中國通商

中國通商集團有限公司

China Infrastructure & Logistics Group Ltd.

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1719

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

2025
Annual Report


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Corporate information

Directors

Executive Directors:

Ms. Zhou Wei *(Chairman) (Resigned on 6 June 2025)*
Mr. Fei Benjun *(Chairman) (Appointed on 6 June 2025)*
Mr. Qiao Yun

Non-executive Directors:

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

Independent non-executive Directors:

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

Audit committee members

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

Remuneration committee members

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

Nomination committee members

Ms. Zhou Wei *(Chairman) (Resigned on 6 June 2025)*
Mr. Fei Benjun *(Chairman) (Appointed on 6 June 2025)*
Ms. Yu Ling *(Appointed on 23 June 2025)*
Mr. Chau Kwok Keung
Mr. Fu Xinping
Dr. Mao Zhenhua

Authorised representatives

Ms. Zhou Wei *(Resigned on 6 June 2025)*
Mr. Fei Benjun *(Appointed on 6 June 2025)*
Ms. Lai Yeung Fun *(Resigned on 10 January 2025)*
Mr. Yiu Chun Wing *(Appointed on 10 January 2025)*

Company secretary

Ms. Lai Yeung Fun *(Resigned on 10 January 2025)*
Mr. Yiu Chun Wing *(Appointed on 10 January 2025)*

Auditor

Crowe (HK) CPA Limited
Registered Public Interest Entity Auditor

Legal advisers

Sidley Austin
Maples and Calder

Company website

www.cilgl.com

Principal bankers

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

China Merchants Bank
Wuhan Branch, the PRC

Bank of Hankou
Yangluo Branch, the PRC

Rural Commercial Bank
Yangluo Branch, the PRC

Industrial Bank
Hong Kong

China CITIC Bank International Limited
Hong Kong

Corporate information

Head office

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

Principal share registrar and transfer office

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

Hong Kong branch share registrar and transfer office

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

Registered office

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

Contact details

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

Stock Code

1719

Financial highlights

Highlights

- Revenue increased by approximately 3.0% to HK$408,348,000 (2024: HK$396,529,000).
- Gross profit increased by 19.9% to HK$73,899,000 (2024: HK$61,613,000) and gross profit margin was 18.1% (2024: 15.5%).
- Profit for the year decreased by approximately 1.9% to HK$12,650,000 (2024: HK$12,895,000).
- Profit attributable to owners of the Company decreased by 13.8% to HK$10,947,000 (2024: HK$12,694,000).
- The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Financial highlights

MANAGEMENT DISCUSSION AND ANALYSIS

Results

	2025 *HK$'000*	2024 *HK$'000*
Revenue	**408,348**	396,529
Profit before taxation	**21,226**	27,618
Income tax	**(8,576)**	(14,723)
Profit for the year	**12,650**	12,895
Non-controlling interests	**1,703**	201
Profit for the year attributable to owners of the Company	**10,947**	12,694
Basic and diluted earnings per share attributable to owners of the Company (HK cents)	**0.63**	0.74

Chairman's Statement

Chairman's statement

> On behalf of the board (the "**Board**") of directors (the "**Directors**") of China Infrastructure & Logistics Group Ltd. (the "**Company**"), I am pleased to present the annual report of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025.

Review of operations and results

For the year ended 31 December 2025, profit attributable to owners of the Company was HK$10,947,000 (2024: HK$12,694,000).

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

Wuhan has a solid and developed industrial base, featuring national-level economic and technological development zones such as "China's Auto Valley" and "China's Optical Valley", with production facilities established by industrial operators across multiple sectors including automobile and parts, chemical products, grain, wood, textiles, machinery and equipment, optoelectronic technology and its products. The WIT Port significantly enhances the economic development of Wuhan and adjacent areas, by facilitating regional trade and industrial growth. Due to the channel passage capacity limitations along the upstream regions of the Yangtze River, large vessels are unable to pass through and transport normally. The WIT Port also offers a more economical alternative for customers in the middle and upper reaches of the Yangtze River, namely the trans-shipment of container cargoes to Shanghai or direct shipping overseas upon amalgamation at WIT Port. The economic hinterlands which are serviced by the WIT Port include Hunan Province, Guizhou Province, Chongqing Municipality, Sichuan Province, Shanxi Province, Henan Province, Hubei Province and Shaanxi Province.

Chairman's statement

In 2025, CIL achieved parallel progress in four core business segments, namely port operations, agency services, leasing, and supply chain, demonstrating stable growth trajectories. CIL newly launched the "Indonesia – Wuhan" international break bulk line, and pioneered a sea-river intermodal transportation featuring "point-to-point" connectivity and "one ship to the end" from Indonesia directly to Hubei Province, which effectively reduced logistics duration and costs while elevating Hubei's competitiveness within global industrial and supply chains. The Yangluo Port – Qianjiang Port intercity waterway route and the Xiaogan – Yangluo – Taicang road-to-waterway new corridor for energy storage containers were newly opened, providing customers with more convenient and efficient logistics services. The Hannan Port of CIL has obtained approval as a national first-class port, and strategically focuses on cross-border logistics for high-value-added industries such as automotive and optoelectronics, forming a "dual-core driving force" in synergy with the WIT Port. CIL supported the overseas expansion of "new three" products from automotive enterprises including XPENG (小鵬) and Dongfeng (東風), completing a transportation volume of 5,000 TEUs, and achieved a breakthrough with the first shipment of energy storage containers from the middle and upper reaches of the Yangtze River. CIL fully leverages the platform role of its Hong Kong subsidiary.

Future outlook

Hubei Port Group Company Limited* (湖北港口集團有限公司, "**Hubei Port Group**") pays high attention to the operation and development of CIL, and has convened multiple dedicated coordination meetings to advance the high-quality development of CIL. Hubei Port Group has mobilized all resources to substantially support CIL in optimizing resource allocation and strengthening internal synergies. In 2026, CIL will focus on achieving high-quality development, strengthening core functions and enhancing core competitiveness. With reform and innovation as key drivers and steady operations as foundational support, CIL will emphasize five priorities: industrial transformation, deepening reforms, innovation-driven development, risk prevention, and value creation. It will strive to create a good start to the 15th Five-Year Plan. The WIT Port will comprehensively advance the construction of intelligent and green port facilities in port management, customer services, safety and environmental protection, and production operations. It will continue to deepen cooperation with international ports to enhance international competitiveness, strengthen collaboration with cities along the Yangtze River, promote coordinated development of port, industry, and city, and continuously consolidate its status as a central shipping hub port in the middle reaches of the Yangtze River. Hannan Port will fully leverage its role as a national first-class port in service, driving force, and regional influence. Centred on port-proximate industries, Hannan Port will focus on the integrated development of port, industry and city, and is fully committed to building a modern logistics industry development system, thereby supporting the high-quality development of "China's Auto Valley" in the new era. In terms of the domestic and international supply chain business, CIL will concentrate on its primary responsibilities and core businesses, and steadily conduct business by leveraging resources of Hubei Port Group such as ports shipping, rail-water-road multimodal transportation routes, and vessel supply chains, while actively exploring new growth drivers.

Chairman's statement

Acknowledgement

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

Mr. Fei Benjun
Chairman

Hong Kong, 30 March 2026

Management discussion and analysis

Review of operations

Overall business environment

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

CIL recorded revenue of HK$408,348,000 in 2025, representing an increase of 3.0% compared with the previous year; total profit of HK$12,650,000, representing a decrease of 1.9% over the same period last year. Container throughput amounted to 900,139 TEUs, representing a decrease of 203 TEUs over the same period last year. As of the end of 2025, the total net assets amounted to HK$864,858,000, with a debt-to-asset ratio of 36.0%, and the average earnings per share were HK$0.63.

As the core asset of CIL, the WIT Port serves as a central hub in the middle reaches of the Yangtze River and a strategic pivot for the "Port Economic Belt" of Hubei Province, and is transitioning from a traditional port to an "intelligent + industrial" comprehensive hub, benefiting from both policy support and geographic positioning. According to the data from the China Port & Harbors Association, in 2025, the comprehensive business environment evaluation of the WIT Port ranked 3rd among China's inland river ports, climbing two positions compared with 2024.

In 2025, China completed a port cargo throughput of 18.34 billion tonnes, representing an increase of 4.2% over the same period last year. Among them, the cargo throughput of coastal ports was 11.63 billion tonnes, representing an increase of 3.7%; the throughput of foreign trade goods was 5.65 billion tonnes, representing an increase of 4.7%. The container throughput was 350 million TEUs, representing an increase of 6.8%.

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

The Group has vigorously enhanced its comprehensive service capabilities. Through deepened coordination with internal units including Hubei Port Group and Wuhan Port Group, the Group drove integrated growth across its container business segment, completing over 100,000 TEUs of road-to-waterway heavy container conversions and over 100,000 TEUs of multimodal heavy container movements during the year. The Group strengthened collaboration with affiliated units at Huashan, Jinkou, and beyond, establishing day-to-day coordination mechanisms anchored by key projects to prioritize empty container supply and ensure vessel operational efficiency, thereby jointly consolidating market share. On the operational front, the Group optimized its "one vessel, one lift" working model and export consolidation arrangements, reducing inter-terminal cargo repositioning and shortening vessel waiting times at anchorage. A dedicated rapid response mechanism was put in place for clients handling hazardous cargo, with staggered operations deployed to meet their specialized requirements. Drawing on the integrated operational advantages of the Yangluo area, the Group developed tailored logistics solutions for customers to address operational bottlenecks, while leveraging digitalization and smart port technologies to continuously enhance service standards and customer satisfaction. The Group further deepened coordination with affiliated units at Huashan, Jinkou, Xiantao, and the Economic Development Zone. Anchored by major projects including Foxconn, Pulong steel coils, SAIC-GM, non-woven fabrics, mung beans, and quartz sand, Yangluo Port ensured priority empty container supply for all road-to-waterway conversion projects and maintained efficient vessel turnaround times for port liner services. Through joint day-to-day coordination mechanisms, the Group and its affiliated units worked in concert to strengthen customer services, improve customer satisfaction, develop the market collaboratively, and safeguard the stable growth of road-to-waterway conversion initiatives.

Management discussion and analysis

The WIT Port and the Multi-Purpose Port

The WIT Port and the Multi-Purpose Port are located in the Yangluo Economic Development Zone, Wuhan, Hubei Province, the PRC, which are the core ports of maritime centre along middle reaches of the Yangtze River in the PRC. Wuhan has a solid and developed industrial base, and is where various major industrial operators have commenced operations in, including operators of automobile and parts, petrochemical products, steel, grain, wood, textile, machinery and equipment as well as construction material businesses. They have been and will continue to be the major suppliers of gateway cargo containers transportation service in the WIT Port. There are many ports opened. Due to the channel passage capacity limitations along the upstream regions of the Yangtze River, large ships are precluded from navigating directly between those areas and Shanghai. The trans-shipment service provided by the WIT Port offers a more economical alternative for customers in these areas, namely the trans-shipment of container cargoes to Shanghai or direct shipping overseas upon amalgamation at Yangluo Port. The economic hinterlands which are serviced by the WIT Port include Hunan, Guizhou, Chongqing, Sichuan, Shanxi, Henan, Hubei and Shaanxi Provinces. In 2025, the Group launched a new shipping route and a one new corridor, namely the Yangluo Port – Qianjiang Port intercity waterway route and the Xiaogan – Yangluo – Taicang road-to-waterway new corridor for energy storage containers. These additions continue to strengthen the agglomeration effect of Yangluo Port and tap into incremental market opportunities. In addition, the "Indonesia – Wuhan" route, launched in late 2024, has maintained stable operations, completing 59 vessel calls and handling 462,000 billing tonnes of cargo in 2025. Beyond breaking the long-standing industry convention that inbound foreign trade bulk cargo must transit through intermediate ports before entering inland waterways, this route has reduced raw material turnaround time by nearly 40%, meaningfully reinforcing supply chain security for the new energy industry in Central China. It stands as a key contribution to the Group's efforts to build an integrated domestic and international "dual circulation" logistics corridor, and a demonstration of the Group's broader sense of responsibility. Enriching shipping routes and increasing the number of shipments are beneficial to the further enhancement of the turnover rates of import and export goods in Hubei, marking the further enhancement of the position of Wuhan International Port as a hub and taking the construction of the Wuhan maritime centre along the middle reaches of the Yangtze River to a new stage.

The Group has expanded and improved the scope and level of port services. The integration of the "One Department, Four Centres" structure was completed, achieving optimized resource allocation and improved operational efficiency. The Terminal Centre recorded a year-on-year increase of 30% in total rail-water cargo handling volume. The CFS Operations Management Centre achieved a 10% year-on-year growth in container stuffing and stripping throughput, while warehousing volume surged by 61%. The Land Transport Centre consolidated internal resources across Zhonggang Logistics (中港物流), Bonded Logistics (保稅物流), and Asia-Europe Supply Chain (漢歐供應鏈) to ensure efficient short-haul operations at the rail-water terminal. The Container Management Centre signed three new container management agreements, delivering revenue growth of 7.3% year-on-year, and secured approximately 31,000 TEUs of export container supply for five neighboring ports including Xiantao, Ezhou, and Huanggang, progressively extending its market footprint. The Group has vigorously developed its multimodal transport business. Leveraging the favorable opportunities provided by the entrusted terminal centre, the Group deepened collaboration with internal units within the Port Group and actively pursued the consolidation of multimodal rail-water projects at Yangluo Port, including China-Europe Railway Express return cargo, Yangtze River liner services, and Northwest-to-South China freight flows. Yangluo Port Logistics completed an agency volume of 9,100 TEUs in rail-water intermodal transport. The Group has also vigorously developed its water-to-water trans-shipment business, with a strategic focus on developing upstream trans-shipment from the Sichuan-Chongqing region and intercity trans-shipment within Hubei Province, the Group continued to extend the port's cargo catchment area and strengthen its agglomeration effect. Sichuan-Chongqing trans-shipment volume reached 68,000 TEUs for the full year, representing a year-on-year increase of 9%. The Group proactively introduced new import projects including Brazilian wood pulp, Australian wheat, and Peruvian iron ore, as well as Bulgarian industrial oil export business, generating approximately 2,000 additional TEUs. The Group supported the overseas expansion of "new three" products from automotive enterprises including XPENG (小鵬) and Dongfeng (東風), completing a transportation volume of 5,000 TEUs, and achieved a breakthrough with the first shipment of energy storage containers from the middle and upper reaches of the Yangtze River.

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

The Hannan Port

The Hannan Port is located along the Yangtze River in the Wuhan Economic and Technological Development Zone, adjacent to the Shanghai-Chengdu Expressway, Beijing-Zhuhai Expressway and is within 80 kilometers of the Beijing-Guangzhou and Beijing-Kowloon rail link. Wuhan, the provincial capital of Hubei, is an important transport hub in the PRC. In terms of riverway traffic, Wuhan is linked through the Yangtze River with eight provinces (namely Jiangsu, Anhui, Hubei, Sichuan, Jiangxi, Hunan, Yunnan and Guizhou) and Shanghai. Given the important role of Wuhan in the development of the Yangtze River Economic Belt, the Directors consider that it is in the interests of the Group to make further investments in its port businesses in the Wuhan area.

Hannan Port benefits from a multi-tiered, efficient cargo collection and distribution system. Situated along the Yangtze River "Golden Waterway", it provides direct access upstream to Chongqing and Sichuan and downstream to Jiangsu and Shanghai, underpinning a logistics network that connects inland waterways to the open sea. The port enjoys immediate proximity to the Shanghai-Chengdu, Beijing-Zhuhai, and Wuhan-Jianli expressways, the Hannan Yangtze River Bridge, and the Sixth Ring Road, with Zuoan Avenue providing direct connectivity to surrounding industrial parks. The southwest loop of the Wuhan Railway Hub is set to establish an operational yard within the park, enabling direct rail access to the port and completing a fully integrated "rail-water-road" multimodal transport system. The Company's business scope covers ro-ro vehicle operations, port logistics agency services and port-proximate industrial park development, pursuing differentiated yet coordinated development alongside Yangluo Port.

Hannan Port was granted temporary open-port status in January 2025, making it currently the only port in the middle and upper reaches of the Yangtze River equipped to handle ro-ro vehicle foreign trade operations. The port has established regular direct liner services under the "Chegu" ro-ro service brand, sailing to Shanghai Waigaoqiao Port, providing the most cost-effective and convenient "export gateway" for vehicles produced in China's Auto Valley. This service actively facilitates the accelerated "overseas expansion" of domestically produced automotive brands and supports the integrated development of "production, transportation, and distribution", contributing to the transformation of "China's Auto Valley" into a "World Auto Valley". Leveraging the inherent advantages of waterborne transport, Hannan Port has become Changan Automobile's largest distribution and trans-shipment base in Central China. Drawing on the industrial strengths of its hinterland and backed by the Auto Valley's trillion-yuan industrial cluster, the port primarily serves leading domestic and international automotive brands including Lincoln, Ford, XPENG, and Geely, delivering door-to-door, customized end-to-end logistics solutions that effectively reduce overall logistics costs for its automotive customers.

Management discussion and analysis

The Group is committed to developing Hannan Port into the largest port in Central China integrating supply chain design and operations, waterborne logistics collection and distribution, automotive O2O trading, multimodal transport, logistics finance, distribution and delivery, and customs agency services. The vision is to create a port that combines specialization and versatility, with automotive logistics and trading as its primary focus and general cargo and container handling as supplementary functions, serving as a regional economic hub and critical logistics node, a multimodal transport hub port for commercial vehicles in the middle and upper Yangtze River, a national-level commercial vehicle logistics centre, and an industrial park of significant influence.

The Hanjiang logistics centre

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

Tongshang Supply Chain

Leveraging the Group's extensive experience in the operation and management of various ports and terminals located within the Yangtze River Basin in Hubei Province, coupled with its solid customer and supplier network cultivated during its many years of business operation, Tongshang Supply Chain Management (Wuhan) Co., Ltd.* (通商供應鏈管理(武漢)有限公司) ("**Tongshang Supply Chain**") serves as the principal supply chain service provider and trader for up-stream suppliers and down-stream customers through the supply chain management and trading business of the Group. Drawing on the strengths of Hubei's regional port logistics resources, the Company has partnered with quality logistics operators, manufacturers, and port management entities to build an open, mutually beneficial collaborative ecosystem, delivering comprehensive supply chain and logistics solutions to its customers.

The Company holds customs import and export qualifications, membership of the National Grain Trade Centre, and membership of Sinograin's online platform. Alongside expanding its overseas grain inbound and northern grain southbound transportation business, the Company actively participates in policy-directed grain rotation procurement and sales, contributing to the stabilization of local grain prices and the security of grain supply. Focused on Hubei's core grain-producing regions, the Company has deepened its presence in the Central China grain market and established long-term cooperative relationships with a number of large state-owned grain enterprises.

The development of supply chain management and trading business will enable the Group to cultivate deeper connections across both the supply and demand sides of the supply chain, consolidating and improving the flow of goods, capital, and information throughout the supply chain. The Group is committed to building a modern port-proximate trading ecosystem anchored by the "port + trading + warehousing + logistics" model, establishing an open, efficient, and high-throughput commercial logistics hub. This strategy is designed to facilitate closer trade flows and deeper integration of port, industry, and city, positioning the Group as the most trusted and comprehensive supply chain services benchmark enterprise in Central China.

Management discussion and analysis

Operating results

Revenue

	Year ended 31 December					
	2025		2024		Increase/(Decrease)	
	HK$'000	***%***	*HK$'000*	*%*	*HK$'000*	*%*
Revenue from contracts with customers within scope of IFRS 15						
Terminal service	**110,810**	**27.1%**	110,647	27.9%	163	0.1%
Container handling, storage & other service	**39,973**	**9.8%**	37,135	9.4%	2,838	7.6%
General and bulk cargoes handling service	**8,910**	**0.2%**	1,926	0.5%	6,984	362.6%
	159,693	**39.1%**	149,708	37.8%	9,985	6.7%
Integrated logistics service	**66,052**	**16.2%**	49,990	12.6%	16,062	32.1%
Supply chain management and trading business	**169,865**	**41.6%**	184,797	46.6%	(14,932)	(8.1%)
	395,610	**96.9%**	384,495	97.0%	11,115	2.9%
Revenue from other sources						
Property business	**12,738**	**3.1%**	12,034	3.0%	704	5.9%
	408,348	**100.0%**	396,529	100.0%	11,819	3.0%

For the year ended 31 December 2025, the Group's revenue amounted to HK$408,348,000 (2024: HK$396,529,000), representing an increase of approximately 3.0% as compared to 2024. The increase in revenue are mainly due to the offsetting effects of:

(i) the increase in revenue from terminal and related business of 6.7% to HK$159,693,000 (2024: HK$149,708,000),mainly due to the increase in bulk cargo handling volume derived by the newly added international breakbulk business with GEM (格林美) during the year, drove the increase in revenue from the terminal service business;

(ii) the increase in Integrated logistics service revenue of 32.1% to HK$66,052,000 (2024: HK$49,990,000), primarily due to the increase in business volume from the WIT Port and the newly added international breakbulk business with GEM at the WIT Port;

(iii) the decrease in revenue of 8.1% to HK$169,865,000 (2024: HK$184,797,000) from the supply chain management and trading business, mainly due to the diversification of domestic grain regulation and procurement to reduce reliance on a single market has led to lower prices and comparative lesser demand for rice and broken rice trading business for the Year.

Management discussion and analysis

Terminal service

Container throughput

	Year ended 31 December					
	2025		2024		Increase/(Decrease)	
	TEUs	**%**	*TEUs*	%	*TEUs*	%
Gateway cargoes	**355,692**	**39.5**	366,412	40.7	(10,720)	(2.9)
Trans-shipment cargoes	**544,447**	**60.5**	533,930	59.3	10,517	2.0
	900,139	**100.0**	900,342	100.0	203	(1.0)

Provision of terminal service, container handling, storage and other service, general and bulk cargoes handling service at the WIT Port is one of the Group's principal business. Total throughput achieved by the WIT Port for the year ended 31 December 2025 decreased by approximately 1.0% to 900,139 TEUs (2024: 900,342 TEUs). Among them, the shares of local and trans-shipment cargoes were about 39.5% and 60.5% respectively. The gateway cargoes throughput decreased by approximately 2.9% to 355,692 TEUs (2024: 366,412 TEUs) and the trans-shipment cargoes throughput increased by approximately 2.0% to 544,447 TEUs (2024: 533,930 TEUs).

The decrease in overall container throughput was mainly attributable to a 2.9% year-on-year decline in gateway cargo containers, which offset the increase in trans-shipment container. The decrease in gateway cargo containers was primarily attributable to the growth in GEM's bulk cargo operations, which tightened berth resources and to a certain extent affected container handling capacity. Meanwhile, the Group collaborated with Ezhou Port and Jingkai Port to enhance synergies in operations such as imported iron ore handling and short-haul barge transportation, which effectively supported steady growth in trans-shipment cargo.

Market share

The Group's market share of container throughput in Wuhan for the year ended 31 December 2025 was approximately 44.0% (2024: 47.8%) based on a total of 2,020,000 TEUs (2024: 1,880,000 TEUs) handled for the whole of Wuhan Ports in 2025.

Integrated logistics service

The integrated logistics service business of the Group provides agency and logistics services mainly at the WIT Port and the Hannan Port, including provision of freight forwarding, customs clearance, transportation of containers and logistics management services. Revenue generated from the integrated logistics service business for the year ended 31 December 2025 increase by 32.1% to HK$66,052,000 (2024: HK$49,990,000). The relevant revenue accounted for approximately 16.2% of the Group's total revenue for the year ended 31 December 2025 (2024: 12.6%).

The increase in revenue was mainly attributable to the increase in business volume from the WIT Port for the year ended 2025.

Management discussion and analysis

Supply chain management and trading business

The revenue of the Group's supply chain management and trading business decreased by 8.1% to HK$169,865,000 (2024: HK$184,797,000) which accounted for approximately 41.6% of the Group's total revenue for the year ended 31 December 2025 (2024: 46.6%).

The decrease mainly due to the diversification of domestic grain regulation and procurement to reduce reliance on a single market has led to lower prices and comparative lesser demand for rice and broken rice trading business for the Year.

Property business

Revenue for the Group's property business was mainly generated from the port and warehouse leasing business of the Hannan Port, Wuhan which owns investment properties of leasehold lands, berth, commercial buildings and pontoon, as well as the leasing of a stacking yard and certain warehouses at the WIT Port during the year ended 31 December 2025. The port and warehouse leasing income for property business increased by 5.9% to HK$12,738,000 (2024: HK$12,034,000) which accounted for approximately 3.1% of the Group's total revenue for the year ended 31 December 2025 (2024: 3.0%).

The increase in warehouse leasing income in the Hannan Port, as the leased area increased compared with last year.

Gross profit and gross profit margin

For the year ended 31 December 2025, gross profit increased by 19.9% to HK$73,899,000 (2024: HK$61,613,000) and gross profit margin was 18.1% (2024: 15.5%). The increase in gross profit and gross profit margin was mainly attributable to the newly added GEM logistics business at WIT Port in 2025, which carried a relatively higher gross profit as well as the gross profit margin compared with other logistics services.

Other income

Other income for the year ended 31 December 2025 decreased by approximately 86.0% to HK$5,323,000 (2024: HK$37,934,000). The decrease was mainly attributable to (i) a gain of approximately HK$4,901,000 recorded in the previous year from the disposal of a subsidiary (2025: Nil); (ii) a reduction of approximately HK$6,105,000 in government operating subsidies for WIT Port during the year; and (iii) a compensation from a subcontractor of approximately HK$18,910,000 recorded in the previous year (2025: Nil).

Net change in fair value of investment properties

The Group holds certain investment properties, including (i) the port and warehouse in the Hannan Port; (ii) the logistics centre adjacent to the Shayang Port; and (iii) a stacking yard and certain warehouses at the WIT Port. The Group's investment properties are revalued at the end of the reporting period on an open market value basis by an independent property valuer. Changes in fair value arising from such revaluations are accounted for as "change in fair value of investment properties" through the consolidated statement of profit or loss and other comprehensive income. For the year ended 31 December 2025, the Group recorded a fair value loss in the value of investment properties of HK$1,630,000 (2024: a fair value loss in the value of investment properties of HK$1,734,000).

The decrease in fair value loss of investment properties is mainly due to a decrease in market rent of the warehouse properties in the logistics centre adjacent to the Shayang Port as compared to the year ended 31 December 2024.

Profit attributable to owners of the Company for the year

Profit attributable to owners of the Company for the year decreased by HK$1,747,000 or approximately 13.8% to HK$10,947,000 (2024: HK$12,694,000). The decrease in profit attributable to owners of the Company was mainly driven by the offsetting effects of (i) the increase in gross profit of approximately HK$12,286,000; (ii) the decrease in a fair value loss from investment properties of approximately HK$104,000 as compared to the corresponding year; (iii) the decrease in other income of approximately HK$32,611,000; (iv) the decrease in net finance costs of approximately HK$2,936,000; and (v) the decrease in income tax expense of approximately HK$6,147,000, which in 2024 had reflected a one-off non-recurring gain on disposal of equity interest in a subsidiary and the deferred tax assets arising from the fair value loss on investment properties.

Earnings per share (basic and diluted) attributable to owners of the Company for the year ended 31 December 2025 was HK0.63 cents (2024: HK0.74 cents), representing a decrease of 14.9% as compared with that for the year ended 31 December 2024.

Financial resources and liquidity

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

As at 31 December 2025, the Group has cash and cash equivalents of approximately HK$72,363,000 (2024: approximately HK$58,662,000).

As at 31 December 2025, the Group had total outstanding interest-bearing borrowings of HK$228,399,000 (2024: HK$251,614,000). The Group had net assets of HK$864,858,000 (2024: HK$814,289,000).

Management discussion and analysis

As at 31 December 2025, the Group's net gearing ratio was 0.3 times (2024: 0.3 times). The calculation of the net gearing ratio was based on total interest-bearing borrowings net of cash and cash equivalents over equity attributable to owners of the Company.

As at 31 December 2025, the Group's net current liabilities was HK$149,909,000 (2024: HK$131,644,000), with current assets of HK$173,379,000 (2024: HK$161,770,000) and current liabilities of HK$323,288,000 (2024: HK$293,414,000), representing a current ratio of 0.5 times (2024: 0.6 times). The net current liabilities as at 31 December 2025 increased mainly due to the increase of bank borrowings that are repayable within one year or on demand.

Treasury policies

The Group has adopted a prudent financial management approach towards its funding and treasury policies and remained steadfast in its commitment to prudent capital and cash flow management to maintain a strong and healthy liquidity position for the year ended 31 December 2025.

Exchange rate risk

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

Capital commitments

As at 31 December 2025, the Group had capital commitments in respect of the construction of port facilities contracted but not provided for amounting to HK$43,022,000 (2024: HK$40,640,000). Capital commitments for the year was mainly attributable to the capital commitment related to the construction projects in the logistics centre adjacent to the Shayang Port.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2025 (2024: nil).

Pledge of assets

As at 31 December 2025, the Group has pledged certain of its port facilities, terminal equipment and land use rights with carrying amount of approximately HK$3,476,000 (2024: HK$3,681,000), HK$15,645,000 (2024: HK$15,451,000) respectively, to secure bank borrowings granted to the Group.

Future plans for material investments or capital assets

The Group has no concrete future plans for material investments and capital assets as at 31 December 2025.

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

The Group did not have any other significant investments, material acquisitions or disposals of subsidiaries and associates and joint ventures during the year ended 31 December 2025.

Employees and remuneration policies

As at 31 December 2025, the Group had an aggregate of 312 full-time employees (2024: 328). The Group has maintained good relationship with its staff and has not experienced any major disruptions of its operations due to labour disputes. The Group participates in retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC and makes contributions to the Mandatory Provident Fund Scheme of Hong Kong for its employees in Hong Kong. The Group remunerates its employees in accordance with their work performance and experience. The Board has designated the duties of determining Directors' service contracts, the reviewing of Directors' and senior management's emoluments and the awarding of discretionary bonuses of the Company to the remuneration committee of the Company.

The Group conducts a range of targeted training and development programs through various institutions to strengthen employees' skills and knowledge, with an aim to well equip them to cope with its development in the industry. Further information is set out in the "Environmental, social and governance report" on pages 41 to 84 of this annual report.

The Company has also adopted a share option scheme on 25 May 2018 to recognise and acknowledge the contributions of eligible employees and directors of the Company or its subsidiaries. Further details of the share option scheme is set out in the section headed "Share Option Scheme" on pages 93 to 94 of this annual report.

Key risks and uncertainties

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

Operational risk

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

Management discussion and analysis

Business risk

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

Industrial risk

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

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

Manpower risk and personnel retention

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

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

Delay in the completion of the development and construction

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

Management discussion and analysis

Financial risk

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

Valuation risk of investment properties

The Group holds certain investment properties, including (i) port and warehouse in the Hannan Port; (ii) the logistics centre adjacent to the Shayang Port; and (iii) a stacking yard and certain warehouses at the WIT Port. These investment properties are located in Wuhan and the values of the properties depend, to a large extent, on the performance of the economy, property market conditions, industry development trends and conditions and government policies in Hubei Province.

Associated risks of the supply chain management and trading business

Business risk

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

Credit risk

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

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

Inventory risk

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

Working capital risk

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

Directors and senior management

Directors

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

Chairman and Executive Director

Mr Fei Benjun (費本君), aged 40, has been appointed as an executive Director and the chairman of the Board on 6 June 2025. From July 2020 to January 2021, Mr Fei served as a senior executive at Hubei Port Group Company Ltd. ("**Hubei Port Group**"), which is the controlling shareholder of Hubei Ports (Hong Kong) International Limited and an indirect controlling shareholder of the Company. Hubei Ports Group is principally engaged in infrastructure investment and construction, port operations, and the provision of integrated logistics and supply chain management services. From January 2021 to October 2023, Mr Fei was a deputy director of the general office at Hubei Port Group. From November 2023 to November 2024, Mr Fei served as a board secretary of Hubei Port Group. From December 2024 to April 2025, he was a general manager (director-level) of the strategic research department (board office) of Hubei Port Group.

Mr Fei has held a professional qualification certificate in economics (human resources manager) since November 2023. He obtained a bachelor's degree in Measurement and Control Technology and Instruments from Wuhan Institute of Technology in June 2008 and a master's degree in Public Administration from Zhongnan University of Economics and Law in June 2013.

Executive Director

Mr. Qiao Yun (喬雲), aged 55, was appointed as an executive Director and general manager of the Company since May 2022. Since November 2020, he has been the party secretary and chairman of Wuhan Xingang Hanjiang Container Co., Ltd.* (武漢新港漢江集裝箱股份有限公司), a company indirectly controlled by Hubei Port Group and principally engaged in the provision of freight and warehousing logistics related services. Mr. Qiao obtained the qualification as a senior engineer conferred by Wuhan Municipal Human Resources and Social Security Bureau* (武漢市人力資源和社會保障局) in October 2005. He obtained his bachelor's degree from the Wuhan Jiaotong University* (武漢交通科技大學) in June 1994, majoring in hoisting, transportation and construction machinery.

Non-executive Directors

Ms. Yu Ling (喻玲), aged 40, was appointed as a non-executive Director of the Company since January 2025. Ms. Yu is currently the general manager of the finance department of Hubei Port Group Company Limited* ("**Hubei Port Group**"). Hubei Port Group is the controlling shareholder of Hubei Port (Hong Kong) International Limited and an indirect controlling shareholder of the Company, which is principally engaged in infrastructure investment and construction, port operation, and provision of integrated logistics, supply chain management and other services. Since April 2023, Ms. Yu has also been serving as a director of Hubei Port Capital Company Limited, a wholly-owned subsidiary of Hubei Port Group, which is principally engaged in investment management and asset management. Ms. Yu has over 16 years of experience in financial management, treasury management, tax management and fund raising. From July 2008 to September 2009, Ms. Yu worked as an accountant of Wuhan Port Group Company Limited, Hanyang Port Branch. From October 2009 to July 2016, Ms. Yu worked as the chief accountant of Wuhan Port Group Company Limited. From August 2016 to July 2020, Ms. Yu served as the supervisor of Hubei Port Group. From August 2020 to July 2022, Ms. Yu served as the first-level supervisor of Hubei Port Group. From August 2022 to November 2024, Ms. Yu served as the deputy general manager of the finance department of Hubei Port Group. In June 2008, Ms. Yu graduated from Wuhan University of Science and Technology with a bachelor's degree, majoring in accounting. In December 2019, Ms. Yu was awarded the qualification of senior accountant by the Wuhan Vocational Reform Office.

Directors and senior management

Mr. Li Wei (李偉), aged 53, was appointed as a non-executive Director on 28 June 2023. Mr. Li is currently the head of the production business department of Hubei Port Group Company Limited* ("**Hubei Port Group**"), which is the controlling shareholder of Hubei Port (Hong Kong) International Limited and an indirect controlling shareholder of the Company. Hubei Port Group is mainly engaged in infrastructure investment and construction, port operations, and provides services such as integrated logistics and supply chain management. Since January 2022, Mr. Li has also served as the chairman of the supervisory board of Wuhan New Port JiangBei Railway Co., Ltd.* (武漢新港江北鐵路有限責任公司), which is an associate of Hubei Port Group and is mainly engaged in railway transportation. Mr. Li graduated from the Central Party School Correspondence College in the People's Republic of China with a major in economics and management in December 2005. From December 2004 to January 2007, Mr. Li served as manager of Jingzhou Port First Port Company* (荊州港第一港埠公司), a subsidiary of Jingzhou Port Group Company* (荊州港務集團公司) which is in turn a wholly-owned subsidiary of Hubei Port Group, and is principally engaged in businesses such as waterway transportation, cargo loading and unloading, transit shipment, water transportation and transportation. From January 2007 to March 2010, Mr. Li served as director of Jingzhou Port Group Company, which is a large-scale public wharf operator in Jingzhou City, the People's Republic of China, and manager of Jingzhou Port First Port Company, its subsidiary. From March 2010 to July 2011, Mr. Li served as director of Jingzhou Port Group Company and general manager of Liulin Port Management Company* (荊州港柳林港務公司). From July 2011 to October 2021, Mr. Li served as deputy general manager of Jingzhou Port Group Company. From November 2021 to August 2022, Mr. Li assumed the role of deputy head of the production business department of Hubei Port Group. From August 2022 to December 2024, Mr. Li served as the head of the production business department and the general manager of the business operations management department of Hubei Port Group. Since December 2024, he has been serving as the chief dispatcher of the operations and dispatch centre of Hubei Port Group.

Independent non-executive Directors

Mr. Chau Kwok Keung (鄒國強), aged 49, was appointed as independent non-executive Director of the Company since May 2022. He is the chief financial officer of Laekna, Inc., a company listed on the Stock Exchange (Stock Code: 2105), since January 2024. Mr. Chau has more than 20 years of experience in accounting and financial management.

Mr. Chau also acted as a member of supervisory board of RIB Software AG (symbol: RIB), a software company in Germany, which was listed on the Frankfurt Stock Exchange, from May 2010 to June 2013. He was also appointed as (i) an independent non-executive director and the chairman of the audit committee of Qingdao Port International Co., Ltd., a company dual-listed on the Stock Exchange (stock code: 6198.HK) and the Shanghai Stock Exchange (stock code:601298.SH) from May 2014 to May 2019 and was reappointed as the company's independent non-executive director and the chairman of the audit committee since October 2025; (ii) an independent director of The9 Limited, whose shares are listed by way of American Depository Shares on NASDAQ (NASDAQ: NCTY), since October 2015; (iii) an independent non-executive director of China Tobacco International (HK) Company Limited, a company listed on the Stock Exchange (stock code: 6055.HK), from December 2018 to May 2024; (iv) an independent non-executive director of Bank of Zhangjiakou Co., Ltd (張家銀行股份有限公司) since April 2020; (v) an independent non-executive director and the chairman of the audit committee of Suzhou Basecare Medical Corporation Limited, a company listed on the Stock Exchange (stock code: 2170.HK) from October 2021 to June 2023; and (vi) an independent non-executive director and the chairman of the audit committee of Laekna, Inc., a company listed on the Stock Exchange (stock code: 2105.HK) from June 2023 to January 2024 (appointed as its chief financial officer in January 2024).

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

Mr. Fu Xinping (付新平), aged 63, was appointed as independent non-executive Director of the Company since May 2022. He works for the Wuhan University of Technology* (武漢理工大學) (one of its predecessors is Wuhan Institute of Water Transport Engineering* (武漢水運工程學院) which was later renamed as Wuhan University of Transportation and Technology* (武漢交通科技大學)) since July 1987, with his current position as the professor of the School of Economics. Since December 2016, Mr. Fu has also been an independent director of Wuhan Express Holding Group Co., Ltd.* (武漢運通控股集團有限公司), a company owned by Hubei Port Group as to 7.5 percent equity interest and principally engaged in investment in transportation, logistics and real estate. Mr. Fu. was admitted as a professor in transportation by the Assessment Committee on Qualifications for Professional and Technical Positions of Wuhan University of Transportation and Technology* (武漢交通科技大學專業技術職務評審委員會) in November 1999. In December 1999, Mr. Fu was also recognised as a certified supervisory engineer* (專業監理工程師) by the Transportation Department of the PRC. Mr. Fu completed his postgraduate study from the Department of Management Engineering of Wuhan Institute of Water Transport Engineering* (武漢水運工程學院), majoring in Transportation Management Engineering in July 1987. He obtained his bachelor's degree in engineering from the Department of Marine Mechanical Engineering of Wuhan Institute of Water Transport Engineering* (武漢水運工程學院) in July 1983.

Dr. Mao Zhenhua (毛振華), aged 62, was appointed as an independent non-executive Director of the Company since January 2016. He has been a member of the Nomination Committee, Audit Committee and Remuneration Committee of the Company since January 2016. Dr. Mao graduated from Wuhan University with a Doctorate Degree in Economics. Dr. Mao had carried out economic analysis and policies research for the Statistics Bureau of Hubei Province, Hubei Provincial Policy Research Office, Hainan Provincial Government Research Office and the Research Office of the State Council. Dr. Mao is the founder of China Chengxin Credit Management Co. Ltd., who has successively served as its general manger, chairman and general manager, chief executive officer and chairman, and a substantial shareholder and controlling party of China Chengxin International Credit Rating Co., Ltd.. Dr. Mao also serves as a professor of Renmin University of China, a director of Institute of Economic Research of Renmin University of China, a professor of Wuhan University and the dean of Dong Fureng Economic & Social Development School of Wuhan University, and has been engaged to serve as a professor of Faculty of Economics and Business Administration of the University of Hong Kong since 2022. Dr. Mao has served as a non-executive director, a member of the audit committee and the chairman of the strategy committee of Meilleure Health International Industry Group Limited (formerly known as U-Home Group Holdings Limited, stock code: 2327), a company listed on the main board of the Stock Exchange, since October 2015. Dr. Mao has also served as an independent non-executive director as well as the chairman of the nomination and the remuneration committee of China Bohai Bank Co., Ltd. (a company listed on the main board of the Stock Exchange, stock code: 9668), from June 2016 to January 2025.

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

Directors and senior management

Senior management

Mr. Qiao Yun (喬雲), aged 55, appointed as the general manager of the Company since May 2022, also serves as senior management of the Group. Please refer to his biographical details as set out under the section of Executive Director.

Mr. Guo Wenchuan (郭文川), aged 50, was appointed as the deputy general manager of the Company since July 2022. Mr. Guo has joined Wuhan Port's container industry in 1996 and currently serves as general manager of Wuhan Port Container Co., Ltd.* (武漢港集裝箱有限公司) and Wuhan Port International Container Co., Ltd.* (武漢港務國際集裝箱有限公司), as well as deputy general manager of Wuhan Port Group Co., Ltd.* (武漢港務集團有限公司), all of which are subsidiaries of Hubei Port Group, principally engaged in container handling, freight forwarding, and other relevant businesses.

Mr. Guo has over 23 years of experience in container feeder ports management, and obtained an undergraduate degree in economic management from College of Military Economic Management in June 2009.

Mr. Liu Lei（劉磊）, aged 40, was appointed as a deputy general manager of the Company in January 2025. Mr. Liu joined Wuhan Port and Shipping Development Group Co., Ltd.*（武漢港航發展集團有限公司）which is the subsidiary of Hubei Port Group in August 2016, where he successively served as senior supervisor and subsequently director of the discipline inspection and supervision office. From July 2021 to July 2022, Mr. Liu served as director of the discipline inspection and supervision office under the discipline inspection committee and supervisory commissioner's office of Hubei Port Group Co., Ltd.* (湖北省港口集團有限公司). From July 2022 to December 2023, Mr. Liu served as deputy secretary of the general party branch, deputy secretary of the party committee, director and general manager of Yangtze New Silk Road International Investment and Development Co., Ltd.* (長江新絲路國際投資發展有限公司) which is the subsidiary of Hubei Port Group. From December 2023 to January 2025, Mr. Liu served as deputy secretary of the party committee, director and general manager of Wuhan New Port Yangluo Bonded Zone Development and Management Co., Ltd.* (武漢新港陽邏保稅園區開發管理有限公司) which is the subsidiary of Hubei Port Group. Mr. Liu holds the qualification of assistant social worker and a legal professional qualification certificate. Mr. Liu graduated from Gansu University of Political Science and Law with a master's degree in 2013.

Mr. Luo Yong (羅勇), aged 50, Mr. Luo has been serving as a member of general party branch committee, chief financial officer and the discipline inspection committee member of the Company since June 2025. From 1995 to April 2023, Mr. Luo was engaged in financial work at Wuhan Port. From April 2023 to June 2025, Mr. Luo served as a member of the party branch committee, chief accountant and discipline inspection committee member of Hubei Port Capital Company Limited* (湖北港口資本有限公司) which is the subsidiary of Hubei Port Group.

Ms. Liu Qing (劉勍), age 49, is a chinese economist and senior logistics specialist. Ms. Liu was appointed as the deputy general manager of the Company since February 2024. Ms. Liu served as the supervisor of finance department of Hubei Port Group from June to August 2021, and severed as deputy general manager at Wuhan New Port Yangluo Bonded Zone Development Management Co., Ltd.*（武漢新港陽邏保稅園區開發管理有限公司）from September 2021 until March 2024, which is the subsidiary of Hubei Port Group.

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

Save as disclosed in the section headed "Directors and Senior Management" in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules during the year ended 31 December 2025 and up to the date of this annual report.

Corporate governance report

The Board is pleased to present this corporate governance report for the year ended 31 December 2025.

Introduction

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

Compliance with Corporate Governance Code

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

The Company has adopted and applied the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its own code on corporate governance. To the best knowledge of the Directors. Company had complied with all the code provisions as set out in the CG Code for the year ended 31 December 2025.

The Board of Directors

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

The composition of the Board during the year ended 31 December 2025 and up to the date of this annual report is set out below:

Executive Directors:

Ms. Zhou Wei *(Resigned on 6 June 2025)*
Mr. Fei Benjun *(Chairman) (Appointed on 6 June 2025)*
Mr. Qiao Yun

Non-executive Directors:

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

Independent non-executive Directors:

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

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

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

Mr. Fei Benjun was appointed as an executive Director and Chairman on 6 June 2025. He had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 6 June 2025 and has confirmed that he understood his obligations as a director of a listed issuer under the Listing Rules.

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

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

Board independence and refreshment

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

1. Appointing independent non-executive Directors who are not affiliated with the Company or any of its connected persons and have the requisite knowledge and experience to provide independent views to the Board. In full compliance with Rules 3.10(1) and (2) of the Listing Rules, the Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional accounting qualifications. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and every guideline set out in Rule 3.13 of the Listing Rules.

2. Conducting External Reviews. The Board has engaged external experts to conduct periodic reviews on specific matters, such as risk management and internal controls. These external reviews can provide independent views and insights to the Board.

3. Encouraging Whistleblowing. The Board has adopted a whistleblowing policy that encourages employees or stakeholders to report any concerns or issues they have regarding the Group's operations. The Board is able to consider such feedbacks as a means of obtaining independent views on the Group's activities.

The Nomination Committee is chaired by the chairman of the Board and comprises a majority of independent non-executive Directors. To assess the effectiveness of above mechanisms, the Board has reviewed the independence of the independent non-executive Directors, the internal controls assessment report and the enterprise risk assessment report provided by the external experts, and the whistleblowing policy. The Board conducts annual review on the effectiveness of these mechanisms to ensure that they are providing independent views to the Board. After gathering such independent views from various sources, the Board is able to make necessary adjustments or improvements to the existing mechanisms of the Group, such as risk management and internal control systems. The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

Corporate governance report

Board Proceedings

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

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

Appointment and re-election of Directors

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

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

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

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

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

Directors and officers liabilities insurance

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

Chairman and chief executive officer

In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Group, the role of the chairman is separate from that of the chief executive. During the year ended 31 December 2025, Mr. Fei Benjun held the position of Chairman of the Board since 6 June 2025, with Ms. Zhou Wei resigned on 6 June 2025. Mr. Qiao Yun served as the general manager during the year. The Chairman focuses on the overall corporate development and strategic direction of the Group and provide leadership to and oversight of the efficient functioning of the Board. The general manager oversees all day-to-day corporate management matters. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority.

Remuneration committee

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

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

During the year ended 31 December 2025, the Remuneration Committee met four times to review the remuneration policy of the Company, including the structure and level of remuneration payable to the Directors and senior management of the Company and making recommendations to the Board on the remuneration packages of individual Directors.

Pursuant to Code Provision E.1.5, the remuneration of the members of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration band	Number of individuals
HK$1 – HK$1,000,000	3

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

Corporate governance report

Audit committee

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

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

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

During the year ended 31 December 2025, the Audit Committee held two meetings. During the meetings, the committee reviewed and considered matters including the interim and annual results, the interim and annual reports, the risk management report and internal control systems and report, the audit related matters, the whistleblowing policy and change of auditor. Management and external auditor are available at these three meetings to assist with any information and resources as may be required to enable committee members to carry out their functions. The Company had engaged an independent professional firm to conduct an internal audit on the systems of internal control of the Multi-Purpose Port to ensure compliance with procedures laid down by the Company and a review of the overall systems of internal control and risk management functions of the Group.

Nomination committee

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

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

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

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

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

(1) The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

(2) For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

(3) Pursuant to the Articles of the Company, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the company secretary of the Company (the "**Company Secretary**") notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

(4) A candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

(5) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

During the year ended 31 December 2025, the Nomination Committee met three times to review the structure, size and composition of the Board, the implementation and effectiveness of the Board Diversity Policy, and the independence of the Independent Non-executive Directors, and resolved to recommend appointment/re-designation of Directors and to recommend all the retiring Directors for re-election at the 2025 AGM.

Corporate governance report

Corporate Governance Function

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

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Attendance records at meetings

The attendance records of each Director at the various meetings of the Company during the year ended 31 December 2025 are set out as below:

	Attended/Eligible to Attend				
	General meetings	**Board meetings**	**Remuneration committee meetings**	**Audit committee meetings**	**Nomination committee meetings**
Number of meetings	1	11	4	2	3
Chairman and executive Director					
Ms. Zhou Wei *(Resigned on 6 June 2025)*	0/1	5/6	N/A	N/A	2/3
Mr. Fei Benjun *(Appointed on 6 June 2025)*	N/A	5/5	N/A	N/A	N/A
Executive Director					
Mr. Qiao Yun	1/1	11/11	N/A	N/A	N/A
Non-executive Directors					
Mr. Li Wei	1/1	11/11	4/4	N/A	N/A
Mr. Xu Aoling *(Resigned on 10 January 2025)*	N/A	N/A	N/A	N/A	N/A
Ms. Yu Ling *(Appointed on 10 January 2025)*	1/1	9/9	N/A	2/2	N/A
Independent non-executive Directors					
Mr. Chau Kwok Keung	1/1	11/11	4/4	2/2	3/3
Mr. Fu Xinping	1/1	11/11	4/4	2/2	3/3
Dr. Mao Zhenhua	1/1	11/11	4/4	2/2	3/3

Corporate governance report

Directors' securities transactions

The Company adopted a code of conduct regarding securities transactions by directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code for dealing in securities of the Company by the Directors. The Company has also made specific enquiry to all Directors, who have confirmed that, during the year ended 31 December 2025, each of them were in compliance with the Code of Conduct and the Model Code. The Company also has guidelines on no less exacting terms than the Model Code for its employees who are likely to be in possession of inside information relating to the Company and its securities.

Specific employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company during the year ended 31 December 2025.

Continuous professional development

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

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

Name of Directors	**Training received**
Ms. Zhou Wei *(Resigned on 6 June 2025)*	Reading materials/attending training course
Mr. Qiao Yun	Reading materials/attending training course
Mr. Fei Benjun *(Appointed on 6 June 2025)*	Reading materials/attending training course
Mr. Li Wei	Reading materials/attending training course
Mr. Xu Aoling *(Resigned on 10 January 2025)*	N/A
Ms. Yu Ling *(Appointed on 10 January 2025)*	Reading materials/attending training course
Mr. Chau Kwok Keung	Reading materials/attending training course
Mr. Fu Xinping	Reading materials/attending training course
Dr. Mao Zhenhua	Reading materials/attending training course

Accountability and Audit

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 December 2025 which give a true and fair view of the state of affairs of the Group. The Directors consider that the consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared in conformity with all applicable accounting standards and requirements. The auditor's statement on reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 97 to 101 of this annual report.

Auditor's remuneration

Remuneration in respect of audit and non-audit services provided by the auditor to the Group for the year ended 31 December 2025 was HK$1,280,000 and HK$175,000 respectively. The non-audit services included the agree-upon procedures to the 2025 interim results announcement and interim report and assurance report on continuing connected transactions.

Company secretary

The Board is of the view that Mr. Yiu Chun Wing, the Company Secretary, is qualified and has appropriate experience to discharge his duties. Mr. Yiu Chun Wing had received not less than 15 hours of relevant professional training during the year ended 31 December 2025 and up to the date of this report. The Company will provide Mr. Yiu Chun Wing with sufficient resources to receive not less than 15 hours of professional training for every financial year as required by the Rule 3.29 of the Listing Rules.

Risk management and internal control

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

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

Corporate governance report

The Group does not have an internal audit department. During the year, the Group had engaged an independent professional consultant to provide risk management and internal controls assessment services to assist the Board and the Audit Committee to review the risk and effectiveness of its internal control systems. The review included interviews with relevant management and key process owners and performing walkthrough tests to identify the major risk and significant deficiencies, resolve any material internal control defects (as appropriate), and making recommendations for improving the internal control systems to the Audit Committee for further approval. The Audit Committee, together with the Board, have reviewed, considered and discussed the findings and recommendations of the internal controls assessment report (the "**Internal Controls Report**") and the enterprise risk assessment report (the "**Enterprise Risk Assessment Report**") prepared by the independent professional consultant for the year ended 31 December 2025. Having taken the recommendations in the Internal Controls Report and the Enterprise Risk Assessment Report into consideration, the Group will continue to improve its risk and internal management and control systems. In addition, the independent professional consultant had also performed a follow-up assessment on the findings as identified in the Internal Controls Report for the year ended 31 December 2024 to assess the remediation status.

During the year ended 31 December 2025, as part of its review of the systems of internal control process, the independent professional consultant had conducted an internal audit on the systems of internal control of the Multi-Purpose Port to ensure compliance with procedures laid down by the Company and the Group.

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

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

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

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

Corporate governance report

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

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

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

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

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

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

Electronic dissemination of corporate communications

Pursuant to the new amended Rule 2.07A of the Listing Rules effective from 31 December 2023, the Company has adopted new arrangement to disseminate Corporate Communications electronically. No printed copies of Corporate Communications will be mailed out to Shareholders except by request. All future Corporate Communications both in English and Chinese will be available electronically on the Company's website and the Stock Exchange's website.

Corporate governance report

Board diversity

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

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

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

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

As of 31 December 2025, the total number of male and female employees (including senior management) of the Group were 248 and 64 respectively, and the ratio of male to female employees was around 4:1. As the Group belongs to the development, operation and management of container and other ports industry and its main business is mostly involved in labour intensive work, the proportion of male employees therefore exceeds that of female employees.

At present, the gender workforce of the Group is suitable for the Group's operation and management, and the Group consistently implements the management ideology of a "fairness and impartiality, suitability for the job" during its recruitment process, so as to ensure that every applicant has an equal opportunity, and that talents are competing in a fair environment.

Dividend Policy

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

(i) financial results;

(ii) cash flow situation;

(iii) business conditions and strategies;

(iv) future operations and earnings;

(v) capital requirements and expenditure plans;

(vi) shareholders' interest;

(vii) any restrictions on payment of dividends; and

(viii) any other factors that the Board may deem relevant.

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

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

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

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

Corporate governance report

Shareholders' value

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

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

Shareholders' rights

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

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

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

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

Corporate governance report

Procedures for directing Shareholders' enquiries to the Board

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

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

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

Constitutional documents

There were no changes made to the Company's constitutional documents during the year ended 31 December 2025. A copy of the Second Amended and Restated Memorandum and Articles of Association of the Company is posted on the designated website of the Stock Exchange and the website of the Company.

Communication with Shareholders of the Company

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

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

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

The general meetings are valuable forums for direct communications between the Board and Shareholders. The Directors and members of various Board committees will attend the general meetings of the Company. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group. At other times, Shareholders and investors can put enquires by writing to the Company for the attention of an Executive Director, or the Company Secretary, whose contact channels are set out above under "Procedures for directing Shareholders' enquiries to the Board". The Company regularly reviews its shareholders' communication policy and evaluates its implementation and effectiveness. In light of the above, the Company considered that its shareholders' communication policy is relevant and effective during the year ended 31 December 2025.

Environmental, social and governance report

I. PURPOSE OF THIS REPORT

ABOUT THIS REPORT

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

Reporting Scope

The Board of the Group are responsible for determining the scope of work of this Report. The Reporting Period of this Report is from 1 January 2025 to 31 December 2025 (the "**Reporting Period**", the "**Year**" or the "**2025**"). This Report focuses on the management policies, performance and measures of the Group regarding ESG issues. In which, the key performance indicators ("**KPIs**") disclosed in the Report has covered the principal operating activities of the Group. The principal operating activities of the Group include investment in and development, operation and management of container, and the provision of port related, logistics and other services including integrated logistics, port and warehouse leasing, supply chain management and trading business, mainly conducted through its various ports. The scope includes the offices and operating terminals of 7 subsidiaries (including (I) Wuhan International Container Company Limited, (II) CIG Wuhan Multipurpose Port Limited, (III) Wuhan Yangluo Logistic Company Limited, (IV) Tongshang Supply Chain, (V) Hubei Hannan Port Enterprise Company Limited, (VI) Hubei Hannan Port Logistics Company Limited, and (VII) Hanjiang Port Logistics Centre Company Limited.) which have a significant profit contribution to the Group. The service areas cover the WIT Port, the Multi-Purpose Port and the Hannan Port, located within the Yangtze River Basin in Hubei Province, Central China, the People's Republic of China (the "**PRC**" or "**China**"). The social key performance indicators has covered the business scope of the Group as a whole.

Reporting Framework

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

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

Forward-Looking Statements

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

Contact Us

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

II. PHILOSOPHY AND GOVERNANCE OF SUSTAINABLE DEVELOPMENT

Sustainable Governance and Development Objectives

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

The Board Statement

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

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

ESG Governance Structure

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

The ESG Working Group

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

The Working Group is tasked with collecting and analysing ESG data, preparing related reports, supervising and evaluating ESG performance in these areas to ensure compliance with regulatory requirements. The Working Group shall convene meeting at least once a year to assess the effectiveness of current policies in ESG aspects and incorporates relevant issues into the formulation of risk management and opportunity optimisation strategies. Additionally, the Working Group regularly reports to the Board, assisting in evaluating and identifying ESG risks and opportunities, assessing the implementation and effectiveness of internal control mechanisms, and reviewing the progress of objectives and indicators.

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

III. COMMUNICATION WITH STAKEHOLDERS

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

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

Stakeholder	Channels	Concerns	Our Plans of Action
Shareholders and Investors	• Company's website and announcements • General meetings • Investor relations roadshows • Annual and interim reports	• Return on investments • Financial situations • Business prospects • Future development plans • Governance	• Comply with relevant laws and regulations • Publish latest corporate information timely • Financial results • Corporate sustainable development
Government	• Meetings • Workshops	• Satisfy the compliance requirements of regulatory authorities • Rectify issues raised by regulatory departments • Pay taxes on time and in accordance with the law • Maintain good relationship with the government • Promote employment • Non-compliance with laws and regulations	• Comply with national laws and regulations • Create employment opportunities • Pay taxes on time and in full according to the law • Optimise corporate governance management to ensure legal compliance • Regularly arrange staff of the authority to work at grassroots stations, focus on the front line workforce, and enhance the power of tax source management
Employees	• Meetings • Online feedback	• Optimising employees' trainings and developing internal communication • Employees' benefits • Promotion mechanism	• Optimise internal management system to facilitate development in the long run • Organise trainings and seminars • Provide internal communication channels, including intranet and emails
Customers	• Written opinions • Individual meetings • Opinion survey	• Provision of quality services to customers • Thorough understanding of customers' needs • Responding to customers' complaints • Service quality assurance • Being a good chief service officer	• Plan and cooperate together to achieve a win-win situation • Optimise customer complaint channels • Define service procedures and service standards • Respond to and handle customer's complaints on time • Collect more reasonable opinions and adopt them to form a friendly cooperation in a good state • Provide more appropriate solutions and better services to cater for different needs

Stakeholder	Channels	Concerns	Our Plans of Action
Suppliers	• Individual meetings • Round table discussion • Meetings	• Enhancing day-to-day communication • Open and fair tendering process • Fulfillment of contract terms	• Maintain a good negotiation attitude to achieve mutual benefits • Establish a complete up-stream and downstream supply chain system • Set up an open and transparent tendering system to provide suppliers with equal opportunities for competition
Media	• News release • Media interviews • Industry summits/forums • Announcements on official website and social media	• Operations information and performance of the Company • Transparency in responding to emergencies or accidents • Industry trends and the Company's strategy in the future • Achievements and case studies related to social responsibility	• Regularly release news to ensure information being open and transparent • Share the Company's sustainability performance through media interviews and feature reports • Provide a quick, accurate and responsible response to accidents and emergencies • Provide media inquiry channels to enhance communication efficiency and strengthen cooperative relationships
Community	• Round table discussion • Meetings	• Participating in community building, supporting construction of a civilised and hygienic community • Creating a good business environment and atmosphere	• Organise community activities for employees to actively participate in, with party members taking the lead • Enhance the overall strength of the corporation and provide employment opportunities • Prioritise the hiring of local talents

IV. MATERIALITY ASSESSMENT

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

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

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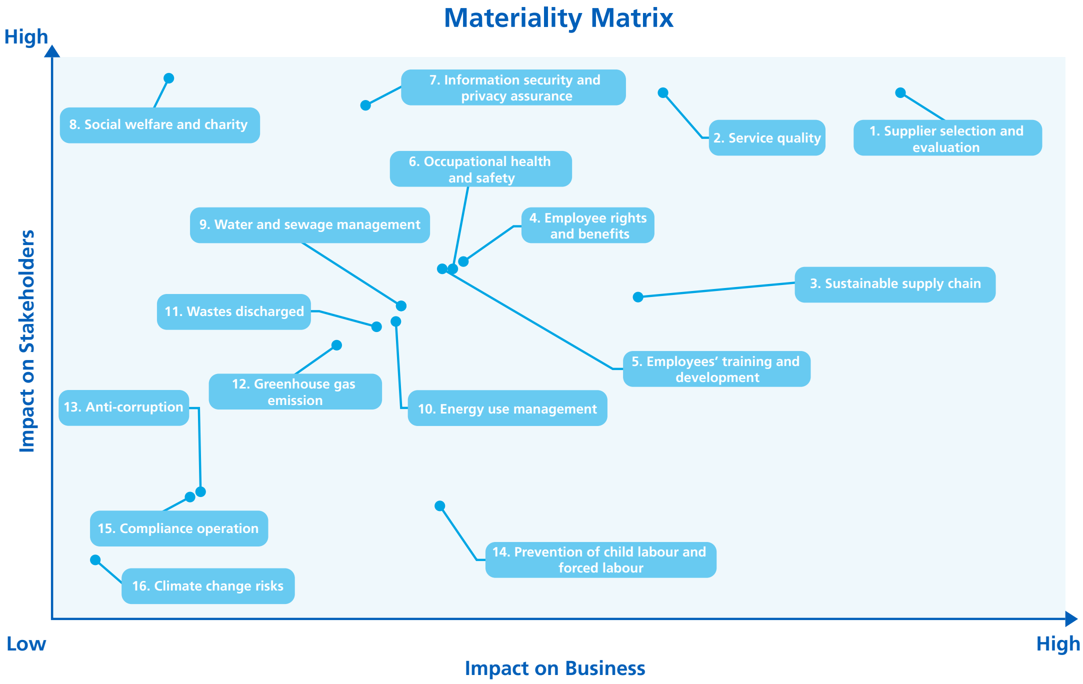
During the Reporting Period, the stakeholders and operation performance of CIL have not undergone significant changes. Accordingly, the Group confirms that the results of the materiality matrix in the previous year's ESG Report remain applicable to the year of 2025, and could continue to respond to stakeholders' expectations. The Group's matrix of significant ESG issues is as follows:



V. ENVIRONMENTAL ASPECT

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

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

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

Emissions

Air Pollutants

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

During the Reporting Period, the Group's emissions of NO_x, SO_x, and PM declined compared with the previous year. The primary reason was the Group's canteen fuel switching from liquefied petroleum gas ("**LPG**") to liquid paraffins produced by Ningxia Coal Industry Co., Ltd. ("**Ningxia Coal Liquid Paraffins**"). Compared with LPG, Ningxia Coal Liquid Paraffins offers superior performance in terms of safety, cost-effectiveness and environmental impact. In addition, its combustion produces no black smoke, with emissions consisting principally of water vapour and carbon dioxide, resulting in comparatively limited air pollutant output. As a result of these measures, the Group's air pollutant emissions decreased over the course of the Year. To further reduce its environmental footprint, the Group plans to achieve reductions of no less than 5% in each of the three air pollutant categories (NO_x, SO_x and PM) by 2027 relative to the 2024 base year.

Greenhouse Gas Emissions

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

During the Reporting Period, the Group's total greenhouse gas emission intensity recorded a modest increase compared with the previous year. Of these, Scope 1 stationary source emissions rose, primarily due to the replacement of LPG cooking appliances in the staff canteen with those using Ningxia Coal Liquid Paraffins in 2025 to enhance safety, reduce costs and improve environmental performance through the elimination of black smoke emissions. Meanwhile, increased air conditioning usage attributable to internal staff movements and higher summer temperatures drove up diesel consumption. In addition, Scope 3 emissions associated with water supply and wastewater treatment fell sharply, as freshwater consumption, which had been abnormally high in the previous year due to a burst underground water pipe, returned to normal levels during the Year. The Group will continue to implement its emission reduction measures, targeting a reduction in greenhouse gas emission intensity of no less than 5% by 2027 relative to the 2024 base year.

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

- Operate pure electric container trucks, resulting in a reduction of CO_2 emissions, and achieve 100% coverage ratio of electric trucks;

- All the high pole lamp at the port have been replaced by LED energy-efficient lamps, which can save significant amount of electricity every year. Carry out the "Frugal Operation and Management" campaign, reduce engineering outsourcing maintenance and lower costs and expenditure;

- Install shore-based power supply facilities with an unified interface standard, establish and improve a corresponding management system and operation procedures, and gradually promote the use of shore-based power supply systems at terminals for vessels in port to use shore-based power, enabling which to use shore-based power during their in-port, which can effectively reduce air pollutants and noise pollution;

- Ensure preparation work such as berthing and loading is completed before actually starting the overhead bridge crane operation to reduce waiting time;

- Improvement measures to control dust pollution generated at piers and stacking yards, or generated by bulk cargo loading and unloading operations and construction sites, including screening, covering and cleaning;

- Perform regular analysis of fuel consumption;

- Employees are encouraged to maintain even speed during vehicle operation for business purpose to reduce number of braking and open windows for ventilation as much as possible instead of air-conditioning, and switch off engine if waiting exceeds 5 minutes;

- The temperature of the central air conditioners has been set a 25 degrees Celsius in office;

- Employees are required to switch off air-conditioners, computers, etc. when leaving the office, so as to reduce the daily power consumption of the office;

- Projects such as smart power swap station, photovoltaic power generation, Rubber Tyre Gantry Crane (RTG) "Electricity Changed from Oil" and LED energy-efficient lamps transformation will be launched to vigorously develop the application of clean energy projects, save energy and reduce costs, and strive to improve the green level of the port area;
- Set emission reduction targets for operational machinery;
- The Safety and Quality Supervision Department and the Engineering and Technology Department are responsible for monitoring;
- Adopt the mode of self-generation & self use, energy storage and backup and surplus electricity to grid to build photovoltaic power generation projects; and
- Encourage employees to conduct meetings via video conferencing or teleconferencing instead of business trips. If business trips were required, it is better to travel with public transportation such as buses or subways.

Hazardous Waste

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

Non-hazardous Waste

The non-hazardous waste of the Group primarily consists of waste paper, household waste, tyre, steel wire rope and vessel garbage. The categorised performance data will be disclosed in detail in the "KPIs Overview" section.

During the Reporting Period, the Group's total non-hazardous waste intensity recorded a significant increase. The primary reason was the Group's further expansion of its disclosure scope from 2025 onwards, with the addition of several new categories of non-hazardous waste, including tyres, steel wire ropes and vessel garbage. These changes reflect the progressive refinement of the Group's data collection systems, as well as greater systematisation and reliability of supporting documentation. To improve the port environment, safeguard sustainable economic and social development and advance ecological civilization, the Group will continue to implement measures to reduce waste generation, targeting a reduction in total non-hazardous waste intensity of no less than 5% by 2027 relative to the 2024 base year.

The Group has implemented a number of saving measures according to the Implementation Plan for Solid Waste Classification in Wuhan (《武漢市生活垃圾分類實施方案》) to raise awareness of waste reduction among our staff, including:

- Supervise and manage the waste separation, collection, transportation and disposal;
- Encourage employees to use electronic document and duplex printing;

- Promote paper recycling among employees;
- Establish recycle spots in offices to encourage paper recycling;
- Encourage employees to use email or notice board for internal communication; and
- Encourage employees to bring their own drinking cups to reduce the use of disposable paper cups.

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

Use of Resources

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

Energy Consumption

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

During the Year, the Group's total energy consumption intensity recorded a slight increase compared with the previous year. Of these, the LPG consumption under indirect energy consumption decreased significantly, primarily attributable to the replacement of LPG cooking stoves in the staff canteen with those using Ningxia Coal Liquid Paraffins, with additional disclosures of Ningxia Coal Liquid Paraffins under the indirect energy consumption category during the Year. On the other hand, diesel consumption rose due to more frequent air-conditioning usage resulting from internal staff movements and elevated summer temperatures.

The Group will continue to pursue energy conservation measures, targeting a reduction in energy consumption intensity of no less than 5% by 2027 relative to the 2024 base year. To achieve the energy efficiency targets, we have formulated and strictly implemented internal policies such as the Practices for Energy Saving and Consumption Reduction and the Regulations on the Use of Air Conditioning, and cultivated a good awareness among our staff of "Love the Port, Respect Our Work and Be Prudent in Spending", in order to build CIL into a conservation-oriented enterprise.

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

Overhead Bridge Crane:

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

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

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

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

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

Water Management

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

During the Reporting Period, the Group's water consumption intensity decreased by approximately 25.51% compared with the previous year, primarily attributable to the return of freshwater usage to normal levels following the abnormally elevated consumption recorded in the previous year due to a burst underground water pipe. To manage water resources effectively, the Group will continue to implement water conservation measures, targeting a reduction in water consumption intensity of no less than 5% by 2027 relative to the 2024 base year. To ensure that water efficiency is under control and to curb wasteful use of water, we will regularly review and update the Practices for Energy Saving and Consumption Reduction to provide employees with the most comprehensive guidance on how to save water, continuously strengthen daily water management and advocate water saving.

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

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

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

The Environment and Natural Resources

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

Part D: Climate-related Disclosures

CIL recognises that global warming is becoming more and more critical, posing significant and far-reaching impacts and challenges to people and the global environment. Climate change phenomena such as extreme weather, rising temperatures and warming oceans will inevitably affect the Group's port, logistics and other related business operations. In view of this, we identified and assessed a range of climate change-related risks in the industry with reference to the new climate-related disclosure requirements based on IFRS S2 – Climate-related Disclosures proposed by the Task Force on Climate-related Financial Disclosures (TCFD) as well as adopted a series of action plans to manage and review climate-related risks and seize related opportunities. The Group has developed a safety warning mechanism for poor weather condition such as wind, rain and snow to prevent potential security risks.

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

Risks	Potential Impacts
Physical Risks	
Acute physical risk (from weather-related events such as storms, floods, fires or heat waves)	• Damage to terminals caused by storm surges, wind and waves, which increases the risk of damage to port infrastructure; • Flooding caused by high water may affect the operation of port facilities; • Additional unplanned costs for maintenance or relocation of facilities during the time of storm surge; and • Extreme weather conditions which cause vessels to be diverted from their routes, making it difficult for them to arrive in port on time.
Chronic physical risks (from long-term climate change, e.g. temperature change, rise of water level, reduced water source, biodiversity loss and changes in land and soil productivity)	• Increase in costs for cooling as a result of rising temperatures; • Difficulty for staff to work outdoors for extended periods of time in hot weather, which affects operational efficiency; and • Increase in droughts and high temperatures have made it difficult to grow crops, resulting in reduced volumes of cargoes from customers and potentially lower profits from port business as business volumes decline.
Transition Risks	
Technical risks	• Energy efficiency technology is the key to mitigating climate change and a core element of future development. Failure to master renewable energy or energy efficiency technology will have an impact on business development.
Market Risks	• Consumers and business customers are increasingly turning to products and services that are less damaging to the climate.

Risks	Potential Impacts
Reputation Risks	• It would be difficult to attract and retain customers, employees, business partners and investments if a company is accountable for damaging impact on the climate.
Legal Risks	• With the increase in climate change-related laws and regulations, we may incur in additional compliance costs and may be exposed to the risk of negative findings from relevant government authorities if our existing compliance procedures and business operations do not fully comply with the new legal and regulatory requirements.

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

With respect to the climate-related disclosure requirements introduced under the new Part D of the Stock Exchange's Reporting Code, the Group has assessed its current disclosure capabilities, internal resources, and data maturity, and has determined that it will continue to apply its existing climate disclosure framework at this stage, without yet fully incorporating all newly introduced requirements. Looking ahead, the Group will progressively enhance its climate data collection, risk management, and scenario analysis capabilities, and will continue to improve the transparency and completeness of relevant disclosures in accordance with the Stock Exchange's implementation guidance and timeline, with a view to achieving fuller compliance with the Stock Exchange's climate-related disclosure requirements over time.

VI. SOCIAL ASPECT

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

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

Employment

Recruitment, Promotion and Dismissal

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

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

Remuneration and Welfare

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

Working Hours and Holidays

The Group pays overtime wages to employees' overtime work in accordance with the national standards and internal management standards, apart from that, our internal policies stipulate that employees are entitled to various paid holidays, including statutory holiday, marriage leave, bereavement leave, maternity leave, family planning leave, workplace breastfeeding leave, annual leave, etc. The Group implements flexible working hours system at the request of individual employees for performing duties, and adopts rotating days off and shifting rests, as well as flexible working hours to reasonably arrange work and rotate day off, safeguarding the employees' right of rest and also ensuring a effective operation of the Group.

Equal Opportunity, Diversity, Anti-discrimination

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

As at 31 December 2025, we had a total of 312 employees, of which male and female employees accounted for approximately 79% and 21%, respectively, and there was no recorded case of discrimination.

Health and Safety

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

In 2025, the Group organised 19 safety trainings. Furthermore, the Group has engaged third-party companies to conduct fire and lightning assessments in the port area, and conducted major hazard investigations and special inspections for gas and fire safety. We organised comprehensive, seasonal, before and after holiday special safety inspections internally, and underwent safety inspections supervised by government functional departments, achieving a 100% rectification rate for identified hazards. Additionally, the Group has established a duty manager safety inspection system, conducting daily checks to ensure all office area power sockets are switched off after work hours and unplugging sockets during thunderstorm weather to eliminate safety hazards.

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

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

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

Development and Training

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

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

During the Reporting Period, the average training hours completed per employee of the Group were 1.39 hours, and the training data will be disclosed in detail in the "KPIs Overview" section.

Labour Standards

Preventing Child and Forced Labour

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

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

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

Supply Chain Management

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

The Group believes that effective communication is the key to maintaining long-term relationships with suppliers. We evaluate and provide feedback to the suppliers after the completion of the procurement agreements or contracts through our supplier supervision mechanism and comprehensive quantitative indicators. We also monitor the performance of the suppliers on an on-going basis. At the end of each year, we assess the performances of the suppliers who are in the process of fulfilling or have completed procurement contracts during the Year. The assessment on suppliers for the year will be performed with scores based on a number of aspects including execution of plans, coordination, occupational safety, on-site quality management, customer satisfaction, environmental protection, major incidents of safety responsibilities to ensure that suppliers comply with laws and regulations related to safety, environment and social aspects, and maintain good corporate governance and monitoring. If a supplier's performance is not up to standard, or if bribery or other commercial misconduct occurs, a supplier who is rated as non-conforming will no longer be selected as a supplier throughout the Group. During the Year, the Group has no suppliers or business partners with violations and anti-business ethics behaviours. The Group has a total of 186 suppliers, of which 183 suppliers are from China, 2 suppliers are from Hong Kong, and 1 supplier is from Switzerland.

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

Product Responsibility

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

Customer Satisfaction

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

Protection of Intellectual Property Rights

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

Privacy Protection

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

Anti-Corruption

Any form of corruption and bribery is not allowed by the Group in stringent compliance with the laws and regulations concerning business ethics and prohibiting operators from reaching monopoly agreements or abusing market dominance, such as the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》), the Regulations of the PRC for Suppression of Corruption (《中華人民共和國懲治貪污條例》), and the Prevention of Bribery Ordinance of Hong Kong (《防止賄賂條例》). In order to operate business without undue influence, we have set out a series of anti-fraud and anti-bribery internal policies, including guidelines regarding employees' acceptance of benefits. We regularly conduct anti-fraud and anti-corruption training for directors and employees through video education, document learning and party branch work meetings to ensure that employees understand and comply with relevant internal policies, and to convey the spirit of anti-corruption to Directors and employees. During the Reporting Period, we have provided approximately 5 hours and 37 hours of anti-corruption training to 5 management and 37 staffs of the Group, respectively.

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

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

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

Whistleblowing System

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

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

Community Investment

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

The Group has long been committed to community investment and the active promotion of social wellbeing. We firmly believe that corporate success is measured not only by business performance, but equally by the responsibilities a company assumes and the contributions it makes to society. We encourage employees to participate in a wide range of charitable and community activities, fostering civic awareness, nurturing positive values, and giving back to society in partnership with the Group to build a better community.

In 2025, the Group did not undertake community investment projects, as management focus was directed towards addressing operational challenges and reordering strategic priorities to safeguard the sustainability of the business. The Group's long-term commitment to community investment and social engagement, however, remains firmly intact. Going forward, the Group will continue to participate actively in local activities as a responsible community member, promote a spirit of service and care, foster a harmonious and mutually supportive community environment, and make an enduring contribution to shared community prosperity.

VII. KPIS OVERVIEW

Environmental Performance

KPIs		Unit	2025	2024
Emissions[1]	Nitrogen oxides (NO_x)	Kg	**9.16**	10.19
	Sulphur oxides (SO_x)	Kg	**13.63**	13.24
	Particulate matters (PM)	Kg	**0.80**	0.84
Greenhouse Gas Emissions[2]	**Scope 1: Direct Greenhouse Gas Emissions**			
	Stationary sources (air-conditioning facilities and LPG and Ningxia Coal Liquid Paraffins consumed in canteens)	CO_2e (tonne)	**72.45**	62.65
	Mobile combustion sources (Company's vehicles and other port operation machinery)	CO_2e (tonne)	**2,167.39**	2,109.19
	Scope 2: Indirect Greenhouse Gas Emissions			
	Purchased electricity (including photovoltaic power usage)	CO_2e (tonne)	**3,116.58**	2,942.11
	Scope 3: Other Indirect Greenhouse Gas Emissions			
	Electricity used for processing potable water and sewage by government department	CO_2e (tonne)	**20.01**	46.75
	Business travel by employees (by airplane, high-speed railway and railway)	CO_2e (tonne)	**5.17**	–
	Total Greenhouse Gas Emissions			
	Total greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	CO_2e (tonne)	**5,381.60**	5,160.70
	Total greenhouse gas emissions intensity	CO_2e (tonne)/employee[3]	**17.25**	16.08

1 Emissions data is calculated based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

2 Greenhouse gas emission data is presented in terms of carbon dioxide equivalent and is calculated with reference to, including but not limited to, the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD); the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" and the "Sixth Assessment Report" issued by the Intergovernmental Panel on Climate Change (IPCC); the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; the "GHG Emission Accounting Methods and Reporting Guidelines for Industrial Enterprises in Other Industries (Trial)" (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission of the PRC; the "National Electricity Carbon Footprint Factor for 2024" (《2024年全國電力碳足跡因子》) issued by the Ministry of Ecology and Environment of the PRC; the "Annual Report 2023/24" published by the Water Supplies Department of Hong Kong; the "Environmental, Social and Governance Report 2023-24" published by the Drainage Services Department of Hong Kong; the ICAO Carbon Emissions Calculator of International Civil Aviation Organization; and Calculation Tools for GHG Emissions from Transport or Mobile Sources of the Greenhouse Gas Protocol.

3 As at 31 December 2025, the Group had a total of 312 employees (2024: 321 employees). The number would also be used for calculating other intensity data.

KPIs		Unit	2025	2024
Non-hazardous Wastes[4]	Waste paper	tonne	**1.04**	0.04
	Household waste	tonne	**10.27**	10.07
	Tyre	tonne	**41.70**	N/A
	Steel wire rope	tonne	**12.82**	N/A
	Vessel garbage	tonne	**24.98**	N/A
	Total Non-hazardous Wastes	tonne	**90.81**	10.11
	Total Non-hazardous Wastes Intensity	tonne/employee	**0.29**	0.03
Energy Consumption	**Direct Energy Consumption[5]**			
	LPG	MWh	**53.14**	97.18
	Petrol	MWh	**14.80**	14.35
	Diesel	MWh	**9,043.63**	8,781.58
	Ningxia Coal Liquid Paraffins	MWh	**52.74**	N/A
	Indirect Energy Consumption			
	Purchased electricity (including photovoltaic power usage)	MWh	**5,394.80**	5,158.88
	Total Energy Consumption	MWh	**14,559.11**	14,051.99
	Total Energy Consumption Intensity	MWh/employee	**46.66**	43.78
Water Consumption	**Fresh Water Consumption**	M^3	**77,336.84**	106,816.00
	Fresh water consumption intensity	M^3/employee	**247.87**	332.76
	Sewage Generated	M^3	**981.80**	356.75
	Sewage generated intensity	M^3/employee	**3.15**	1.11

4 The Group has further expanded the scope of its disclosure on non-hazardous waste since 2025, adding several new categories of non-hazardous waste, including tyre, steel wire rope and vessel garbage.

5 The unit conversion method of the direct energy consumption data is based on the "Energy Statistic Manual" issued by the International Energy Agency and the "GHG Emission Accounting Methods and Reporting Guidelines for Industrial Enterprises in Other Industries (Trial)" (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission of the PRC.

Social Performance

KPIs		Unit	2025	2024
Total Employees	**Total Employees**	Person	**312**	321
	By Employee Type			
	Full-time	Person	**312**	321
	Part-time	Person	**–**	–
	By Geographical Region			
	Mainland China	Person	**311**	319
	Hong Kong	Person	**1**	2
	By Gender			
	Male	Person	**248**	252
	Female	Person	**64**	69
	By Age			
	30 years old or below	Person	**28**	33
	31-40 years old	Person	**145**	150
	41-50 years old	Person	**94**	92
	51 years old or above	Person	**45**	46
	By Employee Category			
	Directors and senior management	Person	**6**	3
	Middle management	Person	**16**	19
	General employee	Person	**290**	299
Employee Turnover Rate[6]	**Total Employee Turnover Rate**	%	**4.17**	7.17
	By Geographical Region			
	Mainland China	%	**3.86**	6.90
	Hong Kong	%	**100.00**	50.00
	By Gender			
	Male	%	**3.63**	6.75
	Female	%	**6.25**	8.70
	By Age			
	30 years old or below	%	**7.14**	9.09
	31-40 years old	%	**2.07**	5.33
	41-50 years old	%	**2.13**	5.43
	51 years old or above	%	**13.33**	15.22

[6] The employee turnover rate is calculated by dividing the number of resigned employees during the fiscal year by the total employees as at the end of fiscal year and then multiplying by 100.

KPIs		Unit	2025	2024	2023
Number and Rate of Work-related Fatalities	Number of work-related fatalities	Person	–	–	–
	Rate of work-related fatalities	%	–	–	–
Lost Days Due to Work Injury	Lost days due to work injury	day	–	–	–

KPIs		Unit	2025	2024
Percentage of Employees Trained[7]	**Percentage of Employees Trained**	%	90.06	N/A
	By Gender			
	Male	%	83.63	N/A
	Female	%	16.37	N/A
	By Employee Category			
	Directors and senior management	%	2.85	N/A
	Middle management	%	3.91	N/A
	General employee	%	93.24	N/A
Average Training Hours Completed Per Employee[8]	**Average Training Hours Completed Per Employee**	Hour	1.39	24.97
	By Gender			
	Male	Hour	1.45	26.76
	Female	Hour	1.19	18.44
	By Employee Category			
	Directors and senior management	Hour	15.97	11.30
	Middle management	Hour	5.69	10.01
	General employee	Hour	0.85	26.06
Number of Suppliers	**Number of Suppliers By Region**			
	Mainland China	Number	183	233
	Hong Kong	Number	2	–
	Switzerland	Number	1	–

7 The Group has renewed the disclosure in respect of employee training data during the Year in response to internal data recording adjustment. Future reporting periods will maintain the disclosure of training data using both the number of employees trained and the percentage of employees trained. The percentage of employees trained is calculated by dividing the total number of employees trained during the fiscal year by the total number of employees at the end of the fiscal year, then multiplying by 100. The breakdown of employees trained by category is calculated by dividing the number of employees trained in a specific category during the fiscal year by the total number of employees trained during the fiscal year, then multiplying by 100.

8 The average training hours completed per employee is calculated by dividing the total training hours within the fiscal year by the number of employees at the end of the fiscal year; In light of the Group's update to its disclosure methodology for reporting employee training this Year, shifting from the number of training attendances to the number of trained employees, there are material differences in figures between two years. The resulting variance is a natural outcome of this methodological refinement and does not indicate any reduction in training scale or investment. Instead, it reflects a more accurate representation following the adjustment in the statistical basis.

KPIs		Unit	2025	2024
Number of Products and Service Related Complaints	Number of products and service related complaints received	Number	–	–
Legal Cases Regarding Corrupt Practices	Number of filed and concluded legal cases regarding corrupt practices	Number	–	–
Anti-corruption Training Provided to Directors and Staff	Total number of Directors and staff trained	Person	**42**	39
	Total number of training hours completed by Directors and staff trained	Hour	**42.00**	468.00
Community Investment	**Total Donation (Combined with the statistics of the Group's Labor Union Committee and by Focused Contribution Area)**			
	Underprivileged groups	RMB	–	9,000
	Total hours of volunteer service	Hour	–	–

Environmental, social and governance report

VIII.REFERENCE TO STOCK EXCHANGE ESG REPORTING CODE

		Mandatory Disclosure Requirements	Section Referring to
Governance Structure	13	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Philosophy and Governance of Sustainable Development
Reporting Principles	14	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Framework; Communication with Stakeholders; Materiality Assessment
Reporting Boundary	15	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report; Reporting Scopes; Reporting Framework

		"Comply or Explain" Provisions	Section Referring to
A. Environmental			
A1: Emissions			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Aspect; Emissions
KPIs	A1.1	The types of emissions and respective emissions data.	Air Pollutants; KPIs Overview
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Non-hazardous Waste; KPIs Overview
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
	A1.6	Description of how hazardous and non–hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Hazardous Waste; Non-hazardous Waste
A2: Uses of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPIs	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption; KPIs Overview
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Management; KPIs Overview
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

		"Comply or Explain" Provisions	Section Referring to
A3: The Environment and Natural Resources			
General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
B. Social			
B1: Employment			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Aspect; Employment
KPIs	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee; KPIs Overview
	B1.2	Employee turnover rate by gender, age group and geographical region.	KPIs Overview
B2: Health and Safety			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPIs	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

		"Comply or Explain" Provisions	Section Referring to
B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPIs	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4: Labour Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPIs	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

		"Comply or Explain" Provisions	Section Referring to
B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
	B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility; Customer Satisfaction
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility; Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility; Privacy Protection
B7: Anti-Corruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption; Whistleblowing System
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption; Whistleblowing System
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption; KPIs Overview

		"Comply or Explain" Provisions	Section Referring to
B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPIs	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment; KPIs Overview
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment; KPIs Overview
D. Climate-related Disclosures			
Governance			
	19. (a)	An issuer shall disclose information about: the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Philosophy and Governance of Sustainable Development

		“Comply or Explain” Provisions	Section Referring to
	(b)	management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	
Strategy			
Climate-related risks and opportunities	20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	We will review internal data and disclose the KPI at an appropriate time to ensure transparency and compliance.
	(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;	
	(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d)	explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

		"Comply or Explain" Provisions	Section Referring to
Business model and value chain	21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
	(b)	a description of where in the issuer's business model and value chain climate- related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making	22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	

		"Comply or Explain" Provisions	Section Referring to
	23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	
Financial position, financial performance and cash flows	24.	An issuer shall disclose qualitative and quantitative information about:	
	(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
	25.	The issuer shall provide qualitative and quantitative disclosures about:	
	(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	
	(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

		"Comply or Explain" Provisions	Section Referring to
Climate resilience	26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
	(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
	(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	

		"Comply or Explain" Provisions	Section Referring to
		(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii)	the key assumptions the issuer made in the analysis; and	
	(iii)	the reporting period in which the climate-related scenario analysis was carried out.	
Risk Management			
	27.	An issuer shall disclose information about:	Part D: Climate-related Disclosures; We will review internal data and disclose the KPI at an appropriate time to ensure transparency and compliance.
	(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

		"Comply or Explain" Provisions	Section Referring to
Metrics and Targets			
	28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	Greenhouse Gas Emissions; KPIs Overview
	(a)	Scope 1 greenhouse gas emissions;	
	(b)	Scope 2 greenhouse gas emissions; and	
	(c)	Scope 3 greenhouse gas emissions.	
	29.	An issuer shall:	Greenhouse Gas Emissions; KPIs Overview
	(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b)	disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
	(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

		"Comply or Explain" Provisions	Section Referring to
Climate-related transition risks	30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	We will actively collect relevant information and disclose it where practicable.
Climate-related physical risks	31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
Climate-related opportunities	32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
Capital deployment	33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
Internal carbon prices	34. (a) (b)	An issuer shall disclose: an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	We currently do not incorporate internal carbon prices into our decision making process. We will explore the use of internal carbon prices in the future.
Remuneration	35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	We will explore the feasibility of enhancing our remuneration policies by incorporating climate related metrics into senior management remuneration

		"Comply or Explain" Provisions	Section Referring to
Industry-based metrics	36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry- based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	We will review internal data and disclose the KPI at an appropriate time to ensure transparency and compliance.
Climate-related targets	37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	Greenhouse Gas Emissions
	(a)	the metric used to set the target;	
	(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d)	the period over which the target applies;	
	(e)	the base period from which progress is measured;	
	(f)	milestones or interim targets (if any);	
	(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

		"Comply or Explain" Provisions	Section Referring to
	38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	As we move forward, we will explore the feasibility of having our targets validated by a third party.
	(a)	whether the target and the methodology for setting the target has been validated by a third party;	
	(b)	the issuer's processes for reviewing the target;	
	(c)	the metrics used to monitor progress towards reaching the target; and	
	(d)	any revisions to the target and an explanation for those revisions.	
	39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Greenhouse Gas Emissions
	40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a)	which greenhouse gases are covered by the target;	The targets of greenhouse gas emissions
	(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d)	whether the target was derived using a sectoral decarbonisation approach; and	

		"Comply or Explain" Provisions	Section Referring to
	(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	N/A

Report of the board of directors

The Board submits herewith the report of the Board together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025.

Principal activities

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

Business review and performance

A review of the business of the Group and a discussion and analysis of the Group's performance during the reporting year and a discussion on the Group's future business development and outlook of the Company's business, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2025 are provided in the section headed "Chairman's Statement" on pages 4 to 9 and the section headed "Management discussion and analysis" on pages 10 to 21 of this annual report. An account of the Company's relationships with its key stakeholders is included in the paragraph headed "Communication with Stakeholders" of the "Environmental, social and governance report" on pages 41 to 84 of this annual report and the paragraph headed "Relationships with employees, suppliers and customers" of the report of the board of the directors on page 89 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2025 using financial performance indicators is provided in the section headed "Management discussion and analysis" on pages 10 to 21 of this annual report.

Environmental policies and performance

The Group is committed to the long-term sustainability of the environment and communities in which it engages. More details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, are provided in the section headed "Environmental, social and governance report" on pages 41 to 84 of this annual report.

Compliance with the relevant laws and regulations

During the year ended 31 December 2025, there was no material breach of or no non-compliance with the applicable laws and regulations by the Group and discussion on compliance with relevant laws and regulations which have a significant impact on the Company are provided in the section headed "Environmental, social and governance report" on pages 41 to 84 of this annual report.

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

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

Report of the board of directors

Results and share capital

The results of the Group for the year ended 31 December 2025 and the financial position of the Group together with notes thereto as at that date are set out on pages 102 to 197 of this annual report.

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

Dividend

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: nil).

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

Distributable reserves

Distributable reserves of the Company as at 31 December 2025 amounted to HK$335,057,000 (2024: HK$341,608,000).

Pre-emptive rights

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

Five year summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 199 to 200 of this annual report.

Purchase, sale, or redemption of the listed securities

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. As at 31 December 2025, the Company did not hold any treasury Shares.

Report of the board of directors

Directors

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

Executive Directors:
Ms. Zhou Wei *(Chairman) (Resigned on 6 June 2025)*
Mr. Fei Benjun *(Chairman) (Appointed on 6 June 2025)*
Mr. Qiao Yun

Non-executive Directors:
Mr. Li Wei
Mr. Xu Aoling *(Resigned on 10 January 2025)*
Ms. Yu Ling *(Appointed on 10 January 2025)*

Independent non-executive Directors:
Mr. Chau Kwok Keung
Mr. Fu Xinping
Dr. Mao Zhenhua

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

Resignation of Directors

During the year ended 31 December 2025, Mr. Xu Aoling resigned as a non-executive Director with effect from 10 January 2025 due to change in his other work arrangements. Ms. Zhou Wei resigned as an executive Director and as the Chairman of the Board with effect from 6 June 2025 due to change in her other work arrangements. During the year ended 31 December 2025, no Director resigned from his/her office or refused to stand for re-election in his or her office due to reasons relating to affairs of the Company.

Directors and senior management's biographies

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

Directors' service contracts

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

Directors' interest in transactions, arrangements or contracts

Save as disclosed in this annual report, no other transaction, arrangement or contract of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025.

Report of the board of directors

Directors' interests in competing business

During the year ended 31 December 2025, none of our Directors had any interest in a business which competes or is likely to compete directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

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

As at 31 December 2025, none of the Directors and chief executives of the Company had any interests or short positions in any of the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

Substantial shareholders and other persons

So far as was known to the Directors, as at 31 December 2025, the persons (not being Directors or chief executives of the Company) whose interests and short positions in the shares or underlying shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO, or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long and short positions in Shares

Substantial shareholders

		As at 31 December 2025	
Name of shareholder	**Capacity**	**Number of Shares** *(Notes 1, 2, 3, 4)*	**Approximate percentage of total number of Shares in issue** *(Note 5)*
Hubei Port Group Company Limited*	Interest of controlled corporation Security interest	1,293,429,911 (L) 95,000,000 (L)	74.98% 5.51%
Hubei Port (Hong Kong) International Limited ("**Hubei Port**")	Beneficial owner	1,293,429,911 (L)	74.98%
Mr. Wang Kaiwei	Beneficial owner	99,140,600 (L)	5.75%
Zall Holdings Company Limited	Interest of controlled corporation	86,428,000 (L)	5.01%

Notes:

1. The letter "L" represents long position.

2. Hubei Port is wholly owned by Hubei Port Group Company Limited* ("**Hubei Port Group**"), which in turn is owned as to approximately 50.8% and 49.2% by the State-owned Assets Supervision and Administration Commission of the People's Government of Hubei Province* (湖北省人民政府國有資產監督管理委員會) and the State-owned Assets Supervision and Administration Commission of the People's Government of Wuhan Municipality* (武漢市人民政府國有資產監督管理委員會).

3. Hubei Port Group Company Limited* is interested in 1,293,429,911 shares of the Company through Hubei Port, its wholly owned subsidiary and has security interest over 50,000,000 shares of the Company as these shares were charged by Mr. Wang. It has further security interest over 45,000,000 shares of the Company through 武漢經開港口有限公司, its 51% owned subsidies as there shares were charged by Mr. Wang.

4. Mr. Wang Kaiwei is the beneficial owner of 99,140,600 shares of China Infrastructure & Logistics Group Ltd. and he charged 50,000,000 shares of the Company to Hubei Port Group Company Limited* on 17 February 2025 and 45,000,000 shares of the Company to 武漢經開港口有限公司 on 22 July 2025.

5. Based on 1,725,066,689 shares of the Company in issue as at 31 December 2025.

Major customers and suppliers

During the year ended 31 December 2025, services provided to the Group's five largest customers accounted for 50.9% of total revenue from continuing operations of the Group with services provided to the largest customer included therein accounted for 22.8% of total revenue from continuing operations of the Group. Purchases from the Group's five largest suppliers accounted for 52.0% of the total purchases from continuing operations of the Group for the year and purchases from the largest supplier included therein accounted for 27.4% of total purchases from continuing operations of the Group for the year.

During the year ended 31 December 2025, none of the Directors of the Company or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Relationships with employees, suppliers and customers

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

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

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

Report of the board of directors

Significant events after the reporting period

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

Sufficiency of public float

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

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

Independence of independent non-executive Directors

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

Director's Interests in Competing Business

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2025 and up to the date of this annual report.

Emolument policy

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

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

Property, plant and equipment

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

Retirement Schemes

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

Connected transactions

During the year ended 31 December 2025, the Group conducted the following connected transactions or continuing connected transactions under the Listing Rules.

Continuing connected transactions

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

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

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

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

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

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

During the year ended 31 December 2025, the actual amount of service fees payable by the Hubei Port and its subsidiaries to the Group under the 2023 CIL Comprehensive Port Logistics Services Framework Agreement was approximately RMB11,695,000 (approximately HK$13,004,000).

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

During the year ended 31 December 2025, the actual amount of service fees payable by the Group to the Hubei Port and its subsidiaries under the 2023 Hubei Port Comprehensive Port Logistics Services Framework Agreement was approximately RMB25,417,000 (approximately HK$28,261,000).

Annual Review

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

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

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

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(d) have exceeded the annual cap as set by the Company.

Other than disclosed above, no other contract of significance to which the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries was a party and in which a Director had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025.

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

Share Option Scheme

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

Details of the Share Option Scheme

(1) Purpose

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

(2) Participants

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

(3) The maximum number of Shares available for issue

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

(4) The maximum entitlement of each participant

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

(5) Time of acceptance and exercise of option

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

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

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

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

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

(7) The remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, i.e. 25 May 2018 and has a remaining life of approximately 2 years and 1 month as at the date of this annual report.

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

(8) Details of the share option granted

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

As at 1 January 2025 and 31 December 2025, the aggregate number of options available for grant under the Share Option Scheme were 172,506,668 and 172,506,668, respectively. There was no service provider sublimit set under the Share Option Scheme.

Report of the board of directors

Remuneration of Directors and the highest paid employees

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

Bank and other borrowings

Particulars of bank and other borrowings of the Group as at 31 December 2025 are set out in notes 27 and 28 to the consolidated financial statements.

Code of conduct regarding securities transactions by Directors

The Company has adopted the Model Code and devised its own code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the Model Code. Specific enquiry has been made to all Directors, who have confirmed that, during the year ended 31 December 2025, each of them was strictly complied with the required standards set out in the Model Code and the Company's code of conduct.

Permitted indemnity provision

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

Relief of taxation

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

Donations

Charitable and other donations made by the Group during the year ended 31 December 2025 amounted to nil (2024: nil).

Public float

From information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times during the financial year ended 31 December 2025 and up to the date of this annual report as required under the Listing Rules.

Report of the board of directors

Auditor

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

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Crowe who will retire and, being eligible, offer themselves for re-appointment at the Company's forthcoming AGM.

On behalf of the Board

Fei Benjun
Executive Director and Chairman
30 March 2026

Independent auditor's report

國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

To the shareholders of
China Infrastructure & Logistics Group Ltd.
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China Infrastructure & Logistics Group Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 102 to 197, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

Valuation of investment properties

Refer to Note 15 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
The Group held a portfolio of investment properties located in the PRC with a fair value of approximately HK$833 million as at 31 December 2025, representing 62% of the Group's total assets as at that date. The Group's investment properties includes leasehold lands, berth, commercial buildings, pontoon, stacking yard, warehouses and buildings under construction. Management assessed the fair values of the investment properties as at 31 December 2025 based on valuations prepared by a firm of qualified external property valuers, in accordance with recognised industry standards. Assessing the fair values of investment properties requires management and the external property valuers to make a number of judgemental assumptions, particularly relating to the valuation methodology adopted, capitalisation rates and market rents. We identified valuation of the Group's investment properties as a key audit matter because of the significance of investment properties to the Group's consolidated financial statements and because valuation of investment properties is inherently subjective and involves significant judgement and estimation, which increases the risk of error or potential management bias.	Our audit procedures to assess the valuation of investment properties included the following: • obtaining and inspecting the valuation reports prepared by external property valuers engaged by management and on which the management' assessment of the fair values of investment properties was based; • assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity and independence; • discussing with the external property valuer the valuation methodology and key estimates and assumptions adopted in the valuations; • with the assistance of our internal property valuation specialists, on a sample basis evaluating the valuation methodology applied by the external property valuer and challenging the key estimates and assumptions adopted in the valuations, including capitalisation rates, prevailing market rents and comparable market transactions, by comparing the key estimates and assumptions used by the external property valuer in the valuation of each investment property with market available data and/or government produced market statistics; and • comparing, on a sample basis, the tenancy information, including committed rents and occupancy rates, provided by the Group to the external property valuer with underlying contracts and documentation.

Other Information

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

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

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

(Continued)

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

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 30 March 2026

Chan Wai Dune, Charles
Practising Certificate No.: P00712

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK$'000	2024 HK$'000
Revenue	*5*	**408,348**	396,529
Cost of services rendered and goods sold		**(334,449)**	(334,916)
Gross profit		**73,899**	61,613
Other income	*7*	**5,323**	37,934
Net change in fair value of investment properties	*15*	**(1,630)**	(1,734)
Net change in fair value of other financial assets	*38.2(f)(i)*	**1,066**	603
General and administrative expenses		**(26,982)**	(32,772)
Other operating expenses		**(24,220)**	(26,856)
Profit from operations		**27,456**	38,788
Finance income	*11*	**1,252**	187
Finance costs	*11*	**(7,482)**	(11,357)
Profit before taxation	*8*	**21,226**	27,618
Income tax	*12*	**(8,576)**	(14,723)
Profit for the year		**12,650**	12,895
Profit for the year attributable to:			
Owners of the Company		**10,947**	12,694
Non-controlling interests		**1,703**	201
		12,650	12,895
Earnings per share (HK cents)	*13*		
— Basic		**0.63**	0.74
— Diluted		**0.63**	0.74

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	2025	2024
	HK$'000	*HK$'000*
Profit for the year	**12,650**	12,895
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**37,919**	(27,278)
Total comprehensive income for the year	**50,569**	(14,383)
Total comprehensive income attributable to:		
Owners of the Company	**47,235**	(12,802)
Non-controlling interests	**3,334**	(1,581)
	50,569	(14,383)

The notes on pages 110 to 197 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

At 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 *HK$'000*	2024 *HK$'000*
Non-current assets			
Investment properties	*15*	**833,147**	798,251
Property, plant and equipment	*16*	**310,129**	317,701
Prepayments for acquisition of property, plant and equipment		**1,671**	—
Land use rights	*18*	**15,645**	15,451
Other financial assets	*19*	**13,437**	11,806
Deferred tax assets	*30*	**2,253**	2,406
		1,176,282	1,145,615
Current assets			
Inventories	*20*	**6,226**	5,802
Trade and other receivables	*21*	**80,324**	80,095
Amounts due from related companies	*36(b)*	**11,287**	9,574
Government subsidy receivables	*22*	**1,305**	4,502
Income tax recoverable		**1,874**	3,135
Cash and cash equivalents	*23*	**72,363**	58,662
		173,379	161,770
Current liabilities			
Trade and other payables	*24*	**122,695**	111,750
Contract liabilities	*25*	**1,816**	2,309
Deferred government subsidies	*26*	**1,058**	841
Bank borrowings	*27*	**178,052**	141,979
Loans from immediate holding company	*28*	**—**	7,000
Loans from ultimate holding company	*28*	**13,009**	23,342
Lease liabilities	*29*	**2,597**	2,507
Income tax payable		**4,061**	3,686
		323,288	293,414
Net current liabilities		**(149,909)**	(131,644)
Total assets less current liabilities		**1,026,373**	1,013,971

Consolidated statement of financial position

At 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Deferred government subsidies	*26*	**6,979**	7,854
Bank borrowings	*27*	**37,338**	79,293
Lease liabilities	*29*	**2,897**	5,271
Deferred tax liabilities	*30*	**114,301**	107,264
		161,515	199,682
NET ASSETS		**864,858**	814,289
EQUITY			
Share capital	*31*	**172,507**	172,507
Reserves	*33*	**633,335**	586,100
Equity attributable to owners of the Company		**805,842**	758,607
Non-controlling interests		**59,016**	55,682
TOTAL EQUITY		**864,858**	814,289

Approved and authorised for issue by the board of directors on 30 March 2026.

Fei Benjun
Director

Qiao Yun
Director

The notes on pages 110 to 197 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Profit before taxation		**21,226**	27,618
Adjustments for:			
Net change in fair value of investment properties	*15*	**1,630**	1,734
Net change in fair value of other financial assets	*38.2(f)(i)*	**(1,066)**	(603)
Depreciation	*16*		
— property, plant and equipment		**22,638**	24,133
— right-of-use assets		**2,588**	2,549
Amortisation of land use rights	*18*	**502**	487
(Reversal of)/provision for impairment loss on trade and other receivables, net	*8*	**(529)**	3,520
Government subsidies		**(1,033)**	(122)
Finance income	*11*	**(1,252)**	(187)
Finance costs	*11*	**7,482**	11,357
Gain on disposal of property, plant and equipment	*8*	**(753)**	(199)
Gain on disposal of a subsidiary	*34(a)*	**—**	(4,901)
Foreign exchange gain	*8*	**(99)**	(3,328)
Operating profit before working capital changes		**51,334**	62,058
(Increase)/decrease in inventories		**(424)**	2,365
Decrease in trade and other receivables		**300**	2,074
Increase in amounts due from related companies		**(1,713)**	(8,108)
Decrease/(increase) in government subsidy receivables		**3,068**	(2,555)
Increase in trade and other payables		**16,344**	9,966
(Decrease)/increase in contract liabilities		**(599)**	897
Cash generated from operations		**68,310**	66,697
Interests paid		**(7,187)**	(10,926)
Income tax paid		**(4,817)**	(8,463)
Net cash generated from operating activities		**56,306**	47,308
Cash flows from investing activities			
Purchase of property, plant and equipment		**(5,308)**	(496)
Proceeds from disposal of property, plant and equipment		**753**	1,439
Interests received		**1,252**	187
Proceeds from disposal of a subsidiary, net of cash disposed of	*34(a)*	**—**	74,721
Net cash (used in)/generated from investing activities		**(3,303)**	75,851

Consolidated statement of cash flows

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from financing activities			
Repayment to immediate holding company		**(7,000)**	—
Repayment to ultimate holding company		**(11,020)**	(82,284)
Payment of lease rentals		**(2,900)**	(2,736)
Proceeds from bank borrowings		**129,474**	161,955
Repayment of bank borrowings		**(145,131)**	(195,781)
Net cash used in financing activities		**(36,577)**	(118,846)
Net increase in cash and cash equivalents		**16,426**	4,313
Cash and cash equivalents as stated in the statement of financial position at beginning of year		**58,662**	56,648
Cash and cash equivalents of the disposal group held for sale at the beginning of the year		—	77
Effect for foreign exchange rate changes		**(2,725)**	(2,376)
Cash and cash equivalents at end of year	*23*	**72,363**	58,662

The notes on pages 110 to 197 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company											
	Share capital HK$'000 (Note 31)	Share premium HK$'000 (Note 33)	Merger reserve HK$'000 (Note 33)	Other reserve HK$'000 (Note 33)	Foreign exchange reserve HK$'000 (Note 33)	Fair value reserve HK$'000 (Note 33)	Safety production fee HK$'000 (Note 33)	Statutory reserve HK$'000 (Note 33)	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2024	172,507	597,322	(530,414)	116,250	(52,852)	46,808	686	25,291	391,278	766,876	97,881	864,757
Changes in 2024:												
Profit for the year	—	—	—	—	—	—	—	—	12,694	12,694	201	12,895
Other comprehensive income for the year	—	—	—	—	(25,496)	—	—	—	—	(25,496)	(1,782)	(27,278)
Total comprehensive income for the year	—	—	—	—	(25,496)	—	—	—	12,694	(12,802)	(1,581)	(14,383)
Appropriation to statutory reserve	—	—	—	—	—	—	—	3,109	(3,109)	—	—	—
Disposal of a subsidiary *(Note 34)*	—	—	—	—	4,533	—	—	—	—	4,533	(40,618)	(36,085)
Utilisation of safety production fee	—	—	—	—	—	—	(622)	—	622	—	—	—
Balance at 31 December 2024	172,507	597,322	(530,414)	116,250	(73,815)	46,808	64	28,400	401,485	758,607	55,682	814,289

Consolidated statement of changes in equity

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company											
	Share capital *HK$'000* *(Note 31)*	**Share premium** *HK$'000* *(Note 33)*	**Merger reserve** *HK$'000* *(Note 33)*	**Other reserve** *HK$'000* *(Note 33)*	**Foreign exchange reserve** *HK$'000* *(Note 33)*	**Fair value reserve** *HK$'000* *(Note 33)*	**Safety production fee** *HK$'000* *(Note 33)*	**Statutory reserve** *HK$'000* *(Note 33)*	**Retained profits** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
Balance at 1 January 2025	172,507	597,322	(530,414)	116,250	(73,815)	46,808	64	28,400	401,485	758,607	55,682	814,289
Changes in 2025:												
Profit for the year	–	–	–	–	–	–	–	–	10,947	10,947	1,703	12,650
Other comprehensive income for the year	–	–	–	–	36,288	–	–	–	–	36,288	1,631	37,919
Total comprehensive income for the year	–	–	–	–	36,288	–	–	–	10,947	47,235	3,334	50,569
Appropriation to statutory reserve	–	–	–	–	–	–	–	1,847	(1,847)	–	–	–
Utilisation of safety production fee	–	–	–	–	–	–	(64)	–	64	–	–	–
Balance at 31 December 2025	172,507	597,322	(530,414)	116,250	(37,527)	46,808	–	30,247	410,649	805,842	59,016	864,858

The notes on pages 110 to 197 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

At 31 December 2025, the directors consider the immediate parent to be Hubei Port (Hong Kong) International Limited ("**Hubei Port**"). Hubei Port is a company incorporated in Hong Kong and 100% owned by Hubei Port Group Company Limited* ("**Hubei Port Group**") and ultimate controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Hubei Province (湖北省人民政府國有資產監督管理委員會, "**Hubei SASAC**"). Neither of them produces financial statements available for public use.

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

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved for issue by the board of directors on 30 March 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

2.2 Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

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

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

As at 31 December 2025, the Group had net current liabilities of approximately HK$150 million.

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

(i) After assessing the Group's current and forecasted cash positions, the Group expects to generate sufficient cash flows for the next twelve months from the end of the reporting period;

(ii) The Group has obtained confirmation from Hubei Port Group that Hubei Port Group will continue to provide financial support to the Group as and when needed for the next twelve months from the end of the reporting period.

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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

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

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

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

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

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

2.3 Subsidiaries and non-controlling interests

(a) Consolidation

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries and non-controlling interests *(Continued)*

(a) ***Consolidation*** *(Continued)*

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

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

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

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

(i) Business combinations

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries and non-controlling interests *(Continued)*

(a) Consolidation *(Continued)*

(i) Business combinations (Continued)

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

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

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

(ii) Merger accounting for common control combination

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries and non-controlling interests *(Continued)*

(a) ***Consolidation*** *(Continued)*

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

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

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

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

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

(b) Separate financial statements

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Property, plant and equipment

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

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

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

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

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

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

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

2.6 Land use rights

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Investment properties

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

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

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

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

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

2.8 Financial assets

Recognition and derecognition

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

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

Classification and initial measurement of financial assets

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

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

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

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

Subsequent measurement of financial assets

Debt investments - Financial assets at amortised cost

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

— they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

— the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Impairment of financial assets

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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

— financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

— financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

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

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

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

Trade and bills receivables

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

Other financial assets measured at amortised cost

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

Other financial assets measured at amortised cost (Continued)

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

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

— existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— an actual or expected significant deterioration in the operating results of the debtor; or

— an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial liabilities

Classification and measurement of financial liabilities

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

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

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

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

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

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

Borrowings

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

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

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

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

2.10 Inventories

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Cash and cash equivalents

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

2.12 Contract liabilities

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

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

2.13 Leases

(a) The Group as a lessee

Definition of a lease

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Leases *(Continued)*

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Leases *(Continued)*

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

Measurement and recognition of leases as a lessee (Continued)

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

(b) The Group as a lessor

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

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

2.14 Provisions, contingent liabilities and contingent assets

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

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

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

2.15 Share capital

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.16 Revenue recognition

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

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

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

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

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.17 Government subsidies

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

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

2.18 Impairment of non-financial assets

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Employee benefits

Retirement benefits scheme

Retirement benefits to employees are provided through defined contribution plans.

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

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

Short-term employee benefits

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.20 Borrowing costs

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

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

2.21 Accounting for income tax

Income tax comprises current tax and deferred tax.

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.21 Accounting for income tax *(Continued)*

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

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

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

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

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

 (i) the same taxable entity; or

 (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.22 Non-current assets held for sale

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

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

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

2.23 Segment reporting

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

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.24 Related parties

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

(a) the party, is a person or a close member of that person's family and if that person,

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

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

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

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

4. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

Deferred tax arising from investment properties measured at fair value

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

4. ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(b) Sources of estimation uncertainty

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

Depreciation and impairment of properties, plant and equipment

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

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

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

5. REVENUE

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

(i) Disaggregation of revenue

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

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
— Terminal service	**110,810**	110,647
— Container handling, storage & other services	**39,973**	37,135
— General and bulk cargoes handling service	**8,910**	1,926
	159,693	149,708
— Integrated logistics service	**66,052**	49,990
— Supply chain management and trading business	**169,865**	184,797
	395,610	384,495
Revenue from other sources		
Property business — Gross rentals from investment properties	**12,738**	12,034
	408,348	396,529

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

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

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

6. SEGMENT INFORMATION

The Group has four (2024: four) reportable segments as follows:

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

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

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

All revenue for 2025 and 2024 were sourced from external customers located in the PRC. In addition, over 99% (2024: 99%) of the non-current assets of the Group as at the reporting date were physically located in the PRC, accordingly no geographic information is presented.

During the year ended 31 December 2025, the Group's customers with whom transactions have exceeded 10% of the Group's revenue are set out below:

	2025	2024
	HK$'000	*HK$'000*
Customer A (aa)	**93,023**	N/A*
Customer D (aa)	**46,892**	82,252

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

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

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

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

6. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

For the year ended 31 December 2025

	Property business *HK$'000*	Terminal & related business *HK$'000*	Integrated logistics business *HK$'000*	Supply chain management and trading business *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Disaggregation by timing of revenue recognition						
Point in time	—	159,693	66,052	169,865	—	395,610
Over time	12,738	—	—	—	—	12,738
Revenue from external customers	12,738	159,693	66,052	169,865	—	408,348
Inter-segment revenue	—	25,273	11,434	—	(36,707)	—
Reportable segment revenue	12,738	184,966	77,486	169,865	(36,707)	408,348
Reportable segment results	1,680	29,585	2,146	(651)	—	32,760
Net change in fair value of investment properties						(1,630)
Net change in fair value of other financial assets						1,066
Interest income						1,252
Interest expenses						(7,482)
Corporate and other unallocated expense						(4,740)
Profit before taxation						21,226
Income tax						(8,576)
Profit for the year						12,650

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

At 31 December 2025

	Property business HK$'000	Terminal & related business HK$'000	Integrated logistics business HK$'000	Supply chain management and trading business HK$'000	Unallocated corporate assets/ (liabilities) HK$'000	Total HK$'000
Segment assets	856,404	376,398	15,033	24,434	902	1,273,171
Cash and cash equivalents	5,880	1,352	17,566	45,661	1,904	72,363
Income tax recoverable	—	1,874	—	—	—	1,874
Deferred tax assets	1,870	238	145	—	—	2,253
Total assets	864,154	379,862	32,744	70,095	2,806	1,349,661
Segment liabilities	(47,713)	(69,742)	(18,417)	(1,275)	(895)	(138,042)
Bank borrowings	—	(182,026)	—	(33,364)	—	(215,390)
Loans from ultimate holding company	(9,451)	(3,558)	—	—	—	(13,009)
Deferred tax liabilities	(114,301)	—	—	—	—	(114,301)
Income tax payable	(3,708)	(51)	(204)	(98)	—	(4,061)
Total liabilities	(175,173)	(255,377)	(18,621)	(34,737)	(895)	(484,803)
Net assets	688,981	124,485	14,123	35,358	1,911	864,858

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6. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2025

	Property business HK$'000	Terminal & related business HK$'000	Integrated logistics business HK$'000	Supply chain management and trading business HK$'000	Unallocated HK$'000	Total HK$'000
Capital additions *(note)*	—	5,053	—	—	255	5,308
Net change in fair value of investment properties	(1,630)	—	—	—	—	(1,630)
Net change in fair value of other financial assets	—	—	—	—	1,066	1,066
Interest income	4	113	24	1,111	—	1,252
Interest expenses	(335)	(6,439)	(5)	(434)	(269)	(7,482)
Depreciation and amortisation	133	25,102	2	—	491	25,728
Provision for/(reversal of) impairment loss on trade and other receivables, net	(296)	(487)	175	79	—	(529)

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

6. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

For the year ended 31 December 2024

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

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

At 31 December 2024

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

6. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2024

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

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

7. OTHER INCOME

	2025 **HK$'000**	2024 *HK$'000*
Compensation from a subcontractor *(note (ii))*	**—**	18,910
Gain on disposal of property, plant and equipment	**753**	199
Gain on disposal of a subsidiary *(Note 34)*	**—**	4,901
Government subsidies *(note (i))*	**3,884**	9,988
Net foreign exchange gain	**99**	3,328
Rental receivable from operating leases, other than those relating to investment properties	**502**	400
Sundry income	**85**	208
	5,323	37,934

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

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

8. PROFIT BEFORE TAXATION

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

	2025	2024
	HK$'000	*HK$'000*
Staff costs (including directors' emoluments *(Note 9)*)		
— Salaries, wages and other benefits	**56,198**	51,948
— Pension contributions	**10,090**	9,281
	66,288	61,229
Cost of services rendered and goods sold	**334,449**	334,916
Auditors' remuneration:		
— Audit services	**1,280**	1,280
— Other services	**175**	175
Depreciation:		
— Owned assets	**22,638**	24,133
— Right-of-use assets	**2,588**	2,549
Amortisation of land use rights *(Note 18)*	**502**	487
Cost of inventories recognised as an expense (included in cost of services rendered and goods sold) *(Note 20)*	**169,542**	185,649
Gain on disposal of property, plant and equipment *(Note 7)*	**(753)**	(199)
Net foreign exchange gain *(Note 7)*	**(99)**	(3,328)
Lease charges — short-term leases	**—**	7
(Reversal of)/provision for impairment loss on trade and other receivables, net *(Note 38.2(a))*	**(529)**	3,520
Direct operating expenses arising from investment properties	**502**	400

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

Name of director	*Notes*	Fees *HK$'000*	Salaries, allowance and other benefits *HK$'000*	Retirement benefit scheme contribution *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
Year ended 31 December 2025						
Executive directors:						
Mr. Fei Benjun	*(i)*	82	341	50	—	473
Ms. Zhou Wei	*(ii), (iv)*	—	—	—	—	—
Mr. Qiao Yun	*(v)*	233	359	75	—	667
Non-executive directors:						
Ms. Yu Ling	*(vii)*	—	—	—	—	—
Mr. Xu Aoling	*(iv), (viii)*	—	—	—	—	—
Mr. Li Wei	*(iii), (iv)*	—	—	—	—	—
Independent non-executive directors:						
Mr. Chau Kwok Keung	*(vi)*	300	—	—	—	300
Mr. Fu Xinping	*(vi)*	160	—	—	—	160
Dr. Mao Zhenhua		324	—	—	—	324
		1,099	700	125	—	1,924

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

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

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

Notes:

(i) Re-designated as an executive director and appointed as Chairman on 6 June 2025.

(ii) Resigned on 6 June 2025.

(iii) Appointed on 28 June 2023.

(iv) Mr. Li Xiaoming, Ms. Zhou Wei, Mr. Xu Aoling and Mr. Li Wei were appointed by Hubei Port Group, where they shall perform their duties. The remuneration of such directors were paid by Hubei Port Group.

(v) Re-designated as executive director on 24 May 2025.

(vi) Re-designated as independent non-executive director on 24 May 2025.

(vii) Appointed on 10 January 2025.

(viii) Resigned on 10 January 2025.

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

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2025 and 2024.

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2024: three) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other three (2024: two) individuals are as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Salaries and other emoluments	**1,373**	1,382
Retirement scheme contributions	**257**	36
	1,630	1,418

The emoluments of the three (2024: two) individuals with the highest emoluments are within the following band:

	2025 **Number of individuals**	2024 Number of individuals
Nil — HK$1,000,000	**3**	2

11. FINANCE INCOME AND FINANCE COSTS

	2025 *HK$'000*	2024 *HK$'000*
Finance income		
— Bank interest income	186	187
— Interest on overdue trade receivables recovered through litigation (note (i))	1,066	—
	1,252	187
Finance costs		
— Interests on bank and other borrowings	6,442	8,950
— Interest on lease liabilities	295	356
— Interest on loans from immediate holding company	123	256
— Interest on loans from ultimate holding company	585	1,752
— Bank charges	37	43
	7,482	11,357

During the year, the Group has not capitalised any borrowing costs (2024: nil) in the carrying amount of qualifying assets.

Note (i): During the year ended 31 December 2025, the Group recovered long-outstanding trade receivables from an independent third party through litigation proceedings. In addition, the Group recognised approximately HK$1 million as interest income on the overdue amounts, calculated based on the court judgment.

12. INCOME TAX

	2025 *HK$'000*	2024 *HK$'000*
Current tax		
— Hong Kong profits tax	—	—
— PRC enterprise income tax	6,109	12,748
Under-provision in respect of previous years		
— PRC enterprise income tax	284	20
	6,393	12,768
Deferred tax		
Origination and reversal of temporary difference *(Note 30)*	2,183	1,955
	8,576	14,723

No provision for Hong Kong profits tax has been provided during the year (2024: Nil) as the Company and its subsidiaries, which are subject to Hong Kong profits tax, incurred a loss for taxation purpose.

The Group's PRC subsidiaries are subject to the PRC enterprise income tax at the standard rate of 25% (2024: 25%) on the estimated assessable profits.

According to relevant laws and regulations in the PRC, the Group's subsidiaries, namely Wuhan Yangluo Logistic Company Limited (武漢陽邏港物流有限公司, "**Yangluo Logistic**"), Tongshang Supply Chain Management (Wuhan) Company Limited (通商供應鏈管理(武漢)有限公司) and Tongshang Material Industry (Wuhan) Company Limited (通商材料實業(武漢)有限公司) are qualified as small and low-profit enterprise and are entitled to the enterprise income tax rate of 5% (2024: 5%).

12. INCOME TAX *(Continued)*

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

	2025	2024
	HK$'000	*HK$'000*
Profit before taxation	**21,226**	27,618
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	**5,146**	7,962
Tax effect of non-taxable income	**(481)**	(519)
Tax effect of non-deductible expenses	**1,335**	6,660
Tax effect of unused tax losses not recognised	**2,293**	696
Others	**(1)**	(96)
Under-provision in previous years	**284**	20
Actual tax expense	**8,576**	14,723

13. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2025 HK$'000	2024 HK$'000
Earnings		
Profit for the year attributable to owners of the Company	**10,947**	12,694
Number of shares		
Weighted average number of ordinary shares outstanding for basic earnings per share	**1,725,066,689**	1,725,066,689

(b) Diluted earnings per share

There are no dilutive potential ordinary shares in issue for the years ended 31 December 2025 and 2024. The diluted earnings per share are equal to the basic earnings per share.

14. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: Nil).

15. INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

	Investment properties under construction *HK$'000*	Completed investment properties *HK$'000*	Total *HK$'000*
At 1 January 2024	267,922	556,558	824,480
Net change in fair value recognised in profit or loss	(4,877)	3,143	(1,734)
Exchange realignment	(7,878)	(16,617)	(24,495)
At 31 December 2024 and 1 January 2025	**255,167**	**543,084**	**798,251**
Net change in fair value recognised in profit or loss	**(1,087)**	**(543)**	**(1,630)**
Exchange realignment	**11,663**	**24,863**	**36,526**
At 31 December 2025	**265,743**	**567,404**	**833,147**

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

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

15. INVESTMENT PROPERTIES *(Continued)*

(b) Fair value measurement of investment properties

(i) Fair value hierarchy

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

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

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

Level 3 valuations: Fair value measured using significant unobservable inputs

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2025. The valuations were carried out by an independent firm of professional valuers, Graval Consulting Limited (2024: Graval Consulting Limited), who have among their staff with recent experience in the location and category of properties being valued. The Group's management and finance team have discussion with the professional valuers on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

As at 31 December 2025 and 31 December 2024, the fair value of the Group's completed commercial buildings, stacking yard, warehouses, berth, pontoon and the leasehold lands were valued on the basis of capitalisation of income approach.

As at 31 December 2025 and 2024, the fair value of the Group's investment properties under construction are valued using residual approach, which is based on comparison of selling prices in the relevant market as publicly available to determine the potential value of the investment properties under construction less estimated costs to completion as if these were completed as at the date of valuation.

15. INVESTMENT PROPERTIES *(Continued)*

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

(ii) Information about Level 3 fair value measurements

Investment properties	Fair value at 31 December 2025 HK$'000	Fair value at 31 December 2024 HK$'000	Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2025	Range of unobservable inputs 2024
Berth and pontoon	**66,604**	54,330	Level 3	Income capitalisation	Monthly rental (HK$/month)	**462,288**	327,110
					Rate of return	**7%-8% per annum**	7%-8% per annum
Leasehold lands	**83,726**	80,697	Level 3	Income capitalisation	Monthly rental (HK$/square meter/ month)	**38**	3.7
					Rate of return	**7%-8% per annum**	7%-8% per annum
Commercial buildings, stacking yard and warehouses	**415,739**	405,718	Level 3	Income capitalisation	Monthly rental (HK$/square meter/ month)	**4.3-21.4**	6.4-23.4
					Rate of return	**5%-6% per annum**	5%-6% per annum
	1,334	2,339	Level 3	Income capitalisation	Monthly rental (HK$/month)	**7,758**	13,644
					Rate of return	**7% per annum**	7% per annum
Properties under construction	**265,744**	255,167	Level 3	Residual	Unit rate (HK$/square meter)	**2,740**	2,552
	833,147	798,251					

15. INVESTMENT PROPERTIES *(Continued)*

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

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

Relationships of unobservable inputs to fair value are as follows:

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

(c) Investment properties leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 15 years (2024: 1 to 15 years), with an option to renew the lease after that date at which time all terms are renegotiated.

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

	2025	2024
	HK$'000	*HK$'000*
Within 1 year	**13,467**	12,953
After 1 year but within 2 years	**13,067**	12,705
After 2 years but within 3 years	**10,505**	12,611
After 3 years but within 4 years	**6,174**	10,045
After 4 years but within 5 years	**111**	5,904
After 5 years	**111**	213
	43,435	54,431

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16. PROPERTY, PLANT AND EQUIPMENT

	Port facilities *HK$'000*	Terminal equipment *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$'000*	Right-of-use assets *HK$'000*	Total *HK$'000*
At 1 January 2024						
Cost	450,009	157,816	2,543	1,409	11,466	623,243
Accumulated depreciation	(143,073)	(120,191)	(2,329)	(1,370)	(2,145)	(269,108)
Net book amount	306,936	37,625	214	39	9,321	354,135
Year ended 31 December 2024						
Opening net book amount	306,936	37,625	214	39	9,321	354,135
Additions	130	213	153	—	982	1,478
Disposals	(1,169)	(12)	(20)	(38)	—	(1,239)
Depreciation	(11,672)	(12,236)	(225)	—	(2,549)	(26,682)
Exchange realignment	(8,703)	(1,048)	(11)	(1)	(228)	(9,991)
Closing net book amount	285,522	24,542	111	—	7,526	317,701
At 31 December 2024 and 1 January 2025						
Cost	434,097	151,582	2,107	272	11,239	599,297
Accumulated depreciation	(148,575)	(127,040)	(1,996)	(272)	(3,713)	(281,596)
Net book amount	285,522	24,542	111	—	7,526	317,701
Year ended 31 December 2025						
Opening net book amount	**285,522**	**24,542**	**111**	**—**	**7,526**	**317,701**
Additions	**2,707**	**675**	**255**	**—**	**—**	**3,637**
Disposals	**—**	**—**	**—**	**—**	**—**	**—**
Depreciation	**(15,014)**	**(7,340)**	**(284)**	**—**	**(2,588)**	**(25,226)**
Exchange realignment	**12,532**	**1,212**	**15**	**—**	**258**	**14,017**
Closing net book amount	**285,747**	**19,089**	**97**	**—**	**5,196**	**310,129**
At 31 December 2025						
Cost	**456,363**	**152,233**	**2,207**	**—**	**11,709**	**622,512**
Accumulated depreciation	**(170,616)**	**(133,144)**	**(2,110)**	**—**	**(6,513)**	**(312,383)**
Net book amount	**285,747**	**19,089**	**97**	**—**	**5,196**	**310,129**

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

As at 31 December 2025, certain of the Group's port facilities and terminal equipment with carrying amount of HK$3,476,000 (2024: HK$3,681,000) have been pledged to secure the Group's bank borrowings (Note 27).

17. RIGHT-OF-USE ASSETS

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

	2025	2024
	HK$'000	*HK$'000*
Office buildings	**369**	859
Vehicles	**4,827**	6,667
Right-of-use assets as included in the "property, plant and equipment" *(Note 16)*	**5,196**	7,526
Land use rights with remaining lease term between 10 and 50 years *(Note 18)*	**15,645**	15,451
Ownership interests in leasehold investment properties with remaining lease term between 10 and 50 years *(Note 15)*	**833,147**	798,251
	853,988	821,228

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

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

	2025 HK$'000	2024 HK$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Office buildings	491	458
Vehicles	2,097	2,091
	2,588	2,549
Land use rights	502	487
	3,090	3,036
Interest on lease liabilities *(Note 11)*	295	356

During the year, additions to right-of-use assets were HK$nil (2024: HK$982,000, the amount was primarily related to the capitalised lease payments payable under new tenancy agreements).

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

(i) Office buildings

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

(ii) Land use rights

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

(iii) Vehicles

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

18. LAND USE RIGHTS

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

	2025	2024
	HK$'000	*HK$'000*
Opening net carrying amount	15,451	16,417
Amortisation	(502)	(487)
Exchange realignment	696	(479)
Closing net carrying amount	15,645	15,451
At the reporting date		
Cost	25,699	24,574
Accumulated amortisation	(10,054)	(9,123)
	15,645	15,451

As at 31 December 2025 and 2024, the Group's land use rights have been pledged to secure bank borrowings (Note 27) granted to the Group. All the land use rights are located in the PRC.

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

19. OTHER FINANCIAL ASSETS

	2025	2024
	HK$'000	*HK$'000*
Financial assets measured at FVPL		
Unlisted investment	**13,437**	11,806

The unlisted investment represents approximately 12.7% equity interests in Wuhan Changjiang Zhilian (as defined in Note 36(a)), a company incorporated in PRC and engaged in port operations. No dividends were received on this investment in 2025 and 2024.

20. INVENTORIES

	2025	2024
	HK$'000	*HK$'000*
Consumables, at cost	**6,226**	5,802
	6,226	5,802

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

	2025	2024
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**169,542**	183,392
Write down of inventories	**—**	2,257
	169,542	185,649

21. TRADE AND OTHER RECEIVABLES

	Notes	2025 HK$'000	2024 HK$'000
Trade and bills receivables			
Trade receivables		77,821	78,405
Bills receivables		2,288	1,777
		80,109	80,182
Less: loss allowance		(6,705)	(6,928)
	(a)	73,404	73,254
Other receivables			
Deposits and other receivables	*(b)*	7,364	6,702
Prepayment to suppliers		4,728	5,017
Value-added tax receivables		915	942
		13,007	12,661
Less: loss allowance		(6,087)	(5,820)
		6,920	6,841
		80,324	80,095
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and bills receivables"		68,157	70,560

21. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(a) Trade and bills receivables

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

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

	2025	2024
	HK$'000	*HK$'000*
0 — 30 days	**26,229**	14,166
31 — 60 days	**12,733**	30,046
61 — 90 days	**5,168**	7,072
Over 90 days	**29,274**	21,970
	73,404	73,254

(b) Deposits and other receivables

The amount mainly represents the advance to staff and suppliers, deposits with local government authorities and loan receivables.

22. GOVERNMENT SUBSIDY RECEIVABLES

The amounts represent subsidies receivables from the PRC government as at 31 December 2025 and 2024.

23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

At 31 December 2025, cash and cash equivalents comprised of bank balances and cash of HK$72,363,000 (2024: HK$58,662,000). Bank balances earn interest at floating rates based on daily bank deposit rates.

At 31 December 2025, included in bank balances and cash of the Group is HK$70,735,000 (2024: HK$55,599,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

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

(b) Reconciliation of liabilities arising from financing activities

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

	Bank borrowings *HK$'000*	Loans from immediate holding company *HK$'000*	Loans from ultimate holding company *HK$'000*	Lease liabilities *HK$'000*	Total *HK$'000*
At 1 January 2024	262,182	7,000	106,252	9,454	384,888
Cash flows					
— Repayment	(195,781)	—	(82,284)	—	(278,065)
— Proceeds	161,955	—	—	—	161,955
— Capital element of lease rentals paid	—	—	—	(2,380)	(2,380)
— Interest element of lease rentals paid	—	—	—	(356)	(356)
Non-cash transactions					
— New leases	—	—	—	982	982
— Interest expenses	—	—	—	356	356
— Exchange realignment	(7,084)	—	(626)	(278)	(7,988)
At 31 December 2024 and 1 January 2025	**221,272**	**7,000**	**23,342**	**7,778**	**259,392**
Cash flows					
— Repayment	**(145,131)**	**(7,000)**	**(11,020)**	**—**	**(163,151)**
— Proceeds	**129,474**	**—**	**—**	**—**	**129,474**
— Capital element of lease rentals paid	**—**	**—**	**—**	**(2,605)**	**(2,605)**
— Interest element of lease rentals paid	**—**	**—**	**—**	**(295)**	**(295)**
Non-cash transactions					
— Interest expenses	**—**	**—**	**—**	**295**	**295**
— Exchange realignment	**9,775**	**—**	**687**	**321**	**10,783**
At 31 December 2025	**215,390**	**—**	**13,009**	**5,494**	**233,893**

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

(d) Total cash outflow for leases

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

	2025	2024
	HK$'000	*HK$'000*
Within operating cash flows	–	7
Within financing cash flows	2,900	2,736
	2,900	2,743

These amounts relate to lease rentals paid.

24. TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	32,803	19,155
Other payables		
— Payables to subcontractors	38,689	50,253
— Accruals and sundry payables *(see note below)*	51,203	42,342
	89,892	92,595
	122,695	111,750

Note: Included in amount is HK$8,000 (2024: HK$855,000) of interest payable, HK$3,087,000 (2024: HK$3,384,000) of salaries payable, HK$16,680,000 (2024: HK$15,948,000) of deposits received and HK$31,428,000 (2024: HK$22,155,000) of sundry payables.

24. TRADE AND OTHER PAYABLES *(Continued)*

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

	2025	2024
	HK$'000	*HK$'000*
0 — 30 days	**7,452**	6,180
31 — 60 days	**5,900**	4,988
61 — 90 days	**3,972**	582
Over 90 days	**15,479**	7,405
	32,803	19,155

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

25. CONTRACT LIABILITIES

	2025	2024
	HK$'000	*HK$'000*
Contract liabilities		
Supply chain management and trading business		
— Billings in advance of performance	**481**	460
Integrated logistics service		
— Billings in advance of performance	**1,335**	1,849
	1,816	2,309

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

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

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

25. CONTRACT LIABILITIES *(Continued)*

Movements in contract liabilities

	2025	2024
	HK$'000	*HK$'000*
Balance at 1 January	**2,309**	1,455
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	**(2,309)**	(1,455)
Increase in contract liabilities as a result of billing in advance	**1,710**	2,352
Exchange realignment	**106**	(43)
Balance at 31 December	**1,816**	2,309

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

26. DEFERRED GOVERNMENT SUBSIDIES

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

27. BANK BORROWINGS

	2025	2024
	HK$'000	*HK$'000*
Bank borrowings		
— Unsecured	**132,395**	105,830
— Secured	**82,995**	115,442
	215,390	221,272

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

	2025	2024
	HK$'000	*HK$'000*
Within one year or on demand	**178,052**	141,979
After 1 year but within 2 years	**37,338**	43,591
After 2 years but within 5 years	**—**	35,702
	215,390	221,272
Less: Amount due within one year shown under current liabilities	**(178,052)**	(141,979)
Amount due after one year shown under non-current liabilities	**37,338**	79,293

At 31 December 2025 and 2024, certain of the Group's bank borrowings were guaranteed by the Hubei Port Group and a subsidiary of the Group and secured by the following assets:

	2025	2024
	HK$'000	*HK$'000*
Property, plant and equipment — Port facilities and terminal equipment *(Note 16)*	**3,476**	3,681
Land use rights *(Note 18)*	**15,645**	15,451
	19,121	19,132

As at 31 December 2025, all bank borrowings were denominated in RMB and interest-bearing at the range from 2.5% to 3.0% (2024: 2.7% to 3.1%) per annum.

28. LOANS FROM IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The amounts due were unsecured, interest bearing at 2.56% (2024: 3.65%) per annum and repayable within one year.

29. LEASE LIABILITIES

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

	2025		2024	
	Present value of the lease payments	**Total lease payments**	Present value of the lease payments	Total lease payments
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Within 1 year	**2,597**	**2,767**	2,507	2,797
After 1 year but within 2 years	**2,897**	**2,958**	4,705	4,926
After 2 years but within 5 years	**—**	**—**	566	566
	2,897	**2,958**	5,271	5,492
	5,494	**5,725**	7,778	8,289
Less: total future interest expenses		**(231)**		(511)
Present value of lease liabilities		**5,494**		7,778

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For the year ended 31 December 2025

30. DEFERRED TAX

(a) Deferred tax assets and liabilities recognised:

(i) Deferred tax liabilities recognised:

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

	Revaluation of property, plant and equipment *HK$'000*	Revaluation of investment properties *HK$'000*	Right-of-use assets *HK$'000*	Total *HK$'000*
At 1 January 2024	17,720	89,720	2,557	109,997
Charged/(credited) to profit or loss *(Note 12)*	—	2,789	(457)	2,332
Exchange realignment	(449)	(2,820)	(67)	(3,336)
At 31 December 2024 and 1 January 2025	**17,271**	**89,689**	**2,033**	**108,993**
Charged/(credited) to profit or loss *(Note 12)*	—	**1,932**	**(524)**	**1,408**
Exchange realignment	**791**	**4,306**	**80**	**5,177**
At 31 December 2025	**18,062**	**95,927**	**1,589**	**115,578**

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

30. DEFERRED TAX *(Continued)*

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

(ii) Deferred tax assets recognised:

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

	Tax losses	ECL allowances	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2024	—	1,599	2,281	3,880
Credited/(charged) to profit or loss *(Note 12)*	70	801	(494)	377
Exchange realignment	(1)	(63)	(58)	(122)
At 31 December 2024 and 1 January 2025	**69**	**2,337**	**1,729**	**4,135**
Charged to profit or loss *(Note 12)*	**(70)**	**(187)**	**(518)**	**(775)**
Exchange realignment	**1**	**103**	**66**	**170**
At 31 December 2025	**—**	**2,253**	**1,277**	**3,530**

(iii) Reconciliation to the consolidated statement of financial position

	2025	2024
	HK$'000	*HK$'000*
Net deferred tax asset in the consolidated statement of financial position	**2,253**	2,406
Net deferred tax liability in the consolidated statement of financial position	**(114,301)**	(107,264)
	(112,048)	(104,858)

30. DEFERRED TAX *(Continued)*

(b) Deferred tax liabilities not recognised:

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

(c) Deferred tax assets not recognised:

The Group did not recognise deferred tax assets in respect of cumulative tax losses of certain subsidiaries and mainly generated from PRC subsidiaries amounted to HK$18,644,000 (2024: HK$15,691,000). The tax effect on such tax losses has not been recognised as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

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

	31 December	
	2025	2024
	HK$'000	*HK$'000*
2025	**N/A**	2,561
2026	**3,223**	3,082
2027	**1,684**	3,922
2028	**3,630**	1,465
2029	**1,678**	4,661
2030	**8,429**	—
	18,644	15,691

31. SHARE CAPITAL

	2025		2024	
	Number of shares	*HK$'000*	*Number of shares*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.1 each	**2,000,000**	**200,000**	2,000,000	200,000
Issued and fully paid:				
At 1 January and 31 December	**1,725,066,689**	**172,507**	1,725,066,689	172,507

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	At 31 December	
	2025	2024
	HK$'000	*HK$'000*
ASSETS AND LIABILITIES		
Non-current assets		
Right-of-use assets	**368**	859
Investments in subsidiaries	**405,867**	405,867
	406,235	406,726
Current assets		
Deposits and prepayments	**531**	524
Amounts due from subsidiaries	**212,252**	212,294
Cash and cash equivalents	**1,620**	2,937
	214,403	215,755
Current liabilities		
Trade and other payables	**2,066**	342
Amounts due to subsidiaries	**110,621**	101,570
Loans from ultimate holding company	**—**	5,586
Lease liabilities	**387**	481
	113,074	107,979
Net current assets	**101,329**	107,776
Non-current liabilities		
Lease liabilities	**—**	387
Net assets	**507,564**	514,115
EQUITY		
Share capital	**172,507**	172,507
Reserves *(note)*	**335,057**	341,608
Total equity	**507,564**	514,115

Approved and authorised for issue by the board of directors on 30 March 2026.

Fei Benjun	**Qiao Yun**
Director	*Director*

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

Note:

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

	Share premium *HK$'000* *(Note 33)*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2024	597,322	(251,761)	345,561
Loss and total comprehensive income for the year	—	(3,953)	(3,953)
At 31 December 2024 and 1 January 2025	597,322	(255,714)	341,608
Loss and total comprehensive income for the year	—	(6,551)	(6,551)
At 31 December 2025	597,322	(262,265)	335,057

33. RESERVES

(a) Share premium

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

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

(b) Merger reserve

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

(c) Other reserve

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

(d) Foreign exchange reserve

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

33. RESERVES *(Continued)*

(e) Fair value reserve

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

(f) Statutory reserve

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

(g) Safety production fee

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

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

34. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

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

Note: Hubei Port Hanjiang is a wholly-owned subsidiary of Hubei Port Group (see Note 36(a)).

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

(a) Summary of the Disposal

	18 June 2024 *HK$'000*
Assets	
Property, plant and equipment	115,046
Intangible assets	6,203
Deferred tax assets	3,170
Inventories	30
Trade and other receivables	2,930
Cash and cash equivalents	12
	127,391
Liabilities	
Trade and other payables	5,109
Contract liabilities	332
Income tax payable	153
Deferred tax liabilities	1,416
	7,010
Net assets disposed of	120,381
Gain on the Disposal	
Consideration received	74,733
Net assets disposed of	(120,381)
Amounts due to the Group upon disposal	14,464
Non-controlling interests	40,618
Release of reserve upon disposal	(4,533)
Gain on disposal	4,901
Net cash inflows arising from the Disposal	
Cash consideration received during the reporting period	74,733
Cash and cash equivalents disposed of	(12)
Net cash inflows during the reporting period	74,721

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

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

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

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

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

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

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

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

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

	2023 *HK$'000*
Over 90 days	935
	935

35. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital commitments representing the construction of port facilities outstanding at 31 December 2025 not provided for in the financial statements, were as follows:

	2025	2024
	HK$'000	*HK$'000*
Contracted but not provided for:	**43,022**	40,640

(b) Financial guarantees issued

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

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

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

36. MATERIAL RELATED PARTY TRANSACTIONS

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

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

For the year ended 31 December 2025 and 2024, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government, mainly include bank deposits, bank borrowings and the corresponding interest income and interest expenses, loans from immediate holding company and ultimate holding company and part of sales and purchases of goods and services. The price and other terms of such transactions are set out in the underlying agreements, based on market prices or as mutually agreed.

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

(a) Related parties information

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

36. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties

(i) Amounts due from related companies

	2025 *HK$'000*	2024 *HK$'000*
Fellow subsidiaries	11,287	9,574

(ii) Balances with Wuhan Changjiang Zhilian

	2025 *HK$'000*	2024 *HK$'000*
Lease and other receivables (included in "Trade and bills receivables")	3,978	7,845

(iii) Amounts due to related companies

	2025 *HK$'000*	2024 *HK$'000*
Fellow subsidiaries (included in "Trade and other payables")	19,826	12,146

As of 31 December 2025, amount due from a fellow subsidiary amounting to HK$3,399,000 (2024: HK$3,181,000) was unsecured, interest bearing at 3.45% (2024: 3.45%) per annum and repayable within one year.

Except for those mentioned above, the other balances with fellow subsidiaries and Wuhan Changjiang Zhilian were unsecured, interest-free and repayable on demand as at 31 December 2025 and 2024.

36. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Transactions between related parties and the Group:

		2025 *HK$'000*	2024 *HK$'000*
Wuhan Changjiang Zhilian	Revenue from property business	**8,343**	8,291
Fellow subsidiaries	Revenue from terminal and related services	**2,107**	2,563
	Revenue from logistics services	**2,223**	966
	Other income	**37**	88
	Cost of services for port logistics services	**7,538**	1,587
	Cost of services for container handling, storage and other services	**20,085**	14,913

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

(d) Key management personnel remuneration

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

	2025 *HK$'000*	2024 *HK$'000*
Short-term employee benefits	**2,712**	2,040
Post-employment benefits	**492**	204
	3,204	2,244

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

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

37. INVESTMENTS IN SUBSIDIARIES

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

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

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

37. INVESTMENTS IN SUBSIDIARIES *(Continued)*

The following table lists out the information relating to WIT (2024: WIT) which the Company has material non-controlling interests ("**NCI**"). The summarised financial information presented below represents the amounts before any inter-group elimination.

WIT:

	2025 *HK$'000*	2024 *HK$'000*
NCI percentage	**15%**	15%
Current assets	**289,751**	276,720
Non-current assets	**316,893**	319,472
Current liabilities	**(159,634)**	(142,862)
Non-current liabilities	**(58,360)**	(89,248)
Net assets	**388,650**	364,082
Carrying amount of NCI	**58,298**	54,612
Revenue	**159,693**	152,075
Profit for the year	**7,981**	5,768
Profit allocated to NCI	**1,197**	865
Total comprehensive income	**(171,417)**	(153,049)
Total comprehensive income allocated to NCI	**(25,712)**	(22,957)
Cash flows generated from operating activities	**18,743**	44,743
Cash flow used in investing activities	**(19,321)**	(3,659)
Cash flow used in financing activities	**(34,814)**	(16,269)

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

38.1 Categories of financial instruments

	2025	2024
	HK$'000	*HK$'000*
Financial assets		
Financial assets at fair value through profit or loss	**13,437**	11,806
Financial assets at amortised cost		
— Trade and other receivables	**75,596**	80,095
— Amounts due from related companies	**11,287**	9,574
— Government subsidy receivables	**1,305**	4,502
— Cash and cash equivalents	**72,363**	58,662
	173,988	164,639
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	**122,695**	111,750
— Bank and other borrowings	**215,390**	221,272
— Loans from immediate holding company	**—**	7,000
— Loans from ultimate holding company	**13,009**	23,342
— Lease liabilities	**5,494**	7,778
	356,588	371,142

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

38.2 Financial risk management objectives and policies

(a) Credit risk

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

(i) Trade and bills receivables

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

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 5% (2024: nil) and 18% (2024: 24%) of the total trade and bills receivables was due from the Group's largest customer and the five largest customers respectively.

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

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

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

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(a) Credit risk *(Continued)*

(i) Trade and bills receivables *(continued)*

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

	Expected loss rate	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*
As at 31 December 2025			
Collective assessment			
— Current	0%-2.08%	48,617	966
— 1 — 90 days past due	2.08%-13.62%	3,473	72
— 91 — 180 days past due	2.08%-13.62%	2,382	50
— Over 180 days past due	13.62%-35.05%	829	294
Individual assessment			
— Over 180 days past due			
— Debtor A (note aa)	0%	19,485	—
— Other debtors	100%	5,323	5,323
		80,109	6,705

Note aa:

Included in "Individual assessment – Over 180 days past due" is a material trade receivable arising from sales contracts with Guangxi Xuan Zheng Hong Rice Industry Group Co., Ltd. The gross carrying amount of this trade receivable as at 31 December 2025 is approximately HK$19,485,000.

The Group has commenced legal proceedings in the Wuhan Xinzhou District People's Court under case number (2025) 鄂0117民初4757號. The Court has issued a preservation order freezing or attaching assets of the defendants and guarantors with a total value of RMB25,487,014.35 (equivalent to approximately HK$25,487,000). Management is of the view that the preserved assets, after considered for forced-sale realisation costs, taxes and other expenses, are sufficient to cover the full carrying amount of the receivable. Accordingly, no loss allowance has been recognised for the trade receivable balance with Guangxi Xuan Zheng Hong Rice Industry Group Co., Ltd. as at 31 December 2025.

The case remains at the first-instance trial stage. The Group's legal counsel has advised a high probability of success and full recovery (including penalty interest and funding occupation fees). The Group will continue to monitor the litigation progress and any changes in the realisable value of the preserved assets. Should the ultimate recovery differ from current expectations, an adjustment to the loss allowance may be required in future periods.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(a) ***Credit risk*** *(Continued)*

(i) Trade and bills receivables *(continued)*

	Expected loss rate	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*
As at 31 December 2024			
Collective assessment			
— Current	0%-0.01%	31,412	2
— 1 — 90 days past due	0.08%-0.2%	25,703	21
— 91 — 180 days past due	0.5%-1.97%	3,414	57
— Over 180 days past due	5.46%-100%	3,624	488
Individual assessment			
— Current	7.87%	34	3
— 1 — 90 days past due	7.87%	68	5
— 91 — 180 days past due	7.87%	138	11
— Over 180 days past due	35.09%-100%	14,012	6,341
		78,405	6,928

* Amount less than HK$1,000.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(a) Credit risk (Continued)

(i) Trade and bills receivables *(continued)*

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

	2025 *HK$'000*	2024 *HK$'000*
Balance at 1 January	6,928	5,879
Impairment losses recognised	254	1,536
Impairment losses reversed	(783)	(288)
Exchange realignment	306	(199)
Balance at 31 December	6,705	6,928

The following significant changes in the gross carrying amounts of trade and bills receivables contributed to the changes in the loss allowance:

— Decrease in days past due over 180 days resulted in a decrease in loss allowance of HK$1,018,000 (2024: increase in days past due over 1 year resulted in an increase in loss allowance of HK$1,288,000).

(ii) Other receivables

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

As at 31 December 2025, the Group's other receivables of approximately HK$6,195,000 (2024: approximately HK$5,866,000) were individually determined to be impaired and loss allowance of approximately HK$6,087,000 (2024: approximately HK$5,820,000) was provided for. The management will continue to monitor the progress of the recoverability of the other receivables and chase for settlement of the outstanding balances from the debtors regularly.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(a) Credit risk *(Continued)*

(ii) Other receivables *(continued)*

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

	Stage 2 ***HK$'000***
Balance at 31 December 2023 and 1 January 2024	3,702
Impairment losses recognised	2,423
Impairment losses reversed	(151)
Exchange realignment	(154)
Balance at 31 December 2024 and 1 January 2025	**5,820**
Exchange realignment	**267**
Balance at 31 December 2025	**6,087**

(iii) Government subsidy receivables

The management considered that there was no significant increase credit risk arising from the remaining government subsidy receivables and concluded the loss allowance of them was insignificant.

(iv) Amounts due from related parties

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

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(b) Liquidity risk

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

The Group has net current liabilities of approximately HK$149,909,000 as at 31 December 2025. As explained in Note 2.2 to the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis as the directors of the Company are of the opinion that the Group has sufficient reserve of cash and cash equivalents and financing support for its working capital purpose and to enable it to continue to meet its obligations as they fall due.

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

	2025				
	Contractual undiscounted cash outflow				Carrying amount at 31 December
	Within 1 year or on demand	Between 1 and 2 years	Between 2 to 5 years	Total	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	122,695	–	–	122,695	122,695
Bank borrowings	182,503	38,458	–	220,961	215,390
Loans from ultimate holding company	13,342	–	–	13,342	13,009
Lease liabilities	2,767	2,958	–	5,725	5,494
	321,307	41,416	–	362,723	356,588

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(b) Liquidity risk (Continued)

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

(c) Interest rate risk

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

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

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(c) Interest rate risk *(Continued)*

For variable-rate borrowings and Bank Deposits, the analysis is prepared assuming that the amount of asset/liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2024: 50 basis points), increase or decrease are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rates had been 50 basis points (2024: 50 basis points) higher/lower for Bank Deposits and variable-rate bank borrowings respectively, and all other were variables were held constant, the Group's profit after taxation for the year would decrease/increase by HK$536,000 (2024: HK$610,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate Bank Deposits and bank borrowings.

(d) Currency risk

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

(e) Equity price risk

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

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(e) ***Equity price risk*** *(Continued)*

At 31 December 2025, it is estimated that an increase/(decrease) of 5% (2024: 5%) in the price-to-book ratios of comparable listed companies for unquoted investments, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained profits as follows:

	2025		2024	
		Effect on results for the year and retained profits		Effect on results for the year and retained profits
	%	*HK$'000*	*%*	*HK$'000*
Change in the relevant equity price risk variable:				
Increase	**5**	**664**	5	580
Decrease	**(5)**	**(650)**	(5)	(1,511)

(f) ***Fair value measurement***

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

Fair value hierarchy

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

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

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

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

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(f) ***Fair value measurement*** *(Continued)*

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

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

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

At 31 December 2025, the only financial instrument of the Group carried at fair value was financial assets at FVPL of approximately HK$13,437,000 (2024: HK$11,806,000). This instrument is measured at fair value on a recurring basis and their fair value measurements fall into Level 3 of the fair value hierarchy described above.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Rate	Relationship of unobservable inputs to fair value
Unlisted investment	Market comparable companies	Discount for lack of marketability	15.6% (2024: 15.6%)	The higher the discount, the lower the fair value

The fair value of unlisted investment is determined using the price/earning ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% (2024: 5%) would have increased/decreased the Group's profit by HK$800,000 (2024: HK$700,000).

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

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

(f) ***Fair value measurement*** *(Continued)*

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

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

	2025	2024
	HK$'000	HK$'000
Unlisted equity securities:		
At 1 January	**11,806**	11,558
Change in fair value recognised in profit or loss during the period	**1,066**	603
Exchange realignment	**565**	(355)
At 31 December	**13,437**	11,806

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

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2025 and 2024.

39. CAPITAL MANAGEMENT

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

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

At 31 December 2025, the Group has a gross gearing ratio of approximately 0.29 times (2024: 0.34 times) and a net gearing ratio of approximately 0.20 times (2024: 0.26 times). The calculation of the gross gearing ratio was based on total interest-bearing borrowings (including bank borrowings, loans from immediate holding company and ultimate holding company and lease liabilities) over equity attributable to owners of the Company as at 31 December 2025 and 2024, respectively. The calculation of net gearing ratio is the same as that of gross gearing ratio except that total interest-bearing borrowings are net of cash and cash equivalents held by the Group as at 31 December 2025 and 2024, respectively.

39. CAPITAL MANAGEMENT *(Continued)*

	2025	2024
	HK$'000	*HK$'000*
Total interest-bearing borrowings	**233,893**	259,392
Less: cash and cash equivalents	**(72,363)**	(58,662)
	161,530	200,730
Equity attributable to owners of the Company	**805,842**	758,607
Gross gearing ratio	**0.3**	0.3
Net gearing ratio	**0.2**	0.3

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	To be determined

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

IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

Major properties information

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

No.	Property	Location	Stage of completion	Term of land	Expected date of completion	Existing/ intended use	Approximate gross site area (sq.m)	Approximate gross floor area (sq.m)	Group's Interest (%)
1.	The RORO berth and land in first phase of Hannan Port	Southern side of 103 provincial highway, Dengnan Street, Hannan District, Wuhan, Hubei Province, PRC	Completed	Medium	N/A	Port	159,541	—	100%
2.	First phase of Hannan Port Zall Eco-Industry City (卓爾生態工業城) Phase I	Dengnan Street, Hannan District, Wuhan, Hubei Province, PRC	Completed	Medium	N/A	Warehouse, workshop and ancillary office	144,169	59,705	100%
3.	Hanjiang Port logistics centre	No. 10 Gongye Street, Shayang County, Jingmen City, Hubei Province, PRC	Under development	Medium	December 2026	Logistics centre	265,852	95,685	100%
4.	Stacking yard and warehouses (including two 1,500-Ton corn silos) of the WIT Port	No. 8 Pingjiang Road, Yangluo Economic Development Zone, Wuhan, Hubei Province, PRC	Completed	Medium	N/A	Stacking yard and warehouse	41,899	41,889	85%

Five-year financial summary

	For the year ended 31 December				
	2021 *HK$'000* *(restated)*	2022 *HK$'000*	2023 *HK$'000*	2024 *HK$'000*	**2025** ***HK$'000***
Revenue	247,671	319,535	361,301	396,529	**408,348**
Cost of services rendered and goods sold	(193,348)	(234,164)	(283,648)	(334,916)	**(334,449)**
Gross profit	54,323	85,371	77,653	61,613	**73,899**
Other income	30,025	6,201	22,117	37,934	**5,323**
General, administrative and other operating expenses	(70,955)	(31,995)	(26,225)	(31,856)	**(24,735)**
EBITDA	13,393	59,577	73,545	67,691	**54,487**
Finance costs – net	(23,869)	(19,833)	(15,543)	(11,170)	**(6,230)**
EBTDA	(10,476)	39,744	58,002	56,521	**48,257**
Depreciation and amortisation	(33,387)	(30,996)	(33,308)	(27,169)	**(25,401)**
Change in fair value of investment properties	72,799	25,785	(993)	(1,734)	**(1,630)**
Loss on disposal of subsidiaries	(5,988)	—	—	—	**—**
Share of profit/(loss) of associates	139	(796)	(710)	—	**—**
Income tax expense	(4,297)	(12,824)	(9,203)	(14,723)	**(8,576)**
Profit for the year from continuing operations	18,790	20,913	13,788	12,895	**12,650**
Profit for the year and gain on disposal from discontinued operation	6,390	—	—	—	**—**
Profit for the year	25,180	20,913	13,788	12,895	**12,650**
Continuing operations					
Profit for the year attributable to:					
Owners of the Company	21,650	20,775	15,360	12,694	**10,947**
Non-controlling interests	(2,860)	138	(1,572)	201	**1,703**
	18,790	20,913	13,788	12,895	**12,650**
Discontinued operation					
(Loss)/profit for the year attributable to:					
Owners of the Company	6,390	—	—	—	**—**
Non-controlling interests	—	—	—	—	**—**
	6,390	—	—	—	**—**

Five-year financial summary

	At 31 December				
	2021	2022	2023	2024	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Non-current assets	1,533,875	1,395,489	1,208,189	1,145,615	**1,176,282**
Current assets	150,082	200,515	283,028	161,770	**173,379**
Current liabilities	(442,911)	(439,597)	(384,421)	(293,414)	**323,288**
Net current liabilities	(292,829)	(239,082)	(101,393)	(131,644)	**(149,909)**
Non-current liabilities	(291,871)	(274,841)	(242,039)	(199,682)	**(161,515)**
Total equity	949,175	881,566	864,757	814,289	**864,858**

Note:

(1) The summary above does not form part of the audited consolidated financial statements.