistics park in Chongqing	USD 32,865,713	100	–
Foshan Shenle Supply Chain Management Co., Ltd. [®]	Holding and operating Smart Logistics Industrial Park in Shunde, Foshan	USD 220,000,000	100	–
Zhengzhou Qianlong Wuliu Co., Ltd. [®]	Holding and operating Zhengzhou Ganlong Logistics Park	RMB10,000,000	100	–
Hefei Shenpeng Integrated Logistics Hub Development Co., Ltd. [®]	Holding and operating Hefei Ganlong Logistics Park	RMB50,000,000	100	–
Foshan Shenhe Supply Chain Management Co., Ltd. [®]	Holding and operating Smart Logistics Industrial Park in Gaoming, Foshan	RMB30,000,000	100	–

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

- △ Foreign-owned enterprise
- ◇ Sino-foreign Joint Venture
- @ Domestic enterprise incorporated in the PRC
- ^ Foreign invested joint stock limited company
- * For identification purpose only
- ▽ These subsidiaries are held through Shenzhen Expressway and the related interests indirectly held by the Group disclosed above represent the interests held by Shenzhen Expressway.
- In accordance with the shareholder agreements, the Group controls the entity as the Group has rights to take unilateral decisions on relevant developing, operating and financing activities which significantly affect the returns, and the Group's exposed to variable returns from its involvement with the entity

The above table lists the subsidiaries of the Group which, in opinion of the directors of the Company, principally affected the results of the year or formed a substantial portion of the net assets of the Group. All subsidiaries listed above are limited liability companies. These subsidiaries are incorporated and operate in the PRC (except for Shenzhen International New Vision Limited ("NVL"), Advance Great Limited and Successful Plan Assets Limited which are incorporated in British Virgin Islands, and Shenzhen International Ports Development (HK) Limited, Shenzhen International Limited and Shenzhen International Qianhai Development Limited which are incorporated in Hong Kong). Only NVL is directly held and wholly-owned by the Company. To give details of other subsidiaries would result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Material non-controlling interests

The total non-controlling interests as at 31 December 2025 were HKD27,049,208,000 (2024: HKD22,023,419,000), of which HKD24,715,378,000 (2024: HKD20,142,280,000) was attributable to other equity holders of Shenzhen Expressway. The non-controlling interests in respect of other subsidiaries are not material.

In the opinion of the management, as Shenzhen Expressway is able to control the delivery of cash or other financial assets to the holders of the perpetual bonds, the perpetual bond is classified as equity instrument and treated as non-controlling interests in the Group's financial statements.

Set out below are the summarised financial information for Shenzhen Expressway that has non-controlling interests material to the Group. The summarised financial information presented below represents the amounts before any inter-company eliminations.

	2025 HKD'000	2024 HKD'000
Current assets	14,008,979	8,131,743
Non-current assets	65,324,596	63,738,502
Current liabilities	18,694,998	15,080,102
Non-current liabilities	24,969,222	27,852,303
Net assets	35,669,355	28,937,840
Non-controlling interests	5,587,963	5,636,222
Revenue	10,309,905	10,030,041
Profit for the year	1,319,436	1,321,559
Total comprehensive income	1,331,122	1,003,258
Total comprehensive income allocated to non-controlling interests	64,671	58,654
Dividends paid to non-controlling interests	(487,657)	(356,199)
Net cash generated from operating activities	5,145,405	4,032,661
Net cash used in investing activities	(5,358,152)	(39,212)
Net cash generated from (used in) financing activities	2,533,529	(3,045,428)

Significant restrictions

Most of the cash and deposits held by Shenzhen Expressway were deposited in banks in the PRC and were subject to local exchange control regulations. These local exchange control regulations provide for restrictions on repatriating capital from the PRC, other than through dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	2025		2024	
	HKD'000	HKD'000	HKD'000	HKD'000
Non-current asset				
Interests in subsidiaries		16,375,550		8,903,536
Current assets				
Other receivables	2,801		4,791	
Dividends due from subsidiaries	22,372,285		24,825,560	
Cash and cash equivalents	37,131		114,342	
	22,412,217		24,944,693	
Current liabilities				
Other payables	26,440		22,640	
Borrowings	12,314,712		7,541,489	
Panda Bonds	5,627,488		1,094,441	
Amount due to a subsidiary	704,816		669,359	
	18,673,456		9,327,929	
Net current assets		3,738,761		15,616,764
Total assets less current liabilities		20,114,311		24,520,300
Non-current liability				
Panda Bonds	4,469,966		9,652,736	
	4,469,966		9,652,736	
		4,469,966		9,652,736
NET ASSETS		15,644,345		14,867,564
CAPITAL AND RESERVES				
Share capital and share premium		13,652,985		13,389,982
Other reserves and retained earnings		1,991,360		1,477,582
TOTAL EQUITY		15,644,345		14,867,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(continued)*

Reserve movement of the Company

	<i>Other reserves</i>			<i>Retained earnings HKD'000</i>	<i>Total HKD'000</i>
	<i>Contributed surplus HKD'000</i>	<i>Currency translation reserve HKD'000</i>	<i>Total HKD'000</i>		
At 1 January 2024	58,515	(953,714)	(895,199)	1,707,738	812,539
Comprehensive income					
Profit for the year	–	–	–	2,121,067	2,121,067
Other comprehensive expense					
Currency translation differences	–	(498,764)	(498,764)	–	(498,764)
Total other comprehensive expense	–	(498,764)	(498,764)	–	(498,764)
Total comprehensive (expense) income	–	(498,764)	(498,764)	2,121,067	1,622,303
Transactions with owners in their capacity as owners					
Dividends relating to 2023	–	–	–	(957,260)	(957,260)
Total transactions with owners in their capacity as owners	–	–	–	(957,260)	(957,260)
At 31 December 2024	58,515	(1,452,478)	(1,393,963)	2,871,545	1,477,582

	<i>Other reserves</i>			<i>Retained earnings HKD'000</i>	<i>Total HKD'000</i>
	<i>Contributed surplus HKD'000</i>	<i>Currency translation reserve HKD'000</i>	<i>Total HKD'000</i>		
At 1 January 2025	58,515	(1,452,478)	(1,393,963)	2,871,545	1,477,582
Comprehensive income					
Profit for the year	–	–	–	1,266,523	1,266,523
Other comprehensive income					
Currency translation differences	–	688,219	688,219	–	688,219
Total other comprehensive income	–	688,219	688,219	–	688,219
Total comprehensive income	–	688,219	688,219	1,266,523	1,954,742
Transactions with owners in their capacity as owners					
Dividends relating to 2024	–	–	–	(1,440,964)	(1,440,964)
Total transactions with owners in their capacity as owners	–	–	–	(1,440,964)	(1,440,964)
At 31 December 2025	58,515	(764,259)	(705,744)	2,697,104	1,991,360



Shenzhen International
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