CHU KONG SHIPPING ENTERPRISES (GROUP) COMPANY LIMITED

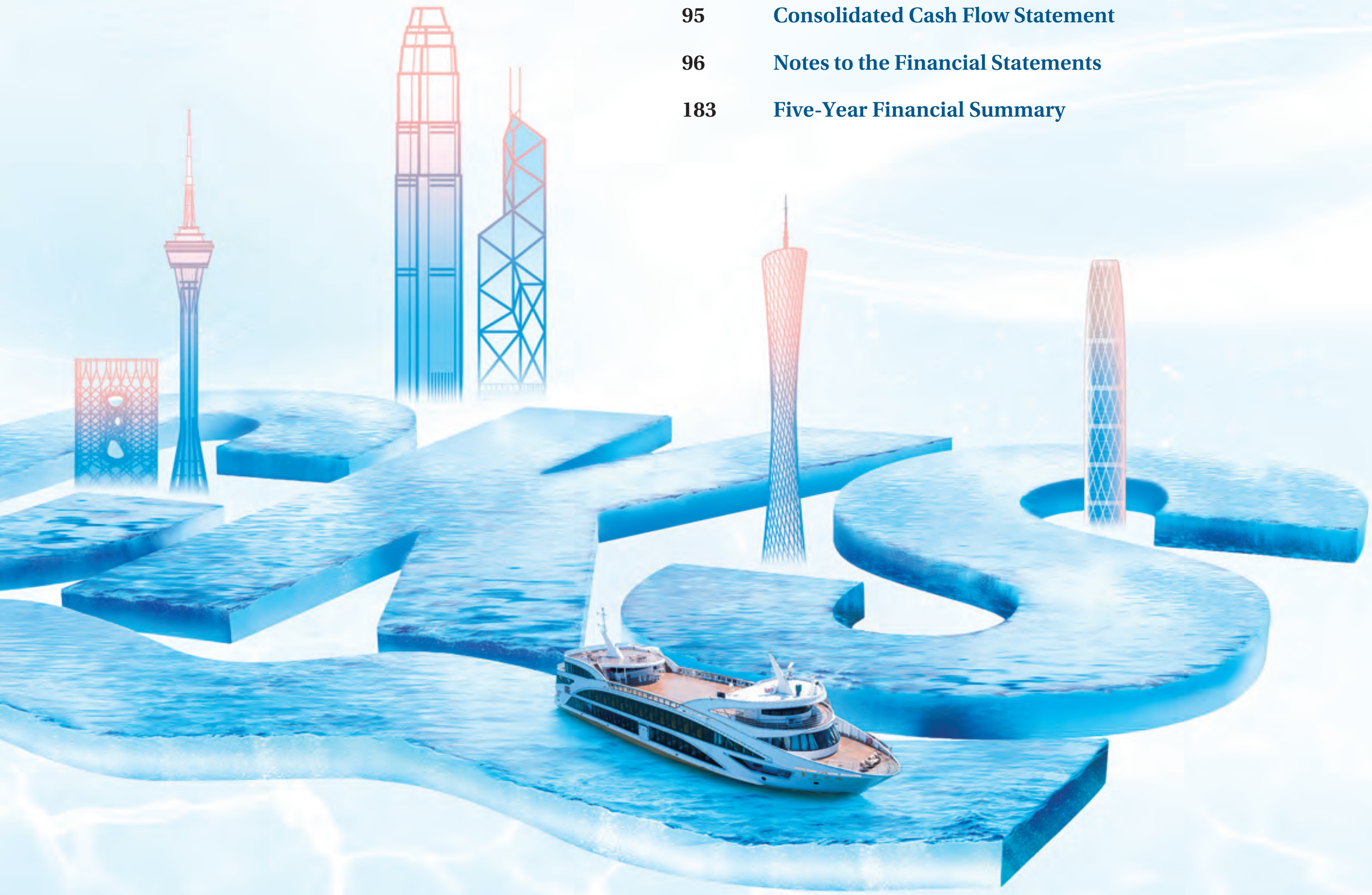
(Incorporated in Hong Kong with limited liability)
Stock Code : 00560

ANNUAL REPORT 2024

Boost Development
Confident

Forge Strategic
Blueprint

Contents



Sail on Friendly Waters to Favour the World

Work Together to Create and Share Good Fortune

By virtue of persistence, grittiness and perception, CKSG is committed to Guangdong-Hong Kong-Macao market, sets sail to new Silk Road and has become one of the largest waterway passenger transportation operators in the world and one of the largest navigation logistics operators in Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**"). In active response to the national initiatives of "Guangdong-Hong Kong-Macao Greater Bay Area" and "Belt and Road", the Company seizes opportunities to build its five platforms for cross-border passenger transportation, Hong Kong transportation, terminal logistics, "Belt and Road" investment and capital operation, so as to accelerate business transformation and upgrading and promote innovation and development, with an aim to develop into an exemplary enterprise in implementing national initiatives, a pioneer in developing the Greater Bay Area and a leader of the terminal navigation industry in the Greater Bay Area. CKSG will jointly create rich fortune, jointly enjoy great achievements and grasp the future with its stakeholders.

Financial Highlights

		2024	2023	Change [Note]
Results				
Revenue	*HK$Million*	**2,716.5**	2,553.8	6.4%
Operating profit	*HK$Million*	**113.5**	130.1	-12.8%
Profit attributable to the equity holders of the Company	*HK$Million*	**117.0**	114.1	2.6%
Operating profit margin	*(%)*	**4.2%**	5.1%	-17.6%
Financial Position				
Total assets	*HK$Million*	**5,505.2**	4,546.3	21.1%
Total liabilities	*HK$Million*	**1,905.5**	1,048.3	81.8%
Total equity	*HK$Million*	**3,599.7**	3,498.0	2.9%
Bank deposits, cash and cash equivalents	*HK$Million*	**845.5**	1,038.8	-18.6%
Current ratio		**1.5**	1.9	-21.1%
Debt ratio	*(%)*	**34.6**	23.1	49.8%

Note: Direct calculations may not be the same due to rounding.

Corporate Information

Executive Directors

Mr. Liu Guanghui *(Chairman)*
Mr. Zhou Jun *(Managing Director)*
Mr. Liu Wuwei

Non-executive Director

Ms. Zhong Yan

Independent Non-executive Directors

Mr. Chan Kay-cheung
Ms. Yau Lai Man
Hon. Rock Chen Chung-nin
Mr. Tang Yi Hoi

Company Secretary

Ms. Cheung Mei Ki Maggie

Executive Committee

Mr. Liu Guanghui *(Chairman)*
Mr. Zhou Jun
Mr. Liu Wuwei

Audit Committee

Mr. Chan Kay-cheung *(Chairman)*
Ms. Yau Lai Man
Mr. Tang Yi Hoi

Nomination Committee

Mr. Liu Guanghui *(Chairman)*
Mr. Chan Kay-cheung
Ms. Yau Lai Man
Hon. Rock Chen Chung-nin
Mr. Tang Yi Hoi

Remuneration Committee

Mr. Tang Yi Hoi *(Chairman)*
Mr. Chan Kay-cheung
Ms. Yau Lai Man
Mr. Liu Guanghui

Auditor

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Principal Banks

Bank of China (Hong Kong)
Nanyang Commercial Bank
Bank of East Asia
HSBC
China Development Bank (Hong Kong Branch)
Bank of Communications
ICBC

Registrar

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

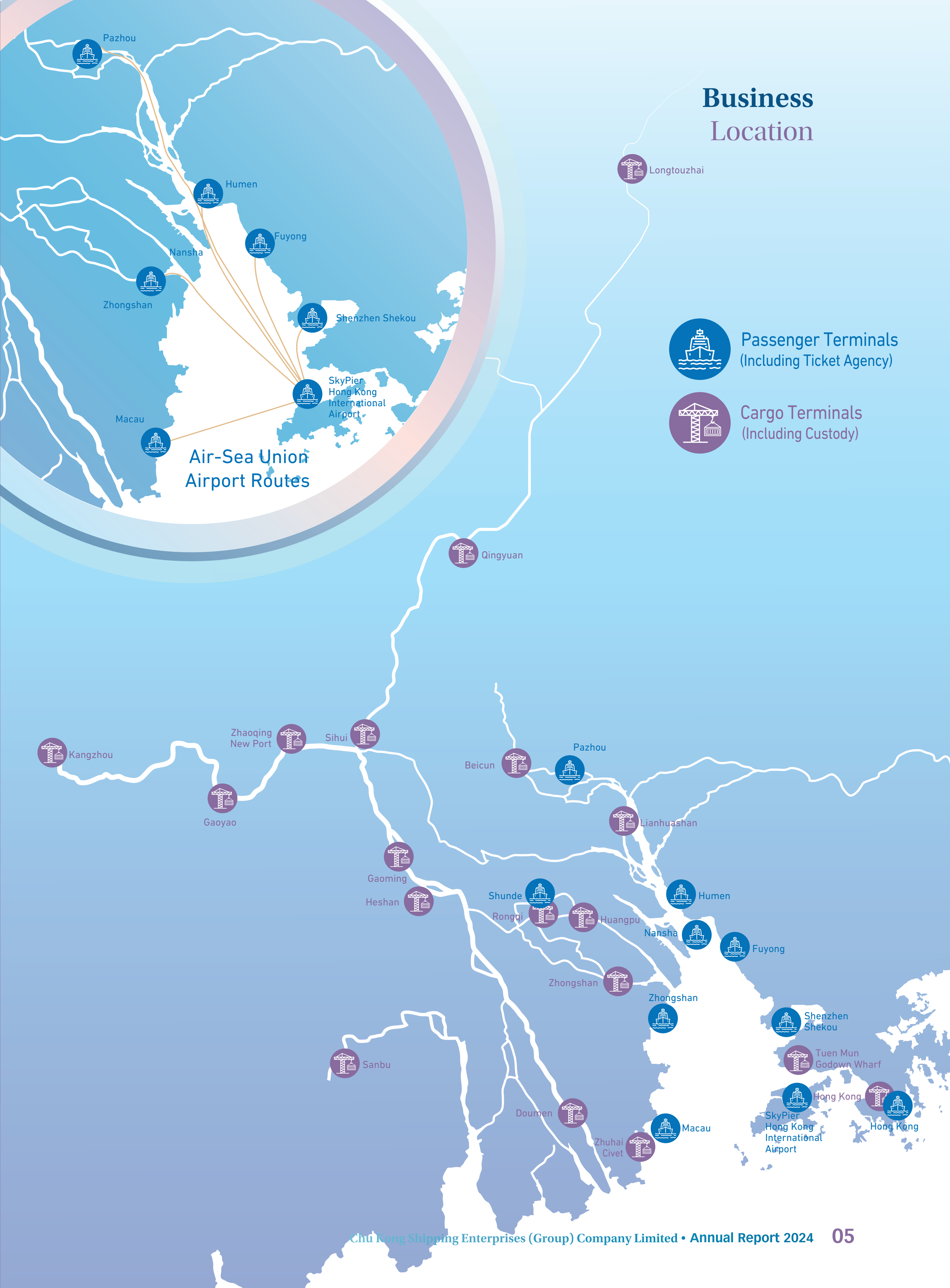
Registered Office

22nd Floor, Chu Kong Shipping Tower
143 Connaught Road Central
Hong Kong

Business Headquarter

24th Floor, Chu Kong Shipping Tower
143 Connaught Road Central
Hong Kong
Tel: (852) 2581 3799
Fax: (852) 2851 0389
Website: www.cksd.com

Business Location



Chairman's Statement

Build Up Five Platforms
Promote Five Growth Drivers

On behalf of the Board of Directors of the Company (the "**Board**"), I hereby present the annual results of Chu Kong Shipping Enterprises (Group) Company Limited (the "**Company**") and its subsidiaries (the "**Group**") for the year ended 31 December 2024 to the shareholders of the Company (the "**Shareholders**"). The Group recorded a consolidated revenue of HK$2,716,471,000 (2023: HK$2,553,835,000), representing an increase of 6.4% as compared with last year, profit attributable to the Shareholders amounted to HK$117,027,000 (2023: HK$114,069,000), representing an increase of 2.6% as compared with last year.

REVIEW

In 2024, the Group has strived to seize the opportunities arising from the synergistic development of the Greater Bay Area, continued to cultivate the core business areas, committed to creating greater value for the investors. In the freight transportation logistics sector, the Group has actively promoted business transformation and upgrading by extending its industrial chain and exploring market opportunities. Gradually, it will develop a modern logistics service system covering terminal logistics, warehousing logistics, integrated logistics, cross-border e-commerce and air freight logistics, thereby continuously enhancing its market competitiveness. In the passenger transportation industry, benefiting from the recovery of the regional economy and the rebound in the demand for cross-border travel, the Group has optimised its route layout, innovated its service model and enhanced its operational efficiency, which have not only strengthened the transportation interconnectivity within the Greater Bay Area but also catalysed a recovery in the waterway passenger transportation. Regarding green innovation, the Group has introduced 10 liquefied natural gas ("**LNG**") multipurpose vessels, contributing to the advancement of Hong Kong's sustainable energy initiatives. In addition to deepening its presence in the Hong Kong market, the Group has been actively fostering diversified profit growth opportunities through innovative business models, integration of advantageous resources and other strategic initiatives, thereby injecting new driving force into the Group's sustainable development.

Promoting innovation and transformation of logistics business to facilitate a high-quality development of the Group. In 2024, the Group consistently advanced the construction of key projects, achieving notable progress across its core business areas, demonstrating good development momentum. Grasping the opportunities from Hong Kong's infrastructure development, the Group successfully undertook a large-scale material supply logistics and transportation project at the Hong Kong International Airport, as well as a local steel logistics project. We integrated internal resources to cultivate the engineering logistics market in the Greater Bay Area, contributing to the steady enhancement of its engineering logistics business. Meanwhile, through innovative marketing mechanisms and the establishment of a high-quality professional freight cargo team, the Group significantly improved the gross profit of the freight cargo logistics business, further strengthening its market competitiveness. By fully leveraging the resource advantages of Tuen Mun Godown Wharf resources in Hong Kong, the Group launched a joint operation for the loading and unloading of new energy vehicles, and expanded to undertake a wide range of entire transportation projects for the export of various branded new energy vehicle parts, further enhancing the synergies across its business segments. In addition, the Group successfully secured the tender for the China-Laos railway transportation project and completed the cross-border railway transportation support tasks with exceptional quality. With significant breakthroughs and industrial chains extension and expansion, the Group's overall logistics business has gained strong momentum, driving its future development.

Integrating passenger transportation resources and optimising platform efficiency. The Group continuously improved the layout of cross-border routes, resumed and optimised the routes of Hong Kong airport and urban areas, and successfully launched the new Zhongshan passenger terminal. Meanwhile, the Group continued to innovate marketing and promotion strategies by exploring the "Passenger Transportation+" sales model to enhance service quality and brand recognition effectively. Moreover, the Group continued its integration into the Hong Kong International Airport ecosystem by successfully renewing multiple customer services operation projects at the Hong Kong International Airport, further consolidating its leading position in the Hong

Kong International Airport service sector. The Group continued to enhance local ferry business in Hong Kong by introducing six new ferries throughout the year, delivering an improved travel experience and better services quality for passengers. Besides, waterway passenger transportation resources were effectively integrated, further demonstrating the efficiency and benefits of the Group's unified platform management.

Enhancing synergies and deepening market presence in Hong Kong. In the oil bunkering sector, the business successfully transitioned to high-value-added lubricants, becoming the largest marine lubricant supply chain service provider in Hong Kong and further reinforcing its industry leadership. The water cultural tourism business leveraged differentiated operations on routes such as the "Oriental Pearl" to effectively cater to diverse consumer segments and enhance market competitiveness. In the meantime, the Group collaborated with airline companies in Hong Kong to launch the first-ever live-streaming event aboard "Victory Harbour Cruise", pioneering an innovative marketing model. Throughout the year, synergies among business segments were significantly enhanced, underscoring the Group's strategic advantages and laying a solid foundation for sustained growth in the Hong Kong market.

While efficiently promoting several key projects, the Group has maintained close alignment with the strategic direction of large-scale development, leveraging the unique advantages of "Attribute of Hong Kong's Terminal Navigation Industry and Attribute of Hong Kong and Macao Area". By proactively addressing different challenges, the Group has seized national and regional strategic opportunities. Through reform and innovation, the Group has driven transformation and upgrading, advanced key projects to build development momentum, enhanced operational efficiency by resource integration, and fueled the breakthrough in its core terminal navigation business using technological innovation. Committed to achieving a balance among environmental, social, and economic benefits, the Group continued to make steady progress toward high-quality corporate development. In recognition of the Group's outstanding Environmental, Social, and Governance ("**ESG**") management this year, it was honored with the "Best ESG Practice Award" at the Hong Kong International ESG Annual Awards Ceremony, further highlighting its leadership in sustainable development and corporate social responsibility.

OUTLOOK

In 2025, the Group will maintain strategic resilience in response to market dynamics, aligning closely with national strategic priorities and regional development opportunities. Guided by the targets of "seeking progress while ensuring stability, expanding scale, driving innovation, and pursuing global expansion", the Group will fully leverage the unique advantages of Hong Kong and Macao, strengthen its core business in Hong Kong, and accelerate its strategic expansion along the "Belt and Road" initiative. By deepening the "industry + investment" dual-core strategy, enhancing regional synergies, and optimising global resource allocation, the Group aims to establish a new development model that emphasising quality and efficiency as well as promoting scale and value, driving the Group toward new heights of success.

Building a specialised logistics platform for core business development. By integrating resources, the Group will establish a dedicated business division to actively expand entire transportation and comprehensive logistic supply chain services. Leveraging the existing warehouses as strategic hubs, the Group aims to develop a logistics network within industrial parks across the Greater Bay Area. The Group's strategy will focus on strengthening warehousing and logistics by constructing an integrated platform consolidated with specialised logistics parks and centers. Through the innovation of the "unification of warehouse and terminal" model, the Group will enhance synergies across the upstream and downstream industrial chains. In addition, we will seize the infrastructure development opportunities in the Greater Bay Area, actively engage in cross-border engineering logistics projects, and delve into the potential of engineering logistic market. By establishing a regional terminal-centered domestic trading logistics network, the Group will further enhance its market competitiveness and regional influence.

Expanding global presence along the "Belt and Road" initiative. The Group is committed to accelerating its strategic expansion in Southeast Asia and the Middle East, focusing on strengthening investment, mergers and acquisitions while enhancing overseas logistics infrastructure. By developing overseas warehouses and logistics support systems along the "Belt and Road" initiative, the Group will seize international investment opportunities, deepen overseas business development, and intensify the progress of internationalisation. Steadily expanding overseas strategic growth points, the Group aims to enhance regional competitiveness along the "Belt and Road" initiative.

Coordinating terminal resources for greater efficiency and synergies. To strengthen the terminal navigation operations, the Group will expand its presence in the Pearl River Delta and northern Guangdong, further enhancing its core shipping and terminal navigation activities. The Group will leverage the strategic integration of inland river terminal and shipping resources within Guangdong Province, and adopt diverse approaches including diversified modern management methods and innovative business model. These efforts will improve resource efficiency, enhance coordination between ports, and reinforce control over core assets, ultimately increasing market competitiveness and operational synergies.

Optimising the integration of cross-border passenger transportation for nurturing a new business model. The Group will refine its cross-border passenger transportation network, prioritising key routes such as the Pazhou Airport Line and Nansha City Line, while ensuring a smooth transition of Zhongshan passenger terminal operations following its relocation. Efforts will be made to optimise the route efficiency, integrate seamlessly into the airport logistics ecosystem, and expand transportation services to Southeast Asian islands. By fostering new strategic business models in international passenger transport, the Group aims to drive strategic breakthroughs and unlock new opportunities for long-term growth.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my heartfelt thanks to all of our investors and partners who have shown tremendous support to the Group, as well as to our management and staff who have worked hard to strive toward better results for the Group. We will "**strengthen confidence in development and strategically plan the layout**", strive to create value for Shareholders, and make further contributions to the prosperity of the Greater Bay Area economy.

Liu Guanghui
Chairman

Hong Kong, 25 March 2025

Report of
the Directors

Committed to Great Bay Area
Set Sail for New Silk Road

Report of the Directors

The directors of the Company (the "**Directors**") are pleased to present Report of the Directors together with the audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL OPERATIONS ANALYSIS

The Company is principally engaged in investment holding, focusing mainly on terminal logistics, waterway passenger transportation, and fuel supply business. The Group establishes its terminal logistics business based on a number of cargo terminal enterprises in Guangdong and Hong Kong, which forms a complete supply chain of terminal logistics including the Guangdong-Hong Kong freight solicitation, feeder transportation, vessel agency, wharf handling, warehousing and storage services in Guangdong and Hong Kong. Another major business of the Group, the waterway passenger transportation based in Guangdong, Hong Kong and Macao, has developed into the largest operation network of waterway passenger transportation in the region. The Group also operates five inner harbour and outlying island ferry routes in Hong Kong and develops the Victoria Harbour water cultural tourism projects simultaneously. The fuel supply business of the Group mainly covers the provision of diesel and lubricants for passenger ferries and cargo vessels, and other businesses of the Group include the provision of operation and management of facilities maintenance services for properties in Macao.

There were no significant changes in the principal activities of the Group during the year.

An analysis of the Group's performance for the year by operating segments and geographical locations is set out in note 5 to the financial statements.

BUSINESS REVIEW

For the year ended 31 December 2024, the Group recorded a consolidated revenue of HK$2,716,471,000 representing an increase of 6.4% over the same period last year. Profit for the year amounted to HK$125,680,000, representing an increase of 2.5% over the same period last year. Profit attributable to the Shareholders amounted to HK$117,027,000, representing an increase of 2.6% over the same period last year.

In 2024, the global economic recovery remained sluggish, and both international and domestic economic development continued to face highly complex circumstances. The international port and shipping industry was impacted by geopolitical tensions and regional conflicts, leading to a further year-on-year decline in Hong Kong's container throughput. The Group actively navigated multiple challenges, seizing national and regional strategic development opportunities and driving transformation and upgrading through reform and innovation.

Regarding the cargoes transportation sector, impacted by the sluggish transportation and logistics environment, some of the Group's business volumes declined. During the year, container transportation volume reached 1,324,000 TEU, representing a year-on-year increase of 0.2%. Break bulk cargoes transportation volume amounted to 860,000 tons, representing a year-on-year decrease of 24.8%. In cargo handling business, container handling volume reached 1,036,000 TEU, representing a year-on-year decrease of 5.4%, while break bulk cargo handling volume increased by 10.8% year-on-year to 9,935,000 tons. Container hauling and trucking volume reached 174,000 TEU, representing a year-on-year decrease of 5.4%.

Regarding the passenger transportation business, benefiting from continuous new media promotions, dynamic pricing sales among other marketing initiatives, the cross-border waterway passenger routes of the Group has continued to recover. Influenced by factors such as the increasing trend of Hong Kong residents travelling north for consumption, the local ferry business has faced a reduction in number of passengers. During the year, the total number of passengers for agency services was 1,697,000, representing a year-on-year increase of 15.0%. The number of passengers for terminal services was 1,162,000, representing a year-on-year increase of 21.9%. The number of passengers for local ferry service was 11,372,000, representing a year-on-year decrease of 7.3%.

I. Terminal Navigation Logistics Business

1. Cargo Transportation Business

Business Operation Indicators

Performance statistics of our major business operation indicators are as follows:

	For the year ended 31 December		
Indicators	**2024**	2023	Change
Container transportation volume (TEU)	**1,324,000**	1,321,000	0.2%
Break bulk cargoes transportation volume (revenue tons)	**860,000**	1,143,000	-24.8%
Volume of container hauling and trucking on land (TEU)	**174,000**	184,000	-5.4%

Subsidiaries

During the year, Hong Kong's transportation and logistics sector remained sluggish, with port throughput continuing to decline. Additionally, the opening of the Shenzhen-Zhongshan Link posed unprecedented challenges to the Group's traditional cargoes transportation business. Chu Kong Transhipment & Logistics Company Limited ("**CKTL**") strives to optimise the structure of traditional businesses, accelerate business transformation and upgrading, and actively expand new business ventures to mitigate the impact of the decline in traditional business volume. During the year, the volume of container transportation for the year recorded 1,324,000 TEU, representing a year-on-year increase of 0.2%. The volume of break bulk cargoes transportation for the year recorded 860,000 tons, representing a year-on-year decrease of 24.8%. The volume of container hauling and trucking on land for the year recorded 174,000 TEU, representing a year-on-year decrease of 5.4%.

CKTL is actively enhancing its resource allocation capabilities, integrating its domestic and international freight agency network resources, and accelerating its transformation into a comprehensive logistics operator. In terms of e-commerce, CKTL successfully secured a contract for a major e-commerce company's supply chain logistics project in Southeast Asia, providing customers with warehousing, transportation, and delivery services from China to Thailand and Malaysia. In the construction logistics sector, it has successfully advanced projects such as the supply of filling materials for the Hong Kong International Airport North Runway reconstruction and the supply of backfill and paving materials for the Third Runway. In the new cargoes transportation sector, CKTL has undertaken end-to-end transportation services for renowned new energy vehicles and their components from China to Singapore and Thailand. Looking ahead, CKTL plans to actively participate in major construction projects in Hong Kong and Macao, strengthen its cross-border e-commerce logistics business, diversify into new energy vehicle logistics, and explore new profit growth opportunities.

2. Cargo Handling and Storage Business

Business Operation Indicators

Performance statistics of our major business operation indicators are as follows:

	For the year ended 31 December		
Indicators	**2024**	2023	Change
Container handling volume (TEU)	**1,036,000**	1,095,000	-5.4%
Break bulk cargoes handling volume (revenue tons)	**9,935,000**	8,966,000	10.8%

Subsidiaries

During the year, due to the slow recovery of global trade activity and weak consumer confidence, the Group's container handling volume declined. However, its subsidiaries actively sought new business opportunities, focusing on the break bulk cargoes transportation market, which saw a significant increase in volume. During the year, the container handling volume was 1,036,000 TEU, representing a year-on-year decrease of 5.4%, while the break bulk cargoes handling volume during the year was 9,935,000 tons, representing a year-on-year increase of 10.8%.

Major business operation indicators by region are as follows:

	For the year ended 31 December					
	Container handling volume (TEU)			Break bulk cargoes handling volume (revenue tons)		
Region	**2024**	2023	Change	**2024**	2023	Change
Zhaoqing	**199,000**	201,000	-1.0%	**7,896,000**	6,282,000	25.7%
Foshan	**235,000**	275,000	-14.5%	**44,000**	38,000	15.8%
Qingyuan	**111,000**	123,000	-9.8%	**405,000**	473,000	-14.4%
Zhuhai	**184,000**	196,000	-6.1%	**101,000**	149,000	-32.2%
Zhongshan	**63,000**	38,000	65.8%	**907,000**	1,292,000	-29.8%
Hong Kong	**243,000**	262,000	-7.3%	**582,000**	732,000	-20.5%

The Zhaoqing region continued to deepen regional integration reforms, attract high-quality customers, and strengthen cooperation across the supply chain. With a strong focus on comprehensive logistics development, container handling volume remained stable, while break bulk cargoes handling volume saw significant growth. During the year, the container handling volume recorded 199,000 TEU, representing a year-on-year decrease of 1.0%. The break bulk cargoes handling volume recorded 7,896,000 tons, representing a year-on-year increase of 25.7%. Kangzhou Port has been developed into a specialised terminal for handling construction materials, leading to a noticeable increase in break bulk cargoes handling volume. Meanwhile, Zhaoqing New Port has partnered with barge and construction material companies to expand its construction logistics market and break bulk cargoes handling business, continuously diversifying its cargo sources.

Gaoming Port in Foshan region achieved a container handling volume of 235,000 TEU, representing a year-on-year decrease of 14.5%, and a break bulk cargoes handling volume of 44,000 tons, representing a year-on-year increase of 15.8%. During the year, affected by fluctuations in shipping prices and intensified competition from surrounding terminals, Gaoming Port has experienced a significant decline in container handling volume. In response to these challenges, Gaoming Port has flexibly adjusted its business strategy to enhance market competitiveness. Gaoming Port has strengthened its cooperation with shipping companies and freight forwarders, actively attracting customers in the machinery and home appliance industries. Additionally, it has expanded into new construction logistics markets, offering customised services across various logistics stages, including land transportation, loading and unloading processes and customs declaration. These efforts have successfully secured new cargo sources, such as large bridge pier collision protection components and prefabricated cement products.

During the year, the container handling volume at Qingyuan Port in Qingyuan region recorded 111,000 TEU, representing a year-on-year decrease of 9.8%. The break bulk cargoes handling volume was 405,000 tons, representing a year-on-year decrease of 14.4%. In the first half of 2024, the northern Guangdong region was affected by extreme weather, leading to multiple navigational restrictions on the Beijiang waterway. As a result, some cargoes from Qingyuan Port was diverted to other terminals, causing a significant decline in both container handling volume and break bulk cargoes handling volume. However, Qingyuan Port mitigated the impact of competition from other terminals by providing high-quality services, successfully retaining key customers. Additionally, by strengthening cooperation with shipping companies and freight forwarders, Qingyuan Port attracted some ceramic industry clients back, leading to a substantial increase in ceramic export volumes.

The overall container handling volume in the Zhuhai region recorded 184,000 TEU, representing a year-on-year decrease of 6.1%; break bulk cargoes handling volume recorded 101,000 tons, representing a year-on-year decrease of 32.2%. Due to the relocation of key customers' production capacity and the diversion of export business to surrounding ports, the business volume in the Zhuhai region has declined significantly. In response to the challenging external environment, Doumen Port implemented various cost-cutting measures with remarkable results. It also established a temporary loading and unloading area for construction materials, expanding break bulk cargo sources such as gravel and cement, and successfully advancing construction logistics projects. Meanwhile, Civet Port continuously optimised operational processes and improved customs clearance efficiency, effectively countering competition. As a result, its e-commerce export business has developed well.

The overall container handling volume of Zhongshan Huangpu Port of Zhongshan region recorded 63,000 TEU throughout the year, representing a year-on-year increase of 65.8%, while break bulk cargo handling volume reached 907,000 tons, representing a year-on-year decrease of 29.8%. Zhongshan Huangpu Port actively enhanced services for key customers to strengthen customer retention, ensuring a stable supply of containers for major clients. It also deepened cooperation with major ports such as Shekou and Yantian, further diversifying shipping routes and securing new cargo sources, which led to a significant increase in container handling volume. However, due to a reduction in cargo sources such as steel structures and gravel, break bulk cargo handling volume declined significantly. To mitigate this downturn, the port actively explored new break bulk cargo sources, including cassava chips, bridge cement components, stainless steel fittings and Modular Integrated Construction ("**MIC**") materials.

Throughout the year, the business volume in the Hong Kong region declined significantly due to the continued downturn in Hong Kong's transportation and logistics industry. The terminals in the Hong Kong region recorded 243,000 TEU of container handling volume, representing a year-on-year decrease of 7.3%. The break bulk cargoes handling volume recorded 582,000 tons, representing a year-on-year decrease of 20.5%. During the year, CKTL leveraged the new berths and the leased old yard facilities at the Tuen Mun Godown Wharf to diversify its business and transition into a comprehensive logistics operator. CKTL successfully expanded into steel and new energy vehicle handling, provided temperature-controlled, bonded, and e-commerce warehousing services for duty-free retailers, and offered warehousing, garment sorting, and material management solutions for internationally renowned fashion brands. Additionally, it actively developed its air cargo logistics business, achieving growth in the export of computer servers and drones via air freight.

On 15 October 2024, Chu Kong River Trade Terminal Company Limited ("**CKRTT**", a non-wholly owned subsidiary of the Company) entered into a capital increase and shares subscription agreement with Kaiping City Investment Group Co., Ltd. and Kaiping City Industrial Investment Freight and Port Co., Ltd. ("**Kaiping Industrial**"). According to the agreement, CKRTT subscribed 51% of the equity interest in Kaiping Industrial for a consideration of RMB114,600,800. The shares subscription was completed in October 2024, and immediately after the completion, Kaiping Industrial become a direct non-wholly owned subsidiary of CKRTT. The financial information of Kaiping Industrial has been consolidated into the Group's consolidated financial statements of the Group since October 2024.

On 6 December 2024, CKRTT and Guangdong Nanhai Foodstuffs Import & Export Co., Ltd. ("**Nanhai Foodstuffs**") entered into an equity transfer agreement. According to the agreement, CKRTT purchased 50% equity interest in Chu Kong Cargo Terminals (Beicun) Co., Ltd. ("**Beicun Terminal**", a joint venture in which CKRTT held 50% of its equity shares) for a consideration of RMB1,417,104.18. The equity transfer has not yet been completed and immediately after the completion, Beicun Terminal will become a direct wholly-owned subsidiary of CKRTT.

Joint Ventures and Associates

Sanbu Port successfully introduced container handling business for beverages and bulk grains, mitigating the impact of the decline in construction materials cargo. While maintaining stable break bulk grain shipments from existing customers, the port also expanded its break bulk cargo business by securing new sources such as gravel, chemical stone, coal and petroleum by-products, leading to year-on-year growth in break bulk cargo handling volume. Heshan Port intensified its marketing efforts and tapped into the potential of its existing customers. As a result, a significant volume of steel and coil cargo was redirected to Heshan Port for handling, driving another substantial increase in bulk cargo volume. Meanwhile, Beicun Port experienced a significant decline in business volume due to surging rice prices caused by global geopolitical instability and stricter local customs regulations, leading to a sharp drop in rice imports. In response, Beicun Port focused on optimising the customs clearance process and successfully expanded its import and export business for electrical appliances, food products and machinery from surrounding enterprises, and lowered overall logistical cost via its integration with CKTL. It successfully undertook construction logistics projects, including railway track accessories for the mass transit railway in Hong Kong, municipal dredging vessels, reclamation project steel pipes and municipal pipeline materials, actively supporting Hong Kong's infrastructure projects. Separately, Foshan New Port Ltd. ceased operations due to the expropriation of its terminal land and buildings and was fully liquidated and closed within the year.

II. Passenger Transportation Business

Business Operation Indicators

Performance statistics of the major business operation indicators are as follows:

	For the year ended 31 December Number of Passengers (in thousands)		
Indicators	**2024**	2023	change
Number of passengers for agency services	**1,697**	1,476	15.0%
Number of passengers for terminal services	**1,162**	953	21.9%
Number of passengers for local ferry transportation	**11,372**	12,269	-7.3%

Subsidiaries

The Group's cross-border waterway passenger transportation business has gradually recovered, with a significant increase in business volume compared to last year. However, it has yet to return to pre-pandemic levels. During the year, the total number of passengers for agency services of Chu Kong Passenger Transport Company Limited ("**CKPT**") was 1,697,000, representing a year-on-year increase of 15.0%, while the number of passengers for terminal services was 1,162,000, representing a year-on-year increase of 21.9%.

Regarding urban routes, there were seven routes in operations during the year: five round-trip routes connecting Zhongshan, Nansha, Shenzhen Airport, Shunde and Pazhou to the China Ferry Terminal, and two round-trip routes connecting Shekou and Pazhou to the Hong Kong-Macau Ferry Terminal. Over the year, these routes transported 1,021,000 passengers, remaining largely unchanged from the previous year. Regarding airport routes, there are 6 routes currently in operation, linking Zhongshan, Shekou, Humen, Pazhou, Shenzhen Airport and Nansha. These routes handled 676,000 passengers over the year, representing a year-on-year increase of 47.5%. With the continued development of the integrated transportation system in the Greater Bay Area, most cross-border waterway passenger transportation routes were suspended for an extended period during the pandemic, except for the Shekou to the Hong Kong International Airport route. This shift altered public travel habits, making it difficult for cross-border water passenger transportation volumes to recover to pre-pandemic levels in the short term.

CKPT continued to deepen its Hong Kong airport strategy, successfully renewing contracts for the self-service baggage check-in service project and the SkyPier Transit Terminal operation project at the Hong Kong International Airport. Additionally, it won the bid for the SkyPier Bus passenger baggage handling project. CKPT has continuously utilised new media to release promotional videos and has hosted multiple live streaming events, successfully expanding ticket sales and route promotion channels.

Regarding local ferry services, due to the surge in Hong Kong residents travelling to the PRC for consumption and the impact of severe weather, the Group's local ferry passenger volume reached 11,372,000 passengers, representing a year-on-year decrease of 7.3%. To attract more travellers, Sun Ferry Services Company Limited ("**Sun Ferry**") collaborated with online travel platforms and tourism businesses in Cheung Chau. Throughout the year, Sun Ferry successfully put six new ferries into operation, while gradually phasing out older ferries to optimise its fleet structure. Additionally, Sun Ferry continued to diversify non-ticket revenue streams through terminal space leasing, advertising space rentals, ferry leasing and passenger value-added services.

Regarding water cultural tourism business, Oriental Pearl Cruise Company Limited ("**Oriental Pearl**") continued to enhance service quality and business innovation, leading to a significant increase in passenger volume. Over the year, the total number of passengers reached 116,000, reflecting a year-on-year increase of 112.8%. Since 16 April 2024, Oriental Pearl has begun its operation primarily from Central Pier No. 8, while also establishing a new ticketing point at the western end of the Avenue of Stars, effectively boosting brand visibility; offering a semi-buffet, a sea-view bar, and live band performances on the third deck, greatly increasing the cruise's appeal; and providing expanded charter services, premium tourism services and providing personalised experiences tailored to client needs, which received positive market feedback.

Joint Ventures and Associates

Benefiting from the continued recovery of air traffic at the Hong Kong International Airport, the number of passengers of SkyPier (operated by Hong Kong International Airport Ferry Terminal Services Limited) amounted to 676,000, representing a year-on-year increase of 47.5%. Affected by the Shenzhen-Zhongshan Link, the passenger transportation volume of the urban routes operated by Zhongshan-Hong Kong Passenger Shipping Co-op Co., Ltd. amounted to 567,000, representing a year-on-year decrease of 5.4%, while the passenger transportation volume of the airport ferry routes amounted to 93,000, representing a year-on-year increase of 59.0%. To manage peak holiday traffic, Foshan Shunde Shungang Passenger Transportation Co-op Co., Ltd. added extra sailings on selected holidays, leading to a significant increase in passenger volume. The passenger transportation volume served for the urban routes during the year amounted to 147,000, representing a year-on-year increase of 33.3%.

During the year, the shuttle bus business volume for the Hong Kong-Zhuhai-Macao Bridge which is jointly operated by Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd., an associate of the Group increased significantly, it achieved a passenger volume of 19,576,000 passengers during the year, representing a significant year-on-year increase of 13.9%.

III. Fuel Supply Business

As to the fuel supply business, Sun Kong Petroleum Company Limited ("**Sun Kong Petroleum**") continued to expand its business channels and diversify its offerings. With the full resumption of cross-border waterway passenger transportation services, diesel sales saw significant growth. Over the year, diesel sales reached 93,000 tons, representing a year-on-year increase of 16.0%. Sun Kong Petroleum successfully negotiated better diesel prices with suppliers, leveraging its low-cost advantage to significantly increase sales to external customers of the Group. Additionally, the company continued to provide marine oil bunkering services for certain vessels of the HKSAR Government, earning high recognition for its service quality.

IV. Corporate and Other Businesses

As to the corporate and other businesses, Chu Ou Engineering and Technologies Company Limited ("**Chu Ou Engineering**"), whose main business is maintenance and repair of property facilities, focused on the operations and safety management of Sands Corporation water supply pipeline project during the year, which continued to be profitable. Looking forward, Chu Ou Engineering will continue to give full play to its technological advantages, on the basis of strengthening its existing business, it will pay close attention to the bidding projects of various government departments and enterprises in Macao, actively explore new long-term and stable projects, strive to strengthen the core competitiveness. Meanwhile, it will strictly control its costs and ensure workplace safety and fire prevention measures.

On 24 May 2024, the Company separately entered into equity transfer agreements with Guangzhou Fucheng Transportation Technology Co., Ltd. ("**Fucheng Technology**") and Guangzhou Huiteng Transportation Technology Co., Ltd. ("**Huiteng Technology**"). According to each agreement, the Company purchased 15% of the equity interest in Guangdong Digital Port & Shipping Technology Co., Ltd. ("**Digital Port and Shipping**", a non-wholly owned subsidiary of the Company in which the Company held 70% of its equity shares) for a consideration of RMB950,000 (a total of RMB1,900,000) each (a total of 30% equity interest in Digital Port & Shipping) from the sellers. The equity transfer was completed in July 2024, and immediately after the completion, Digital Port & Shipping became a direct wholly-owned subsidiary of the Company.

During the year, the businesses of other subsidiaries, joint ventures and associates of the Group progressed well.

CORPORATE STRATEGIES AND PROSPECTS

Focused on the objective of becoming a first-class waterway public transportation service provider and a first-class full scope logistics services provider in the Greater Bay Area, the Group will strengthen the linkage between cargo terminals and navigation, integrate the advantages of resources, promote innovation and development in terminals; extend the industry chain, tap into market potential, optimise strategic layout of integrated logistics; cultivate core routes, establish cultural tourism brands, facilitate the transformation and upgrading of waterway passenger transportation. Moreover, the Group will actively seize opportunities for mergers and acquisitions and carry out core projects with an aim to improve the overall profitability of the Group.

In 2025, the Group will maintain strategic resilience in response to market dynamics, aligning closely with national strategic priorities and regional development opportunities. Guided by the targets of "seeking progress while ensuring stability, expanding scale, driving innovation, and pursuing global expansion", the Group will fully leverage the unique advantages of Hong Kong and Macao, strengthen its core business in Hong Kong, and accelerate its strategic expansion along the "Belt and Road" initiative. By deepening the "industry + investment" dual-core strategy, enhancing regional synergies, and optimising global resource allocation, the Group aims to establish a new development model that emphasising quality and efficiency as well as promoting scale and value, driving the Group toward new heights of success. The Board and the management are optimistic about the future development of the Group in long term, and are committed to preparing for the opportunities and challenges that lie ahead in the coming year.

ENVIRONMENT, SOCIAL AND GOVERNANCE

In accordance with the requirement of "Environmental, Social and Governance Reporting Guidelines" ("**ESG Guidelines**") set out in Appendix C2 under the Rules Governing the Listing of Securities (the "**Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), the Group issues Environmental, Social and Governance Report on an annual basis to disclose our sustainability performance and related information to stakeholders. This section highlights the Group's policies and performance in relation to Environmental, Social and Governance ("**ESG**") for the year ended as at 31 December 2024. For further details, implementation measures and outcomes, please refer to the Environmental, Social and Governance Report 2024 separately released by the Group.

The Group firmly understands that practicing the concept of sustainable development is an inherent corporate responsibility. While strictly adhering to the internal compliance framework, the Group implements comprehensive sustainable development initiatives to promote environmental and social progress. At the same time, the Group closely aligns with the national vision for high-quality development, proactively embracing a new development model centered on "innovation, coordination, green, openness, and sharing". The Group continuously advances its green transformation, striving to achieve an optimal balance between economic benefits and social value.

As one of the largest cross-border waterway passenger transportation and freight transportation operators in the Greater Bay Area, the Group has been committed to contributing to the sustainable development of the industry for many years. During the year, the Group's outstanding performance in the ESG field earned the Group the "Best ESG Practice Award" in the 2024 Hong Kong International ESG Ranking. In addition, various subsidiaries of the Group also received multiple significant recognitions in the ESG domain, fully reflecting the industry's high regard for the Group's sustainable development practices.

Active implementation of energy conservation and carbon reduction measures to uphold the concept of green development

In recent years, the PRC's green and low-carbon development of ports has continuously improved. Under the guidance of the PRC's "dual carbon" strategy, the port industry has actively promoted measures such as optimising the energy structure, electrifying equipment, and developing smart ports, ushering in a new phase of green port development. During the year, the Group made solid and effective progress in building smart terminals, upgrading old equipment for energy efficiency, and advancing green shipbuilding technology. Among these efforts, subsidiaries operating cargo terminals of the Group have introduced electric cranes and forklifts, while gradually replacing employee dormitories, canteens, and other facilities with electric-powered equipment. Most terminals are now equipped with shore power facilities, enabling docked vessels to use electricity. Additionally, fleet of the Group has been gradually incorporating hybrid, electric and LNG-powered vessels. Since 2016, the Group has been using carbon fibre high-speed ferries. Compared to high-speed ferries made of metal materials, carbon fibre ferries significantly reduce energy consumption and emissions, offering clear advantages in green, low-carbon and energy-saving initiatives.

At managerial level, the Group has established a systematic management framework covering various aspects, including air pollutant and greenhouse gas emissions, hazardous and non-hazardous waste management, energy efficiency, and water resource utilisation. During the year, the Group further explored and refined our annual environmental goals and action plans. The Group also set quantitative targets for reducing greenhouse gas emissions (Scope 1 and Scope 2) and sulphur oxide emissions, ensuring the effective implementation of environmental management measures. In our daily operations, we strictly comply with relevant environmental protection laws and regulations that have a significant impact on the Group. Based on domestic and international environmental laws, regulations and industry standards, we have developed internal environmental compliance policies, such as the "Ecological Environmental Protection Supervision and Administration Measures" (《生態環境保護監督管理辦法》) and the "General Emergency Management Protocol" (《突發事件總體應急預案》), to ensure full adherence to environmental requirements. We also regularly conduct environmental training and awareness campaigns for employees to enhance their knowledge and professional skills in environmental protection and sustainable

Active response towards climate change

The world is facing significant challenges brought by climate change, including the increasing frequency of extreme weather events, ecological imbalances, and rapidly shifting market trends driven by national climate policies. Climate risks have become an unavoidable systemic challenge in the process of corporate sustainable development. For the passenger and freight transportation industry, extreme weather events not only directly impact transportation safety and service reliability but also trigger a chain reaction, leading to infrastructure damage and rising operational costs. Meanwhile, the global push for "dual carbon" goals is accelerating the industry's transition toward low-carbon and intelligent solutions under growing pressure for energy transformation.

During the year, the Group actively responded to global climate governance initiatives. The Group systematically identified, assessed and managed climate-related risks by referring to frameworks such as the "Environmental, Social and Governance Reporting Code" of the Hong Kong Stock Exchange and the "International Financial Reporting Standards Sustainability Disclosure S2 - Climate-related Disclosures". Through analysis, we identified three key risks and opportunities of high importance: 1. the adverse impacts of increasingly frequent of extreme weather events; 2. the transition to renewable energy; and 3. innovation in products and services. In response, the Group has developed comprehensive strategies and detailed implementation plans to address these risks and opportunities. Furthermore, to enhance ESG governance effectiveness, the Group has begun optimising its existing governance structure by integrating climate change considerations into its corporate risk management and ESG frameworks. This initiative aims to establish a more resilient and sustainable development management system.

Robust Governance Builds Excellence

Robust governance is the cornerstone of a company's long-term development, while excellence in quality reflects its core competitiveness. Regarding compliance operation, during the year, the Group operated its business in accordance with the requirements of the "Guideline on Internal Control for Listed Companies" (《上市公司內部控制指引》), "Guidelines for Enterprise Internal Control" (《企業內部控制基本規範》), the Listing Rules and the relevant rules, and made continuous efforts to improve and fine-tune its corporate governance structure. Through methods including the general meetings, the Board, the independent director's system, procedural rules, the governance of ESG Report and the work groups of ESG Report, the Group strived to ensure a clearly-defined responsibility system in its daily operation, transparent and open decision-making procedure and sound and effective internal control and feedback system. In terms of internal control, we have also formulated the "Comprehensive Risk Management Measures" (《全面風險管理辦法》), clearly defining risk management responsibilities and requirements at all levels. It builds the Group's overall risk management framework base on the three lines of defense mechanism in risk management. The business management department of the Group, as the leading department, holds meetings at least once every two years to implement annual risk identification and assessment tasks for the Group by each functional department. In the meantime, based on the actual situation of the Group's operational activities, the Group promptly adjusts the "CKS Risk Assessment Table" (《珠江船務風險評估表》), and conducts annual risk assessments for its subsidiaries.

In terms of supply chain management, the Group adheres to a strict selection mechanism and transparent management processes to ensure the efficient operation of the supply chain and the quality of services. The Group has established the "Management Measures for Tendering and Bidding" (《招標投標管理辦法》) to govern the tendering and bidding process, ensuring that the process is conducted in a fair and equal manner. At the same time, in accordance with the standards and procedures of the ISO9001:2015 quality management system, the Group regularly evaluates the quality, delivery capabilities, environmental and social responsibilities and services performance of suppliers every year to ensure that its products and services conform to the standard.

As a responsible service provider, the Group is committed to enhancing service quality and providing customers with an exceptional service experience. Among these efforts, Gaoming Port launched an intelligent gate integration management system during the year. This model enables unified scheduling and management systems, further optimising operational processes. Based on a "paperless, contactless" approach for vehicles, it realises an "unmanned, smart monitoring, centralised management" intelligent control mode, effectively improving port throughput efficiency and offering customers a more efficient and convenient service experience. To track and continuously optimise service quality, the Group's subsidiaries regularly conduct customer satisfaction surveys. During the year, customer satisfaction rate for terminal navigation logistics business and fuel supply business of the Group reached 98%. This not only reflects the significant impact and recognition of the Group's services by customers but also highlights the Group's outstanding achievements in service quality management.

Empowering talent to ensure steady and long-term progress

The Group adheres to the principle of placing talent at the core, safeguarding employees' basic rights, and focusing on the growth and development of each employee. The Group offers incentivising compensation and performance packages, create a warm and harmonious workplace atmosphere, and share the Group's development achievements with our employees. In terms of human resources management, we strictly comply with the labour laws and regulations of the regions in which we operate, as well as internal policies covering areas such as compensation, termination, recruitment, promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, other benefits, and preventing the use of child labor and forced labor. These measures ensure the protection of employee rights. We continually improve our talent management system, aiming to provide employees with a fair, inclusive, and opportunity-rich work environment, where each individual can realise their self-worth and grow together with the Group.

As for operation, the Group consistently prioritises safety and makes every effort to ensure workplace safety during daily business operations. As such, the Group established a comprehensive safety management system, ensuring that the highest standard of occupational health and safety standard is strictly followed in the operations of every business segment. In the meantime, the Group established policies, operating manual and guidelines such as the "Safety Inspection System" (《安全生產檢查制度》) and the "Implementation Measures for Safety Risk Assessment" (《安全生產風險評估實施辦法》) to govern the operation flow so as to reduce potential safety risks and effectively protect the safety and health of employees. In addition, the Group also actively advocates and promotes the mindset of safety by continuously reinforcing employees' awareness of occupational health and safety through various initiatives, and further strengthening the safety management standard. The Group places a strong emphasis on building employees' safety capabilities by offering comprehensive safety training, ensuring that they possess the requisite safety knowledge and skills. This guarantees that they can meet job requirements and carry out their work safely.

During the year ended 31 December 2024, the Group is not in breach of any laws or regulations relating to its business and operations (environmental, labour, occupational health and safety, anti-corruption and data privacy, etc.) in Hong Kong, Mainland China and Macao.

FINANCIAL REVIEW

Financial Management and Control

The Group consistently adopted a prudent financial management policy. Fund management, financing and investment activities were all undertaken and monitored by the management of the Company.

Given the industry characteristics of the core business of the Group, the emphasis of routine financial control management was placed on the management of working capital, particularly the timely receipts of trade receivables. As at 31 December 2024, net trade receivables of the Group amounted to HK$356,576,000, representing an increase of 22.2% as compared with last year, and 68.4% of trade receivables were aged within 3 months. After careful evaluation by the management of the Company, it is considered that the risk of bad debts is controllable.

Review of Financial Results

The Group recorded a profit attributable to equity holders of the Company of HK$117,027,000, representing an increase of HK$2,958,000 or 2.6% as compared with last year, details of which are as follows:

	2024 **HK$'000**	2023 HK$'000	Change HK$'000
Net operating profit*	**79,712**	82,200	-2,488
Share of profits less losses of joint ventures and associates	**37,315**	31,869	5,446
Profit attributable to equity holders of the Company	**117,027**	114,069	2,958

* Net operating profit represents operating profit plus finance income, less finance cost, income tax expense and non-controlling interests (excluding share of profits less losses of joint ventures and associates)

The Group's share of profits less losses of joint ventures and associates for the year increased by HK$5,446,000 or 17.1% from last year to profits of HK$37,315,000. Among these, profit after taxation attributable to terminal navigation logistics business was HK$15,947,000 (2023: HK$11,375,000) and profit after taxation of passenger transportation business was HK$21,368,000 (2023: HK$20,494,000).

Liquidity, Financial Resources and Capital Structure

The capital structure of the Group was constantly monitored by the Company. The use of any capital instruments, including banking facilities, by each subsidiary was under the central coordination and arrangement of the Company.

The Group closely monitored its working capital and financial resources to maintain a solid financial position. As at 31 December 2024, the Group secured a total credit facilities of HK$1,185,000,000 and RMB109,571,000 (equivalent to approximately HK$118,327,000) (2023: HK$1,186,650,000 and RMB122,815,000 (equivalent to approximately HK$135,527,000)) granted by bona fide banks.

As at 31 December 2024, the current ratio of the Group, calculated by dividing current assets by current liabilities, was 1.5 (2023: 1.9).

As at 31 December 2024, the Group's bank deposits and cash and cash equivalents amounted to HK$845,459,000 (2023: HK$1,038,838,000), which represented 15.4% (2023: 22.8%) of the total assets.

As at 31 December 2024, the gearing ratio of the Group, represented by bank borrowings divided by total equity and bank borrowings, was 8.1% (2023: 8.8%) and the debt ratio, representing total liabilities divided by total assets, was 34.6% (2023: 23.1%).

After considering its current cash and cash flows from operating activities, as well as the credit facilities available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for business expansion and general development purposes.

During the year, the Group did not use any other financial instruments for hedging purpose.

Bank Loans and Pledge of Assets

Bank Loans	As at 31 December 2024	As at 31 December 2023
Banks located in Hong Kong (Note 1)		
– Hong Kong Dollar	**200,000,000**	200,000,000
Banks located in Mainland China (Note 2)		
– Renminbi	**109,571,000 (equivalent to approximately HK$118,327,000)**	122,815,000 (equivalent to approximately HK$135,527,000)

Note:

1. The loans from banks located in Hong Kong in 2024 born floating interest rate and were unsecured. The relevant terms of which are identical with those set out in the 2023 Annual Report.

2. The loans from banks located in Mainland China in 2024 born floating interest rate and were secured by the land use right of Zhongshan Huangpu Port and certain properties and the land use right of Civet Port. The relevant terms of which are identical with those set out in the 2023 Annual Report.

3. Detailed analysis on bank loans is set out in note 23 to the financial statements.

Currency Structure

As at 31 December 2024, the Group deposited its cash and cash equivalents with several reputable banks, of which 35.0% (2023: 25.9%) were denominated in Hong Kong dollar ("**HKD**"), 56.5% (2023: 59.6%) in Renminbi ("**RMB**"), 7.5% (2023: 14.2%) in United States dollar ("**USD**"), 0.8% (2022: 0.2%) in Macao pataca ("**MOP**") and 0.2% (2023: 0.1%) in Euro ("**EUR**"). Details are as follows:

	Amount	**Percentage**
	HK$'000	%
HKD	295,985	35.0%
RMB	477,817	56.5%
USD	63,885	7.5%
MOP	6,487	0.8%
EUR	1,285	0.2%
	845,459	100.0%

Capital Commitments

Details of capital commitments of the Group are set out in note 35 to the financial statements.

The Group has sufficient financial resources, which include cash and cash equivalents, cash from operating activities and available banking facilities, for the payment of capital commitments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

Details of information of subsidiaries, joint ventures and associates of the Group are set out in notes 11, 12 and 13 to the financial statements respectively.

On 15 October 2024, CKRTT (a non-wholly owned subsidiary of the Company) entered into a capital increase and shares subscription agreement with Kaiping City Investment Group Co., Ltd. and Kaiping City Industrial Investment Freight and Port Co., Ltd. ("**Kaiping Industrial**"). According to the agreement, CKRTT subscribed 51% of the equity interest in Kaiping Industrial for a consideration of RMB114,600,800. The shares subscription was completed in October 2024, and immediately after the completion, Kaiping Industrial become a direct non-wholly owned subsidiary of CKRTT. The financial information of Kaiping Industrial has been consolidated into the Group's consolidated financial statements of the Group since October 2024.

Save as disclosed in this annual report, the Group had no other material acquisition or disposal of any subsidiaries, joint ventures, and associates for the year.

SIGNIFICANT INVESTMENT

Save as disclosed in this annual report, there was no other significant investment held by the Group for the year.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities (2023: HK$nil).

FIVE YEARS FINANCIAL SUMMARY

A summary of the financial information of the Group for the last five financial years is set out on pages 183 to 184 of this annual report. Such summary does not form part of the audited financial statements.

DIVIDENDS

The Board has approved and adopted a "Dividend Policy" on 1 January 2019 in order to provide return to the Shareholders. For proposing distribution of dividends to the Shareholders' meeting, the Board will measure the capital needs in future years based on the future capital budget plan of the Company and consider factors such as profitability and financial structure of the Company comprehensively. However, the target dividend to be distributed to the Shareholders in any financial year shall be not less than 30% of the profit attributable to the equity holders of the Company (if any) in that financial year, which is payable wholly in cash or in non-cash benefits or partly in cash and partly in non-cash benefits, subject to: a) the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); b) the Listing Rules; and (c) the Articles of Association of the Company (the "**Articles of Association**"). The Board may revise the target dividend payout ratio based on the overall operating conditions.

The Board had declared an interim dividend of HK2 cents per ordinary shares, totally approximately HK$22,423,000 (2023: HKnil cents), and has been paid on 18 October 2024. The Board has proposed a final dividend of HK4 cents per ordinary share (2023: HK5 cents), totaling approximately HK$44,847,000 (2023: HK$56,058,000) to Shareholders whose names appeared on the register of members on 6 June 2025. The final dividend is expected to be paid in cash.

With reference to the current bank deposits and cash and cash equivalents, the dividends declared for 2024 was HK6 cents per share, the percentage of total dividends over the profit attributable to equity holders of the Company (the "**Dividend Payout Ratio**") increased as compared with previous year. The Group's Dividend Payout Ratio in the last five years was as follows:

	Dividends per share	Total dividends	Profit attributable to equity holders of the Company	Dividend Payout Ratio
	HK$	HK$'000	HK$'000	%
2020	0.02	22,423	49,821	45.01
2021	0.02	22,423	44,074	50.88
2022	0.06	67,270	93,490	71.95
2023	0.05	56,058	114,069	49.14
2024*	**0.06**	**67,270**	**117,027**	**57.48**

* Dividends per share for the year included a proposed final dividend of HK4 cents per share.

EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group employed 2,147 employees (2023: 2,206) and remunerated its employees according to the duty of their positions and the market conditions. The staff costs of the Group for the year amounted to HK$569,656,000 (2023: HK$584,655,000), which included basic salaries and employee benefits such as discretionary bonus, medical and insurance plans, pension scheme and share option scheme, etc. The Group will also provide trainings for staff from time to time in addition to the above employee benefits.

In respect of the standards for determining the remuneration of the Directors, please see the disclosures in "Remuneration of Executive Directors", "Remuneration of Non-executive Director" and "Remuneration of Independent Non-executive Directors" under the Corporate Governance Report of this annual report.

SIGNIFICANT RISKS AND UNCERTAINTIES

The operating results, financial position, business and corporate prospects of the Group may be affected by various risks and uncertainties. The followings are the significant risks and uncertainties identified by the Group. Save as disclosed below, other risks that may become significant in the future but are unknown to the Group or are currently insignificant may exist.

I. Fluctuating Demand Risk

In 2024, the global economic recovery process remains slow, with overall growth momentum lacking. The navigation market faces numerous challenges, including weak demand growth, increased fluctuations in freight rates, and compressed profit margins. In terms of passenger transportation business, cross-border waterway passenger business has not reverted to pre-pandemic levels. Market demand is heavily influenced by factors such as seasonal changes, holiday schedules and the economic situation, leading to significant uncertainty. In terms of freight transportation business, compounded by the escalating geopolitical disputes, frequent extreme weather events and the imposition of carbon taxes by European Union on the navigation sector further weaken demand in the freight transportation business. The Group expects to continue facing adverse effects from the declines in demand for navigation logistics business, an absence of underlying support for increased freight rate, and increased competition from inland port regions. At the same time, the cross-border waterway passenger transport market faces slow recovery, unstable demand, and significant challenges from the diversion of traffic to land and air transport.

The Group will strengthen market research efforts to gain in-depth insights into market trends and customer needs. This will enable the Group to flexibly adjust transportation strategies, optimise route planning and capacity allocation, enhance service quality, and leverage digital transformation to improve operational efficiency, reduce costs, and reinforce the Group's core competitiveness in response to market uncertainties. The passenger transportation business will strategically plan and coordinate route layouts, establish an integrated passenger transport and cultural tourism marketing team strengthen new media marketing network, and provide a one-stop ticket sales services to gradually enhance the comprehensive influence and conversion rate of the "Cross-border+" passenger transport product system. In terms of the freight transportation business, the Group will optimise port structures, integrate various transportation-related elements, and offer end-to-end logistics solutions. By extending trade and industrial services, the Group will facilitate the transformation of ports from single logistics nodes into comprehensive logistics hubs. While maintaining existing business volumes, the Group will actively expand into new markets, particularly under the "Belt and Road" initiative, to drive business growth and improve the Group's overall operational efficiency.

II. Competitive Risk

In passenger transportation, as the Greater Bay Area's multimodal transportation network continues to improve, especially with the opening of new infrastructure such as the Shenzhen-Zhongshan Link, competition in the cross-border waterway passenger transport market has intensified significantly. This has led to a noticeable decline in business volume, with traditional ticketing agency services falling short of profitability expectations and gradually losing their competitive edge. In freight transportation, the market remains highly competitive due to the large number of cargo terminals within the Greater Bay Area city cluster. Some large central enterprises and local enterprises have gained stakes or controlling interests in key terminals. Under a group-based operational model, they prioritise the development of other business segments at the expense of terminal profitability, further intensifying competition within the industry.

The Group will enhance its market competitiveness by optimising service quality, reducing operational costs and advancing digital transformation. In the meantime, the Group will strengthen market research, closely monitor industry trends and competitor strategies, and flexibly adjust the Group's transportation strategies to better adapt to the competitive landscape. For the passenger transportation business, the Group will refine the integrated passenger transport platform model by establishing a unified management system, launching a comprehensive membership program and strengthening integrated market promotion. These efforts will further reduce operational costs, streamline management processes, and enhance centralised control and operational efficiency, ultimately transforming the Group's marketing approach. For the freight transportation business, the Group will deepen its strategic focus on integrated logistics, warehousing logistics and engineering logistics. By leveraging resource integration and information sharing, the Group will target key clients, secure large-scale projects, and provide end-to-end logistics solutions while extending the industrial service chain. This will facilitate the transition of ports from single logistics nodes into comprehensive logistics hubs. Meanwhile, the Group will optimise barge route planning, strengthen modern logistics capabilities and enhance customer retention, which will effectively increase the Group's market share and reinforce the Group's competitive position.

III. Strategic Planning Risk

The global economic slowdown has had a significant negative impact on the growth and financial performance of the Group's passenger transportation business. The sector faces challenges such as route and schedule adjustments, ferry replacements, and lower-than-expected returns on new investment projects. These factors may result in missed market opportunities, potentially affecting the Group's long-term stability and development.

The Group will place great emphasis on the scientific and forward-looking aspects of its strategic planning, carefully considering market trends, policy environments and industry dynamics to formulate a well-founded corporate development strategy. At the same time, the Group will further optimise project management processes, strengthen full-cycle supervision and risk assessment of new investment projects, and ensure their timely execution and achievement of expected returns. These measures will provide a solid foundation for the Group's sustainable development.

IV. Funding Risk

The operating income and expenditure of the Group's subsidiaries are currently concentrated in the Guangdong Province, Hong Kong, and Macao, mainly denominated in several currencies including HKD, RMB and USD. Although the linked exchange rate system in Hong Kong remains stable in the short term, the regulatory authorities in Mainland China continuously tightened the regulation magnitude on the remittance of funds abroad, the remittance of funds abroad is anticipated to be delayed, adding complexity to capital management. Additionally, uncertainties in the financing environment could lead to liquidity constraints, potentially affecting the Group's normal operations and business development.

The Group will continue to maintain close and good communication with banks, keep abreast of policy directions and market dynamics to make timely financial arrangements, ensuring the reasonable allocation and efficient use of funds. In the meantime, the Group will further optimise the financing structure, plan capital utilisation strategically, strengthen cost control, enhance capital efficiency and mitigate financial risks, providing strong financial support for the Group's stable operations.

V. Investment Risk

The Group's investments are primarily concentrated in the Guangdong Province, Hong Kong, and Macao, with a gradual expansion into Southeast Asia and other regions. With the deepening implementation of the Regional Comprehensive Economic Partnership, the Group's investments in freight transportation business of relevant countries will increase accordingly, leading to a rise in investment risk. Investment projects in Mainland China and Hong Kong are significantly influenced by the overall economic environment, regulatory policies and local cooperation partners. New investment projects may face uncertainties such as policy adjustments and market fluctuations, which could adversely impact investment returns.

To mitigate these risks, the Group will strengthen comprehensive risk assessments of investment projects, conduct thorough preliminary research and feasibility analyses, and pay special attention to the risks associated with green shipping technology investments to ensure the scientific and rational nature of investment decisions. Meanwhile, during the investment process, the Group will focus on risk control by establishing a sound risk management system, enhancing risk monitoring and early warning mechanisms, and ensuring that projects progress as planned while achieving expected returns. This approach will effectively reduce investment risks and safeguard the Group's investment interests.

VI. Safety Risk

The Group, as a provider of waterway passenger and freight transportation services, operates in a complex and dynamic environment and faces multiple safety risks. These risks primarily include natural disasters, inadequate regulatory frameworks, employee violations, insufficient emergency response plans, inadequate ferry maintenance, insufficient professional competence of crew members, and improper handling of hazardous materials. Given the complexity of its operations and the diversity of its operating environment, these potential risk factors could severely impact the Group's normal operations and corporate reputation, potentially leading to major safety incidents that may result in significant economic and reputational losses.

The Group will continue to strengthen safety management by refining safety regulations and operational procedures to ensure the effective implementation of all safety management measures. Regular employee safety training will be conducted, combining theoretical learning with practical exercises to continuously enhance the professional skills and safety awareness of crew members and operational staff. This will enable them to master safe operation techniques and emergency response methods proficiently. At the same time, the Group will further optimise emergency response plans, ensuring their scientific validity, practicality and feasibility. Advanced safety monitoring technology will be introduced to enhance real-time monitoring of operations, ensuring that emergencies can be promptly and properly handled. In the meantime, the Group will reinforce daily ferry maintenance and servicing, strictly following relevant standards and regulations to conduct routine inspections and upkeep of ferry equipment. This will ensure that all equipment remains in optimal operating condition, preventing safety incidents caused by equipment failures. Furthermore, strict compliance with hazardous materials management regulations will be maintained, with comprehensive oversight of the entire transportation process for hazardous goods. These measures will ensure the safe and reliable transport of hazardous materials, effectively reducing safety risks and safeguarding both the Group's operational security and the lives and property of its employees.

VII. Interest and Exchange Rate Risk

The Group's passenger and freight transportation businesses involve cross-border operations, and as such, are to a certain extent affected by fluctuations in both interest rates and exchange rates. In 2024, the uncertainty of the global economic situation and frequent changes in the monetary policies of various countries have led to frequent fluctuations in interest rates and exchange rates. An increase in interest rates may result in higher financing costs for the Group, thus increasing the debt burden on the Group. Additionally, interest rate fluctuations may impact the Group's investment returns, particularly in cases of significant financial market volatility, where returns from fixed-income investments may be adversely affected. The volatility of interest rates and exchange rates not only increases the Group's operating costs but also raises financial risks, directly negatively impacting the Group's financial performance.

The Group will optimise its foreign exchange risk management strategy by effectively balancing the proportion of assets and liabilities in foreign currency to mitigate exchange rate risks. It will also optimise the debt structure, reasonably arrange the proportion of fixed-rate and floating-rate debt to mitigate the impact of interest rate and exchange rate fluctuations on the Group's financial situation. At the same time, the Group will strengthen market monitoring, closely follow international developments and interest rate-exchange rate trends, and adjust operational strategies in a timely manner to minimise the effects of rate fluctuations on operating costs and investment returns. Furthermore, the Group will enhance financial management, improve the professional skills of financial personnel, and improve risk alert mechanisms to ensure each company can promptly and accurately identify and respond to interest rate and exchange rate risks, thereby safeguarding the Group's financial stability and sustainable development.

The Group will consistently place high importance on the prevention and response to various types of risks. By continuously improving the risk management system, strengthening risk identification, assessment and control, the Group aims to reduce the impact of various risks on business development. This will ensure the Group can move forward steadily in a complex and ever-changing market environment, achieving sustainable and high-quality development goals.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

No listed securities of the Company were purchased or sold by the Company or any of its subsidiaries for the year. The Company did not redeem any of its shares during the year.

CAPITAL RAISING ACTIVITIES DURING THE YEAR AND USE OF PROCEEDS

There was no capital raising activity by the Group during the year.

SHARE CAPITAL

There were no changes in the share capital of the Company during the year. Details of the Company's capital during the year are set out in note 18 to the financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity and note 37 to the financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's distributable reserves, calculated in accordance with Part 6 of Hong Kong Companies Ordinance, amounted to HK$1,488,953,000 (2023: HK$1,451,035,000), of which approximately HK$44,847,000 (2023: HK$56,058,000) has been proposed as final dividend for the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, the combined value of the Group's contracts with its five largest suppliers accounted for less than 30% of the total value of supplies purchased. The Group's five largest customers together contributed less than 30% of its total revenue and other income during the year ended 31 December 2024.

DIRECTORS

During the year and up to the date of this report, the Directors were as follows:

Executive Directors:

Mr. Liu Guanghui (Chairman of the Board)
Mr. Zhou Jun (Managing Director)
Mr. Liu Wuwei

Non-executive Director:

Ms. Zhong Yan

Independent Non-executive Directors:

Mr. Chan Kay-cheung
Ms. Yau Lai Man
Hon. Rock Chen Chung-nin
Mr. Tang Yi Hoi (Appointed on 9 October 2024)
Mr. Chow Bing Sing (Resigned on 1 April 2024)

In accordance with Article 84 of the Articles of Association, independent non-executive Director Mr. Tang Yi Hoi will retire at the forthcoming annual general meeting and, being eligible, offers himself for re-election at the meeting.

In accordance with Article 88(i) of the Articles of Association, executive Directors Mr. Liu Guanghui and Mr. Zhou Jun and independent mon-executive Director Ms. Yau Lai Man will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the meeting.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company (as included in the consolidated financial statements of the Company for the year ended 31 December 2024) from 1 January 2024 up to 25 March 2025 (being the date of approval of the Company's 2024 Annual Report) are available on the Company's website at www.cksd.com.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Save for the Share Option Scheme disclosed below, at any time during the year or at the end of 2024, neither the Company nor any of its subsidiary undertakings were a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' SERVICE CONTRACTS

The Company has entered into letters of appointment with all current Directors for a fixed term of three years, but they are subject to retirement by rotation and re-election in accordance with the Articles of Association.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without compensation other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Save as disclosed in the section "Directors and senior management" of this annual report, none of Directors has any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST-PAID EMPLOYEES

Details of the remuneration of Directors (on a named basis) and the five highest-paid employees are set out in notes 38 and 33 to the financial statements, respectively.

ADOPTION OF MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted a code of conduct prescribing standards and requirements no less than that required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct of Directors for conducting securities transactions. All Directors have confirmed, following specific enquiry of all Directors that they have fully complied with the required standards set out in the Model Code in relation to such transactions during the accounting period covered by this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 31 December 2024, the Company has not been notified of any interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register required to be kept by the Company under Section 352 of Part XV of the Cap. 571 Securities and Future Ordinary ("**SFO**"); or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

EQUITY-LINKED AGREEMENT

Share Option Scheme

In accordance with the share option scheme (the "**Share Option Scheme**") approved and adopted on the general meeting of the Company held on 8 December 2015 (the "**Adoption Date**"), the Board may grant share options to the incentive objects in accordance with the terms and conditions stipulated in the Share Option Scheme upon satisfaction of the specified conditions by the Company and the incentive objects.

Details of the Share Option Scheme are disclosed in the circular of the Company dated 23 November 2015, the main details of which are as follows:

Purposes

The purposes of the Share Option Scheme are to:

(1) enhance Shareholders' value and safeguard the interest of the stakeholders;

(2) optimise the reform of the remuneration system of the Company to form a profit-sharing and risk sharing mechanism among the shareholders, the Company and its employees, and to effectively motivate the incentive of the senior management and key personnel of the Company;

(3) assist the management of the Company to balance short-term and long-term objectives and assist the strategic realisation and long-term sustainable development of the Company; and

(4) attract and retain quality management and key business personnel to ensure the long-term development of the Company.

Incentive Objects

The grantees of share options shall, in principle, include the senior management including the chairman, Directors (excluding independent non-executive Directors), general manager, deputy general manager, financial controller, secretary to the Board, assistant to general manager and other members of the management of the same rank and taking executive positions of the Company and its subsidiaries.

Any grant of share options to Directors, chief executives or substantial Shareholders or their respective associates by the Company shall be subject to the approval of the independent non-executive Directors.

The Board may only grant share options to the incentive objects in accordance with the Share Option Scheme upon satisfaction of the following conditions by the Company and the incentive objects:

(1) None of the following circumstances has occurred to the Company:

1. a qualified opinion or disclaimer of opinion by the auditors in the auditor's report on the issued financial and accounting report for the most recent accounting year;

2. imposition of administration penalties by the regulatory authorities during the most recent year due to material non-compliance of laws and regulations; and

3. other circumstances that in the opinion of the Hong Kong Stock Exchange would render the implementation of the Share Option Scheme impossible.

(2) According to the measures on the performance appraisal of the Company, the performance appraisal on the proposed incentive objects in the preceding financial year prior to the initial grant of share options must reach pass grade or above.

(3) None of the following circumstances has occurred to the incentive objects:

1. public censure or declaration as ineligible candidate to be a director by the Hong Kong Stock Exchange in the most recent three years;

2. imposition of administrative penalties or public censure by the regulatory authorities during the most recent three years due to material non-compliance of laws and regulations.

Save as disclosed above, the Board is also entitled in accordance with the business performance of the Company to set concrete business performance indicators and targets as the additional conditions of grant of share options and to adjust the number of share options to be granted based on the fulfilment of performance-based conditions. Subject to the terms of the Share Option Scheme and the Listing Rules, the Board may in its absolute discretion impose any conditions, constraints, or restrictions as it sees fit upon the offer.

Limit

The total number of new shares of the Company that may be issued upon exercise of options that may be granted under the Share Option Scheme shall not, in aggregate, exceed 10% of the relevant class of shares of the Company as at the date on which the Share Option Scheme is approved by the Shareholders (the "**Scheme Mandate Limit**"), and the Company may at any time as the Board thinks fit, seek approval from the Shareholders to refresh the Scheme Mandate Limit, except that the number of shares to be issued upon exercise of all the share options granted but yet to be exercised under the Share Option Scheme and any other schemes shall not exceed 30% of the total number of issued shares of the Company from time to time; whereas the total number of the shares to be issued upon exercise of all the share options granted but yet to be exercised under all equity incentive schemes of the Company that are currently in force shall not, in aggregate, exceed 10% of the total number of issued shares of the Company from time to time.

The total number of share options to be granted initially under the Share Option Scheme shall not exceed 1% of the total number of issued shares of the Company.

Unless approved by the Shareholders, the total number of shares which are issued and will be issued upon exercise of options (including those exercised, cancelled and outstanding) granted and to be granted to any particular incentive object under the Share Option Scheme and any other share option schemes of the Company within any 12-month period must not exceed 1% of the total number of issued shares of the Company from time to time. Any further grant of share options to an incentive object which would result in the shares issued and to be issued upon exercise of options in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total issued shares shall be subject to approval of the Shareholders in general meeting with such incentive object and his/her close associates (or his/her associates if such incentive object is a connected person) abstaining from voting.

Acceptance of Offer of Share Options and Payment

Upon the Board's approval of the grant of share options proposed by the Remuneration Committee, an offer which sets out the conditions of the offer of the share options is made to the incentive objects. Where the incentive objects accept the offer within 21 days from the offer date (or any other date as determined by the Board in its discretion in accordance with the Listing Rules) and a payment of HK$1.0 is made to the Company as consideration of accepting the grant of share options, the offer shall be deemed to have been accepted and become effective. Such payment shall in no circumstances be refundable or deemed to be part of the subscription price.

Where the offer is not accepted in the manner stated in the Share Option Scheme within 21 days from the date on which the offer is made, the offer shall be deemed to have been irrevocably rejected and shall automatically lapse.

Effective Date of Share Options

All incentive objects shall not exercise their share options granted under the Share Option Scheme within two years from the grant date and in principle, from the grant date:

(a) one-third (1/3) of the share options granted to each incentive object shall be vested after its second anniversary (after 24 months);

(b) another one-third (1/3) of the share options granted to each incentive object shall be vested after its third anniversary (after 36 months);

(c) the remaining one-third (1/3) shall be vested after its fourth anniversary (after 48 months).

The Board is also entitled in accordance with the business performance of the Company to set concrete business performance indicators and targets as the additional conditions of the vesting of share options and to adjust the number of share options to be vested based on the fulfilment of performance-based conditions, provided that the details of the performance-based conditions shall be determined by the Board and incentive objects be notified upon the grant of share options.

Validity Period of Exercise of Share Options

The validity period for the exercise of options granted under the Share Option Scheme shall be five (5) years from the effective date. Upon expiry of the validity period, the outstanding share options shall automatically lapse and cannot be exercised retrospectively.

Exercise Price

The exercise price of the share options shall be determined by the Board in its absolute discretion upon the grant of share options with reference to the fair market price and shall not be less than the higher one of the following two prices:

(a) the closing price of the shares of the Company as stated in the daily quotation sheet of the Hong Kong Stock Exchange on the date of grant; and

(b) the average closing price of the shares of Company as stated in the daily quotation sheets of the Hong Kong Stock Exchange for five consecutive business days immediately preceding the date of grant.

Validity Period of the Share Option Scheme

Unless the Share Option Scheme has been otherwise terminated as provided therein, it shall be valid for ten (10) years from the Adoption Date and will terminate on 7 December 2025.

The Shares Issuable under the Share Option Scheme

The total number of shares that may be issued under the Share Option Scheme is 108,000,000, representing 9.6% of issued shares of the Company as at the date of this annual report. On 18 December 2015, the Company granted share options (which were duly accepted by the eligible persons subsequently) under the Share Option Scheme to certain eligible persons to subscribe for a total of 9,165,000 ordinary shares. All granted share options have lapsed due to reasons including failure to meet performance indicators, employee resignations or retirements, etc.

During the year, no share options were granted under the Share Option Scheme, so the Company did not receive any consideration.

The remaining total number of shares which may be issued under the Share Option Scheme amounts to 98,608,000 shares, representing approximately 8.8% of the issued shares of the Company as at the date of this annual report.

Other than the Share Option Scheme mentioned above, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

DIRECTORS' INTERESTS IN CONTRACTS

During any time of the year or at the end of 2024, there were no transactions, arrangements or contracts of significance in relation to the Group's business which the Company, any of its subsidiaries, its holding company or any of the subsidiaries of its holding company was a party to or involved in, and in which a Director or its connected entity had a material interest, whether directly or indirectly.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, no Director has any interest in a business which competes or is likely to compete, either directly or indirectly, with the Company's business.

SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN THE SHARES OF THE COMPANY

So far as was known to the Directors and the chief executive, on 31 December 2024, the following persons, other than a Director or the chief executive, had, or were deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange:

Ordinary shares of the Company

Name of shareholder	Capacity/ Nature of interest	Number of Shares (Note 1)	Percentage of shareholding (Note 2)
(i) Chu Kong Shipping Enterprises (Holdings) Company Limited ("**CKSE**") (Note 3)	Beneficial owner	796,035,520 (L)	71.0%
(ii) Guangdong Provincial Port and Shipping Group Company Limited ("**GDPS**") (Note 3)	Interest of controlled corporation	796,035,520 (L)	71.0%

Note:

1. The letter "L" denotes long position in the shares of the Company.

2. Percentage of shareholding is calculated on the basis of 1,121,166,885 issued shares of the Company as at 31 December 2024.

3. CKSE is wholly owned by GDPS and GDPS is deemed to be interested in all the shares held by CKSE pursuant to the SFO. Accordingly, the interests of shareholders (i) and (ii) as disclosed above are in respect of the same shareholding.

Save as disclosed above, on 31 December 2024, the Directors and the chief executive were not aware of any other person who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of no less than 25% of the Company's issued shares as of the date of this report.

CONNECTED TRANSACTIONS

Details of connected transactions with parent company, immediate holding company, fellow subsidiaries and related entities are as follows:

CONTINUING CONNECTED TRANSACTIONS (THE "CCT")

1. Master Passenger Transportation Agency Services Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service provider) entered into a master passenger transportation agency services agreement (the "**Master Passenger Transportation Agency Services Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service recipient), in respect of any member of the Group agree to accept the appointment of any member of the GDPS (as an agent or operator and/or owner of the passenger ferry services) as the exclusive agent/sub-agent of the Group's waterway passenger transportation business in Hong Kong (for routes to and from Hong Kong and Pearl River Delta region). Waterway passenger agency services include (i) ferry operation agency service; (ii) ticketing agency service; (iii) ferry berthing agency service; and (iv) ferry technical support agency service.

The term of the Master Passenger Transportation Agency Services Agreement is three years from 1 January 2022 to 31 December 2024. The service fee charged by the Group for the provision of passenger transportation agency services for ferries operated by GDPS is based on a percentage of ticket sales, and taking into account of the cost of providing ticketing services, and the cost of passenger handling services (including passenger arrival and departure services and security checks), the cost of ferry (including the arrangement of regular maintenance and emergency ad hoc repairing services to ferries in Hong Kong), the cost of providing relevant facilities, and the cost of labour incurred by the Group in providing ground services plus a profit margin to be agreed. In order to ensure that the terms and profit margins for the provision of services are in line with the prevailing market rates and market terms, the Group will consider at least two quotations for service charges offered to other ferry operators (who are independent third parties berthing at the same terminal and require similar passenger transportation agency services from the Group) as a reference. The service fees offered by the Group shall be no more favourable than the service fees offered by the Group to other independent third parties for similar services. The annual caps of the Master Passenger Transportation Agency Services Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$9,000,000, HK$12,000,000 and HK$15,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$10,285,000.

2. Master Ferry Technical Support Agency Services Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service recipient) entered into a master ferry technical support agency services agreement (the "**Master Ferry Technical Support Agency Services Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service provider), in order to facilitate any member of the Group to provide passenger transportation agency services (as one-stop integrated agency services, which include services for arranging ferries for regular maintenance and repairing, and emergency ad hoc repairing services in Hong Kong) to those ferries for which such member of the Group was appointed by any member of the GDPS Group as agent and/or sub-agent for the provision of passenger transportation agency services (the "**Relevant Ferries**"). Meanwhile, such member of the Group and local ferries would acquire from any member of the GDPS Group the regular maintenance and repairing, and emergency ad hoc repairing services under the Master Ferry Technical Support Agency Services Agreement.

The term of the Master Ferry Technical Support Agency Services Agreement is three years from 1 January 2022 to 31 December 2024. The pricing basis for the ferry technical support agency services is determined on the basis of the market rates for maintenance and repair technical support services charged by GDPS. In order to ensure that the service fees payable by the Group and the terms offered by GDPS are fair and reasonable and in line with the prevailing market rates, the Group will obtain two quotations from other service providers (who are independent third parties with scale similar to GDPS) that offered to other customers (with scale similar to the Group) for the provision of similar ferry technical support agency services prior to the renewal of the agreement. The relevant fees and terms offered to the Group shall be no less favourable than those offered by independent third parties. The annual caps of the Master Ferry Technical Support Agency Services Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$19,000,000, HK$21,000,000 and HK$23,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$21,889,000.

3. Master Ferry Terminal Luggage Facilities and Handling Services Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service recipient) entered into a master ferry terminal luggage facilities and handling services agreement (the "**Master Ferry Terminal Luggage Facilities and Handling Services Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service provider) in respect of the provision of ferry terminal luggage facilities and handling services by any member of the GDPS Group, at the request of any member of the Group from time to time, to any member of the Group (who stop their ferries at the relevant terminal for passengers departing from and arriving in Hong Kong), in accordance with the terms and conditions of the relevant ferry terminal luggage facilities and handling services agreement to be entered into between any member of the Group and any member of the GDPS Group. The provision of the ferry terminal luggage facilities includes (among others) the provision of such facilities at the relevant terminals, which allows the passengers departing from and arriving in Hong Kong at the relevant terminals to check-in and/or undergo clearance of their luggage at the relevant terminals. The provision of luggage handling services includes (among others) the operation, maintenance and repairing of the luggage handling system and equipment situated at the relevant terminals, and the provision of luggage handling services and berthing services to all passenger ferries using the relevant terminals. All passenger ferries between the Pearl River Delta region and Hong Kong are designated by the relevant Hong Kong government authorities to berth at the relevant terminals in Hong Kong, one of which is the relevant terminal.

The term of the Master Ferry Terminal Luggage Facilities and Handling Services Agreement is three years from 1 January 2022 to 31 December 2024. The service fee charged by GDPS for the provision of terminal luggage facilities and handling services at the relevant terminals is the standard rate and is the same as the prevailing rate charged to other ferry service carriers (which are independent third parties) at the same relevant terminal. The service fee for the provision of the terminal luggage facilities and handling services comprises (i) passenger levy (which is based on the number of passengers departing from and arriving at the relevant terminals); and (ii) luggage handling charges (which is based on the number of luggage handled at the relevant terminals). The passenger levy and luggage handling charges shall be agreed by the parties from time to time after arm's length negotiations with reference to the prevailing rates charged to other ferry operators (other than the Group) of other routes at the same relevant terminal at the relevant time. Such terms shall be no less favourable than the terms on which GDPS provides similar services to independent third parties in the ordinary course of its business at the relevant terminals. The annual caps of the Master Ferry Terminal Luggage Facilities and Handling Services Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$4,400,000, HK$5,800,000 and HK$6,600,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$2,083,000.

4. Master Sub-baggage Handling Services Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service provider) entered into a master sub-baggage handling services agreement (the "**Master Sub-Baggage Handling Services Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service recipient) in respect of any member of the Group agree to accept the appointment of any member of the GDPS Group (who is appointed and authorised by the relevant government authorities to provide terminal baggage facilities and handling services at the relevant terminal) as a subcontractor to provide baggage handling services at the relevant terminal. For that matter, any member of the Group agrees to provide baggage handling services directly to all ferry service carriers (including but not limited to the Group itself) that stop their ferries at the relevant terminal for passengers entering and leaving Hong Kong, at the request of any member company of GDPS from time to time, in accordance with the terms and conditions of the relevant sub-baggage handling service agreement to be signed between any member company of the Group and any member company of GDPS.

The term of the Master Sub-baggage Handling Service Agreement is three years from 1 January 2022 to 31 December 2024. The sub-baggage handling charges were agreed from time to time after arm's length negotiation between the parties by making reference to the amount of the handling charges received by the relevant member of the GDPS Group from all ferry service carriers based on the number of luggage handled at the relevant terminal. The service fee for baggage handling services provided by the Group under the Master Sub-baggage Handling Service Agreement shall be the same as the handling fee levied by the relevant member of the GDPS on all ferry carriers. These terms shall be no more favourable than the terms offered by the Group to independent third parties. For the years ended 31 December 2022, 2023 and 2024, the annual caps for the total baggage handling service agreement are HK$5,500,000, HK$7,500,000 and HK$8,500,000 respectively. The total amount of the above transactions for the year ended 31 December 2024 was HK$2,468,000.

5. Master Rental Agreement

On 30 November 2021, the Company (on behalf of the Group, as a lessee) entered into a master rental agreement (the "**Master Rental Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a lessor), in respect of any member of the GDPS Group agree to lease, at the request of any member of the Group, the property owned by any member of the GDPS Group (including but not limited to warehouses, offices, parking spaces and staff quarters) to any member of the Group from time to time, in accordance with the terms and conditions of the relevant rental agreement to be entered into between any member of the Group and any member of the GDPS Group.

The term of the Master Rental Agreement is three years from 1 January 2022 to 31 December 2024. The rent in respect of leasing of the warehouses, offices, car parking spaces and staff quarters are based on arm's length negotiation between each party involved with reference to the prevailing market rates for properties of similar size and quality of the said properties in the same region. Prior to the renewal of the rental agreement, the Group will obtain two lists of other comparable properties. The Group will compare the information obtained to determine whether the quoted prices and terms provided by the GDPS Group are no less favourable than those offered by independent third parties. The annual caps of the Master Tenancy Agreement for the years ended 31 December 2022, 2023 and 2024 are HK$28,000,000, HK$28,000,000 and HK$28,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$16,211,000.

6. Master Vessels Rental Agreement

On 30 November 2021, the Company (on behalf of the Group, as a lessee) entered into a master vessels rental agreement (the "**Master Vessels Rental Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a lessor) in respect of the GDPS agrees, at the request of any member of the Group and in accordance with the terms and conditions of the relevant vessel rental agreement to be entered into between members of the Group and members of the GDPS Group, to (i) lease the cargo vessels owned by the GDPS Group to the Group from time to time (inclusive of relevant expenses for operating the cargo vessels but excluding fuel charge); and (ii) provide non-scheduled vessel space or charter vessels for transportation of cargo between Mainland China and Hong Kong.

The term of the Master Vessels Rental Agreement is three years from 1 January 2022 to 31 December 2024. The rent in respect of the leasing of cargo vessels is determined with reference to the prevailing market rental of cargo vessels and the relevant cost of expenses for operating the cargo vessels (excluding fuel charge), and the service fees in respect of the provision of non-scheduled vessel space or charters vessels will be determined based on the space of the cargo vessel and the destination of transportation. The rental and service fees under the Master Vessels Rental Agreement are based on the number of monthly sailings and the charges for each route, and the charges for each route are based on the cargo tonnage and capacity of the cargo vessels. Prior to the renewal of the agreement, the Group will obtain quotations from two cargo vessel providers operating similar routes, which are independent third parties with operation scale similar to that of the GDPS, to ensure that the terms of the Master Vessels Rental Agreement are no less favourable than those offered by the independent third parties. The annual caps of the Master Vessels Rental Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$48,000,000, HK$51,000,000 and HK$53,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$27,697,000.

7. Master Ferries Rental Agreement

On 30 November 2021, the Company (on behalf of the Group, as a lessee) entered into a master ferries rental agreement (the "**Master Ferries Rental Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a lessor) in respect of GDPS agree to lease its ferries, at the request of any member of the Group from time to time and in accordance with the terms and conditions of the relevant ferries rental agreements to be entered into between members of the Group and members of the GDPS Group.

The term of the Master Ferries Rental Agreement is three years from 1 January 2022 to 31 December 2024. The rent in respect of the leasing of ferries is based on the size and capacity of the ferries, the number of leased voyages and the prevailing market rates. Prior to the renewal of the agreement, the Group will obtain at least two quotations from ferry rental providers operating similar rental voyages, which are independent third parties of similar scale of operation to the Group, to ensure that the rental rates under the Master Ferries Rental Agreement are in line with the prevailing market rates and terms no less favourable than those offered by independent third parties. The annual caps of the Master Ferries Rental Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$7,000,000, HK$7,800,000 and HK$8,800,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$7,611,000.

8. Master Cargo Storage Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service provider) entered into a master cargo storage agreement (the "**Master Cargo Storage Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service recipient) in respect of any member of the Group agree to provide cargo storage services to any member of the GDPS Group, at the request by any member of the GDPS Group in accordance with the terms and conditions of the relevant cargo storage agreement to be entered into between any member of the Group and any member of the GDPS Group.

The Master Cargo Storage Agreement is for a term of three years commencing from 1 January 2022 to 31 December 2024, and the fees for the cargo storage services are determined by the parties at the time of entering into the relevant service agreement with reference to the weight and type of cargoes, mode of transportation, type of storage space required and operating costs. The fees quoted by the Group will be similar to those provided to independent third parties operating on a similar scale at the time of the relevant agreements to be entered into under the Master Cargo Storage Agreement to ensure that the terms under the Master Cargo Storage Agreement are no better than those provided by the Group to independent third parties. The annual caps of the Master Cargo Storage Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$3,600,000, HK$3,800,000 and HK$4,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$991,000.

9. Master Fuel Supply Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service provider) entered into a master fuel supply agreement (the "**Master Fuel Supply Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service recipient) in respect of supplying diesel and lubricants to passenger ferries and cargo vessels owned, chartered, operated or acted as agent by the GDPS Group in Hong Kong at the request by any member of the GDPS Group from time to time in accordance with the terms and conditions of the relevant fuel supply agreement to be entered into between members of the Group and members of the GDPS Group.

The term of the Master Fuel Supply Charge Agreement is from 1 January 2022 to 31 December 2024. The price of diesel is determined by the terms of supply and customer size, and the Group's pricing basis for the supply of diesel is briefly described as follows: (a) (i) the average spot price of diesel in the Singapore market for the month and (ii) the total of the diesel supplier's storage and transportation costs plus operational handling charges; or (b) based on the spot price of diesel in the Singapore market on the day prior to the supply of diesel, and with reference to Brent crude oil prices as well as the movement of diesel prices published by one of the largest diesel suppliers in Hong Kong. For the supply of lubricants, the Group will determine the amount based on cost plus prevailing market rate. The annual caps of the Master Fuel Supply Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$182,000,000, HK$184,000,000 and HK$185,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$61,345,000.

10. Master Transportation Agreement

On 30 November 2021, the Company (on behalf of the Group, as a service recipient) entered into a master transportation agreement (the "**Master Transportation Agreement**") with GDPS (the Company's parent company, on behalf of the GDPS Group, as a service provider) in respect of GDPS agree to the provision of (i) shipping transportation service; (ii) hauling and trucking service; (iii) wharf cargo handling service; and (iv) cargo agency service between Hong Kong and Mainland China to the Group, at the request of any member of the Group from time to time in accordance with the terms and conditions of the relevant transportation agreement to be entered into between any member of the Group and any member of the GDPS Group.

The term of the Master Transportation Agreement is three years from 1 January 2022 to 31 December 2024. The service fee is determined based on the destination of transportation, size of the cargoes, weight of the cargoes and the number of cargoes. The Master Transportation Agreement includes the provision of freight transportation services and related services to the relevant cargo terminals, which charged published rates for the provision of (i) shipping transportation services; (ii) hauling and trucking services; (iii) wharf cargo handling services; and (iv) cargo agency services similar to those between Hong Kong and Mainland China. As the service fees and terms charged by the relevant terminals are based on published rates, the terms offered to the Group are no less favourable than those offered to independent third parties. The annual caps of the Master Transportation Agreement for the years ended 31 December 2022, 2023, and 2024 are HK$74,000,000, HK$78,000,000 and HK$82,000,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$21,281,000.

11. Management Agreement

On 30 June 2023, the Company (on behalf of the Group, as a service provider) entered into a management agreement (the "**Management Agreement**") with CKSE (the Company's immediate holding company, as a service recipient) in respect of the provision of management services for the assets of CKSE.

The term of the Management Agreement was 3 years from 1 July 2023 to 30 June 2026. The management fees were agreed between CKSE and the Company on an arm's length basis, with reference to the costs incurred by the Company for providing the asset management service as well as the Company's experience in operating and managing the similar type of assets. The annual caps of the Management Agreement for the years ended 31 December 2023, 2024, 2025, and 2026 are HK$12,500,000, HK$25,000,000, HK$25,000,000 and HK$12,500,000 respectively. The total amount of the aforesaid transactions for the year ended 31 December 2024 was HK$25,000,000.

The above CCT were beneficial for the operations of the Group and/or provided stable income and profit to the Group. The items (1) to (8) and (11) above were CCT subject to the reporting and announcement requirements and exempt from the independent Shareholders' approval requirement, while item (9) and (10) were CCT subject to the reporting, announcement requirement and the independent Shareholders' approval requirements which was approved by the independent Shareholders at the general meeting held on 20 January 2022.

The Board engaged the auditor of the Company to report on the Group's CCT in accordance with Hong Kong Standard on Assurance Engagement 3000 "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 an unqualified letter containing the findings and conclusions in respect of the CCT set out above in accordance with Rule 14A.56 of the Listing Rules (the "**Auditor's Letter**"). The auditor has confirmed that the aforesaid CCT: (1) have been approved by the Board; (2) were in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of goods or services by the Group; (3) were entered into, in all material respects, in accordance with the agreements relating to the transactions; and (4) have not exceeded the respective caps.

In accordance with Rule 14A.55 of the Listing Rules, the aforesaid CCT and the Auditor's Letter have been reviewed by the independent non-executive Directors. The independent non-executive Directors confirmed that the above CCT were entered into (a) in the usual course of business of the Group; (b) on normal commercial terms or better terms; (c) in accordance with the agreements relating to the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and (d) without exceeding the relevant cap amount disclosed in previous announcements.

In addition, the items (1) to (10) above were CCT that would be expired as of 31 December 2024. Regarding the items (1) to (3) and items (5) to (10) above, the Company and GDPS Group re-entered into relevant agreements on 25 November 2024, with the terms of the agreements being 3 years, from 1 January 2025 to 31 December 2027. The new agreements related to items (1) to (3), items (5) to (8) and item (10) above are CCT subject to reporting, annual review and announcement requirements, but are exempt from the independent Shareholders' approval requirement. Item (9) above is CCT subject to reporting, annual review, announcement requirements and the independent Shareholders' approval requirement which was approved by the independent Shareholders at the general meeting held on 9 January 2025.

Part of the related party transactions (the "**RPT**") disclosed in note 36 to the financial statements are the CT/CCT under Chapter 14A of the Listing Rules. The table below shows the amounts of the CT/CCT as defined in Chapter 14A of the Listing Rules among the RPT as disclosed in note 36 to the financial statements:

RPT Items	For the year ended 31 December 2024 RPT Amount HK$'000	For the year ended 31 December 2024 of which constitute CT/CCT HK$'000	For the year ended 31 December 2023 RPT Amount HK$'000	For the year ended 31 December 2023 of which constitute CT/CCT HK$'000
Revenues:				
Shipping agency, river trade cargo direct shipment and transshipment income	6,660	1,815	8,327	831
Passenger transportation agency fees	23,547	10,113	18,692	9,329
Ferry terminal operation services fees	508	172	7,533	1,521
Sub-baggage handling services fee	5,678	2,468	1,267	1,267
Management service fees	25,000	25,000	27,500	27,500
Vessel rental income	2,399	2,399	5,063	2,931
Fuel supply income	110,733	58,719	106,893	67,539
Marine bunkering service	2,780	2,626	5,554	5,554
Consulting and software service	2,680	2,591	3,187	2,955
Agency service fee	127	127	1,141	647
Repairing and maintenance service	–	–	195	195
Cargo warehousing service	991	991	1,050	1,050
Ferry rental income	2,132	2,132	950	950
Staff management fees	3,122	297	7,983	459

RPT Items	For the year ended 31 December 2024 RPT Amount HK$'000	of which constitute CT/CCT HK$'000	For the year ended 31 December 2023 RPT Amount HK$'000	of which constitute CT/CCT HK$'000
Expenses:				
Shipping agency, river trade cargo direct shipment and transshipment expenses	10,517	10,517	1,988	1,988
Wharf cargo handling, freight transportation and godown storage expenses	35,595	10,764	38,500	16,280
Luggage handling fee	2,083	2,083	1,740	1,740
Ferry rental expenses	7,611	7,611	6,671	6,671
Vessel rental expenses	27,697	27,697	26,545	26,545
Warehouse rental expenses	5,354	5,354	5,014	5,014
Office rental expenses	8,097	8,054	8,912	8,912
Staff quarter rental expenses	2,307	2,307	2,227	2,227
Property management fee expenses	496	496	924	924
Loan interest expenses	764	–	21	–
IT Management fee expenses	1,395	1,395	1,200	1,200
Repairing and maintenance expenses	21,889	21,889	16,433	16,433
Management fee	–	–	26	26
Staff management fees	–	–	2,733	2,733

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules from time to time in respect of the aforementioned CT/CCT.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS OR ITS SUBSIDIARIES

Save as disclosed in this annual report, there were no contracts of significance or material contracts on the provision of services between the Company or any of its subsidiaries and the Company's controlling shareholders or any of its subsidiaries during the year.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into by the Group or existed during the year.

INSURANCE ARRANGEMENT FOR DIRECTORS/PERMITTED INDEMNITY PROVISION

In order to facilitate the exercise of power by the Directors, the Company has already arranged suitable insurance in respect of the possible legal actions against the Directors to indemnify them from the liabilities that may arise from their participation in the decision-making process of the Company. These provisions were effective for the financial year ended 31 December 2024 and remained effective as at the date of this report.

DONATIONS

There was no any charity and other donations of the Group for the year (2023: HK$nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, save as disclosed in the Corporate Governance Report, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the accounting period covered by this annual report. Please refer to the Corporate Governance Report on pages 63 to 82 of this annual report.

EXECUTIVE COMMITTEE

The Company has established an executive committee to approve and undertake transactions on behalf of the Board in respect of various investment projects within the authorised limit or other day-to-day business operations. Members of the committee shall be the chairman of the Board or/and executive Directors and the committee has written terms of reference.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and supervising the Group's financial reporting process, internal controls, risk management and corporate governance. The committee comprises three independent non-executive Directors. The committee meets at least twice a year and has written terms of reference.

REMUNERATION COMMITTEE

The Company has established a remuneration committee in compliance with the requirements of the Listing Rules to formulate the remuneration policy of the Company and determine the remunerations for the executive Directors and the senior management. The committee comprises three independent non-executive Directors and one executive Director. The committee meets at least twice a year and has written terms of reference.

NOMINATION COMMITTEE

The Company has established a nomination committee in compliance with the requirements of the Listing Rules for proposing the nomination of Directors and senior management to the Board. Members of the committee shall comprise Directors and the number of which shall not be less than three, with a majority of independent non-executive Directors. The committee has written terms of reference.

AUDITOR

KPMG will retire on the expiry of its term at the 2025 annual general meeting of the Company. A resolution to reappoint KPMG as the auditor of the Company and to authorise the Directors to fix its remuneration will be proposed at the 2025 annual general meeting of the Company.

BY ORDER OF THE BOARD

Zhou Jun
Managing Director
Hong Kong, 25 March 2025

Directors and
Senior Management

EXECUTIVE DIRECTORS

Mr. Liu Guanghui, aged 53, was appointed as an executive director of the Company and chairman of the Board on 27 August 2021, responsible for the strategic planning and decision-making of the Group. Mr. Liu graduated from InterAmerican University with a master degree in business administration in 2011 and graduated from the Graduate School of the Party School of the Central Committee of the Communist Party of China in 2016 with a postgraduate degree in economics. He is also a certified senior economist of the People's Republic of China. Mr. Liu joined the shipping industry in 1991 and began to engage in shipping and tourism management related works. He was successively appointed as deputy general manager and general manager of Guangdong Zhujiang International Travel Services Co., Ltd. from July 2000 to December 2006, appointed as the general manager of Blue Dolphin Cruises Branch of Guangdong Zhujiang Shipping Co., Ltd. and Guangdong Zhujiang International Travel Services Co., Ltd. from January 2007 to January 2009, the director and deputy general manager of Guangdong Zhujiang Shipping Co., Ltd., the general manager of Blue Dolphin Cruises Branch of Guangdong Zhujiang Shipping Co., Ltd. and Guangdong Zhujiang International Travel Services Co., Ltd. and the chairman of Guangdong Zhuhang Tourism Automobile Co., Ltd. from January 2009 to December 2010, the general manager of Guangdong Zhujiang Shipping Co., Ltd. from January 2011 to May 2012, the chairman of Guangdong Zhujiang Shipping Co., Ltd. from June 2012 to April 2014, the chairman of Guangdong Zhujiang Shipping Co., Ltd. and Guangdong Zhanjiang Shipping Group Co., Ltd. from May 2014 to October 2014, the chairman of Guangdong Zhanjiang Shipping Group Co., Ltd. from October 2014 to August 2021. He is currently the director of CKSE and chairman of Guangdong Chu Kong Shipping Co., Ltd.. Mr. Liu has more than 30 years of experience in operation and administration management in the navigation and tourism industries.

Mr. Zhou Jun, aged 52, was appointed as an executive director and general manager of the Company on 7 February 2022, responsible for the production, operation and development of the Group. Mr. Zhou was graduated from Changsha Jiaotong University in 1995 majoring in finance, and obtained a master degree in business administration from Changsha University of Science & Technology in 2013. He is also a certified senior economist of the People's Republic of China. Mr. Zhou has 29 years of experience in finance and investment management industry since 1995. Mr. Zhou worked successively as the chief accountant, director and general manager of Foshan Guang-San Expressway Company Limited from 1999 to 2013, director and general manager of Guangdong Yue-Gan Expressway Company Limited and Guangdong Hehui Expressway Co., Ltd. from 2013 to 2015, director and deputy general manager of Guangdong Litong Real Estate Investment Co., Ltd. from 2015 to 2019, general manager of the capital operation department of GDPS from August 2019 to January 2022 and deputy general manager of the Company from April 2020 to February 2022. He is currently the director of CKSE and Guangdong Chu Kong Shipping Co., Ltd., as well as the chairman of Guangdong Yunfu Port & Shipping Investment Group Company Limited and Hong Kong International Airport Ferry Terminal Services Limited.

Mr. Liu Wuwei, aged 53, was appointed as an executive director and deputy general manager of the Company on 18 July 2018, mainly responsible for the operation management of logistic segment specialisation of the Group. Mr. Liu graduated from University of South Australia with a master degree in business administration and is also a certified economist in the People's Republic of China. Mr. Liu has joined the Group since 1992, and worked successively as the deputy general manager and the managing director of CKTL from 2006 to 2013 and the director, and deputy general manager of Chu Kong Shipping (Guangdong) Logistics Co., Ltd. from 2013 to 2018. Currently, he is also the director of CKRTT. Mr. Liu has over 30 years of experience in logistics, river trade terminal operation management and marketing.

NON-EXECUTIVE DIRECTOR

Ms. Zhong Yan, aged 49, was appointed as a non-executive director of the Company on 1 April 2020, participating in strategic planning and decision-making of the Group. Ms. Zhong graduated from Shanghai Maritime University in 1997, majoring in Computer Science and Computer Application and minoring in International Container Transportation Management, and studied for a master degree in Global Economy at Sun Yat-Sen University between 2000 and 2003. She is also a certified assistant engineer and certified economist in the People's Republic of China. She has 27 years of experience in information technology, disciplinary inspection, supervisory audit and trade union management since 1997. She has joined GDPS since 2000 and worked successively in the information center, general manager's office, comprehensive management department and female staff association, etc. Ms. Zhong was successively appointed as the chairman of the union and secretary of the commission for discipline inspection of Guangdong Bonny Fair Heavy Industry Limited from 2013 to 2018, member of the commission for discipline inspection and deputy manager of the supervision and audit department of GDPS from 2016 to 2019, deputy general manager of Guangzhou Hangcheng Real Estate Development Operation Co., Ltd. from 2019 to March 2020. Ms. Zhong is currently the director of CKSE.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kay-cheung, aged 78, was an executive director and the deputy chief executive of The Bank of East Asia, Limited and he was the vice chairman of The Bank of East Asia (China) Limited. Mr. Chan joined The Bank of East Asia, Limited in 1965 and possesses extensive knowledge and experience in the banking industry. Mr. Chan is a fellow member of the Hong Kong Institute of Bankers. Mr. Chan is also an independent non-executive director of China Electronics Huada Technology Company Limited and SOCAM Development Limited. He was an independent non-executive director of Dah Chong Hong Holdings Limited and Hong Kong Food Investment Holdings Limited. Mr. Chan was appointed as independent non-executive director of the Company in April 1998.

Ms. Yau Lai Man, aged 61, was appointed as an independent non-executive director of the Company on 1 January 2005. Prior to joining the Group in 2001, Ms. Yau had worked with a "big four" accounting firm and a multinational corporation. Ms. Yau obtained a master degree in business administration from The University of Warwick in the United Kingdom. Ms. Yau is a member of the Hong Kong Institute of Certified Public Accountants and is also a member of the Institute of Chartered Accountants in England & Wales. Ms. Yau presently is an executive director of Essex Bio-Technology Limited, listed on the Main Board of the Hong Kong Stock Exchange. Ms. Yau is a director of Essex Bio-Investment Limited, Essex Bio-Pharmacy Limited, Zhuhai Essex Bio-Pharmaceutical Company Limited, Zhuhai UNO Technology Company Limited and UNO Medical (Zhuhai) Company Limited, all being subsidiaries of Essex Bio-Technology Limited.

Hon. Rock Chen Chung-nin, *NPC Deputy, SBS, BBS, JP,* aged 58, was appointed as an independent non-executive director of the Company on 1 April 2023. Mr. Chen has over 30 years of experience in the financial industry and has been licensed as a Responsible Officer by the Hong Kong Securities and Futures Commission for over 15 years. He is currently a Member of the Hong Kong Legislative Council. Mr. Chen is also the Chairman of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, a Board Member of the Airport Authority, a Council Member of The University of Hong Kong and an Independent Non-executive Director of BEA China. He was the Chairman of the Hong Kong Examinations and Assessment Authority, a Council Member of The Hong Kong University of Science and Technology, a Member of the Education Commission, Chairman of the Hong Kong Award for Young People, Chairman of the Hong Kong United Youth Association, a Member of Town Planning Board, a Member of the Standing Committee of Company Law Reform and a Part-time Member of Central Policy Unit, etc. Mr. Chen is a Deputy to the 14th National People's Congress of the People's Republic of China, a Member of the 12th and 13th National Committee of the Chinese People's Political Consultative Conference ("CPPCC") and a Standing Committee Member of the 10th, 11th and 12th Zhejiang Committee of the CPPCC. Mr. Chen holds a Bachelor's Degree in Economics from The Wharton School, University of Pennsylvania, and a Master's Degree in Business Administration from J.L. Kellogg Graduate School of Management, Northwestern University.

Mr. Tang Yi Hoi, aged 60, was appointed as an independent non-executive director of the Company on 9 October 2024. Mr. Tang joined the Immigration Department of the Hong Kong Special Administrative Region in 1985. Mr. Tang subsequently joined the Customs and Excise Department in 1987 and took up the Commissioner of Customs and Excise post in July 2017 and retired in October 2021. Mr. Tang was appointed as Justices of the Peace (JP) in October 2022. Mr. Tang is the vice chairman and non-executive director of Vobile Group Limited and the independent non-executive director of China Resources Building Materials Technology Holdings Limited, listed on the Main Board of the Hong Kong Stock Exchange. Mr. Tang has been awarded seven Assistant Commissioner of Customs and Excise's Commendations between 1992 and 2006; Commissioner of Customs and Excise's Commendation in 1997; Hong Kong Customs and Excise Long Service Medal in 2005, with the first and second clasps in 2012 and 2017 respectively; Hong Kong Customs and Excise Medal for Meritorious Service in 2014; Hong Kong Customs and Excise Medal for Distinguished Service in 2019; and the Silver Bauhinia Star in 2021. Mr. Tang holds a Bachelor Degree from the Hong Kong Polytechnic University. He has completed the Advanced Management Programme at INSEAD — the Institut Européen d'Administration des Affaires (France) and the Advanced Management Programme at the National Academy of Governance (China).

SENIOR MANAGEMENT

Mr. Yu Junjie, aged 42, was appointed as a deputy general manager of the Company on 10 November 2021, mainly responsible for financial management, safety production supervision and operation management in passenger transportation segment specialisation of the Group. Mr. Yu graduated from Dalian Maritime University with a bachelor degree in logistics engineering in 2004 and obtained a master degree in operations and supply chain management from the City University of Hong Kong in 2012. Mr. Yu has joined the logistics and shipping management sector since 2004 with 20 years of working experience. Mr. Yu was appointed as the deputy manager of the integrated logistics department of CKTL from 2010 to 2013, and the general manager of Chu Kong Logistics (Singapore) Pte. Ltd. from 2013 to October 2021.

Mr. Lin Shengqi, aged 49, was appointed as a deputy general manager of the Company in April 2022, mainly responsible for the investment development (informatisation), capital operation and construction project management of the Group. Mr. Lin graduated from Sun Yat-sen University with a bachelor's degree in international finance in 1998 and obtained a master degree in business administration from Jinan University in 2006. Mr. Lin has been working in the investment development management sector since 1998; he was successively appointed as the deputy general manager and the general manager of investment development department of CKSE from 2008, the general manager of investment development department of the Company from 2011, the managing director of Guangzhou Nansha International Logistics Park Development Co., Ltd. from 2012, and the deputy general manager of strategic development department of GDPS from 2016. Mr. Lin was appointed as the development officer, general manager of investment and development department (research department), and capital operation department of the Company in 2019. Currently, Mr. Lin is also the chairman of CKRTT, the deputy chairman of Guangzhou Foshan Expressway Ltd. and the director of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited. Mr. Lin has over 26 years of experience in warehouse logistics management and investment development.

Mr. Ye Fei, aged 49, was appointed as a financial controller of the Company in August 2020, mainly responsible for financial management and control of the Group. Mr. Ye graduated from the Guangdong University of Business Studies in 1998, majoring in accounting, and obtained a master degree in accounting from Jinan University in 2011. He is also a certified senior accountant of the People's Republic of China. Mr. Ye has been engaged in financial and management sector since 1998 and has worked successively as the finance manager of CKPT and GDPS. He worked as the deputy general manager of the finance department of Guangdong Provincial Port and Shipping Group Company Limited from 2014 to 2020. Mr. Ye has more than 26 years of experience in accounting and financial management. Currently, Mr. Ye is also the vice-chairman of Foshan Nanhai Pinggang Passenger Transportation Co., Ltd. and Doumen-Hong Kong Passenger Transportation Integrated Co., Ltd., as well as the director of CKTL, CKPT, Chu Kong High-Speed Ferry Company Limited, Sun Kong Petroleum, CKRTT, China Hong Kong Macau Duty Free Goods Limited, GTF Maritime Financial Leasing Co., Ltd., Zhongshan City Zhongshan-HongKong Passenger Shipping Co-op Co., Ltd., CNT Security Company Limited, Sun Ferry and China Ferry Terminal Services Limited, etc.

Mr. Zeng Lilang, aged 45, was appointed as a development officer of the Company in July 2022, mainly responsible for the investment development of the Group. Mr. Zeng graduated from Dalian Maritime University with a bachelor degree in law (maritime law) in 2003, and obtained a master degree in law from Renmin University of China in 2009. Mr. Zeng joined the Group in 2003, and has worked successively as the deputy general manager and general manager of the human resources department of Cotai Chu Kong Shipping Management Services Company Limited since 2007, the general manager of the human resources department of Chu Kong High-Speed Ferry Company Limited since 2012, the assistant general manager, deputy general manager and general manager of Chu Kong Cargo Terminals (Gaoming) Co., Ltd. since 2013, and the general manager of Guangzhou Panyu Lianhuashan Pangang Transportation Co., Ltd. since 2019. Currently, Mr. Zeng is also the director of Chu Kong Shipping (Guangdong) Investment Co., Ltd., Bonny Fair Development Limited, Chu Kong Shipping Investment (Norway) Limited, Guangzhou Nansha Feeders Terminal Co., Ltd., Pazhou (Guangzhou) Hong Kong and Macao Passenger Transport Company Limited, CKPT, Guangdong Digital Port & Shipping Technology Co., Ltd., Guangdong Provincial Port and Shipping Group Science and Technology Research Co., Ltd., and SZDF and GDPS Duty Free (Guangzhou) Co., Ltd.. Mr. Zeng has 21 years of experience in human resources management, passenger transportation and port logistics management.

Ms. Cheung Mei Ki Maggie, aged 58, joined the Company in 2008, she was appointed as a company secretary on 1 April 2012, and appointed as the deputy general manager of the capital operation department in 2018, responsible for the Group's capital planning, investor relations, company secretarial and corporate governance matters. Ms. Cheung s also the director of Brodrene AA Shipyard in Norway. Ms. Cheung served as the general manager in assurance and the deputy general manager of the internal audit department of the Company and was also the financial controller of Sun Ferry from May 2020 to September 2022. Before joining the Company, Ms. Cheung had held a position in Hong Kong Air Cargo Terminals Limited. Ms. Cheung graduated from the Hong Kong Polytechnic University in 2010 with a master degree in corporate governance and graduated from The University of Strathclyde (in the United Kingdom) in 2003 with a master degree in business administration. She is a member of The Hong Kong Chartered Governance Institute, The Chartered Governance Institute in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants in the United Kingdom. She has over 30 years of experience in accounting, financial management and corporate governance.

The Company strives to maintain a high standard of corporate governance practices and procedures to safeguard the interests of its Shareholders. The corporate governance level is constantly improved and enhanced by establishing an internal control and risk management system and enhancing accountability and transparency.

CORPORATE GOVERNANCE PRACTICE

The Directors have adopted various policies to ensure compliance with the requirement of the Corporate Governance Code (the "**Code**") under Appendix C1 of the Listing Rules (including the mandatory disclosure requirements set out in Part 1 of the Code (the "**Mandatory Disclosure Requirements**") and the provisions set out in Part 2 of the Code (the "**Provisions**") in the Listing Rules. The Board considers that the Company has complied with all the applicable provisions during the year except with the deviation as disclosed in this report. In the future, the Company will also adopt more Recommended Best Practices as set out in the Code according to actual needs, so as to further enhance the level of corporate governance.

CORPORATE CULTURE AND VALUES

In order to ensure that a healthy corporate culture is cultivated and that the Company's purpose, values and strategies are aligned with its culture, the Board will strictly enforce internal policies and internal risk assessments such as the Anti-Corruption Policy (《反貪腐政策》) and the Whistleblowing Policy (《舉報政策》). Apart from organising regular trainings for our employees, the Company will make appropriate adjustments to various policies from time to time in order to regulate and promote a legal, ethical and responsible corporate culture. The Company also places great emphasis on transparency and accountability, and will regularly communicate with relevant stakeholders with respect to their business performance. On the Board level, the Company requires all Directors to act with integrity, to lead by example, to be committed to promoting the said corporate culture, and to consistently reinforce the values of acting lawfully, ethically and responsibly.

The Company believes that fostering a legal, ethical, and responsible corporate culture is critical to the Company's long term sustainability goals, which in turn will enable the Company to nurture and attract talented individuals, build a healthy corporate culture, and maintain the Company's ability to grow sustainably and profitably.

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted a model code of conduct no less than that required by the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct of Directors conducting securities transactions. All Directors have confirmed, following specific inquiry of all Directors by the Company, that they have complied with the required standards set out in the Model Code in relation to such transactions during the year.

The Company has also formulated written guidelines regarding the securities transactions by the employees of the Company who may be exposed to insider information. The requirements of the written guidelines are no less exacting than those set out in the Model Code. The Company recorded no non-compliance events during the year.

THE BOARD OF DIRECTORS

The Board is responsible for formulating the overall development strategy, operation and financial reporting of the Company, internal control and risk management, major acquisitions, substantial connected transactions, annual and interim results, proposed interim and final dividends, proposed appointment or re-election of Directors, appointment of auditor, share issue and repurchase and other operational and financial matters relating to the Company. On 1 October 2019, the Board approved and adopted the "Management Measures for the Board of Directors" (《董事會管理辦法》) to regulate the operation of the Board.

Composition of the Board

As of 31 December 2024, the Board consisted of eight members, namely three executive Directors (Mr. Liu Guanghui, (chairman of the Board), Mr. Zhou Jun and Mr. Liu Wuwei), one non-executive Director (Ms. Zhong Yan) and four independent non-executive Directors (Mr. Chan Kay-cheung, Ms. Yau Lai Man, Hon. Rock Chen Chung-nin and Mr. Tang Yi Hoi). The Company forms its Board based on the characteristics and uniqueness of its operations to ensure that each Director possesses the required industrial experience and managerial expertise. The personal biographies of the Directors are set out in pages 58 to 62 of the annual report. The Directors clearly understand that they should fulfill their duties diligently in the best interest of the Company and its Shareholders. The Company has signed appointment letters with all Directors for a fixed term of three years unless terminated by either party giving to the other not less than 1 month's prior notice in writing, but the Directors are subject to retirement by rotation and re-election according to the Articles of Association.

Mr. Tang Yi Hoi (appointed as an independent non-executive Director on 9 October 2024) has, in accordance with the Listing Rule 3.09D, obtained legal advice from a law firm qualified to provide opinions on Hong Kong law on 9 October 2024, to understand all the provisions applicable to him as a director of a listed issuer under the Listing Rules, as well as the potential consequences of making false declarations or providing false information to the Hong Kong Stock Exchange.

The Board delegated its authorities and obligations in the management of daily operations, business strategies and the Group's business to the executive Directors and senior management, and delegated certain specific responsibilities to the committees under the Board.

Relationship between Board Members

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship between the Board members.

Responsibilities of the Chairman and Managing Director

It is the consistent policy of the Company to appoint different individuals to act as chairman and managing Director to ensure the accountability and independence of the policymaking process of the Company. The chairman of the Group is responsible for leading the Board. The chairman should ensure that the Board works effectively and discharges its responsibilities, and be responsible for building the management of the Company, organising the formulation of the development strategies, etc. The managing Director is responsible for managing the daily business operations of the Company, implementing the development strategies formulated by the Board, expediting the development of high-end integrated logistics business, driving the development of the passenger transportation business, etc. and strengthening the internal management.

According to Provision C.2.7, the chairman of the Group has held a meeting with the non-executive Directors, including independent non-executive Directors, without other executive Directors' presence.

Term of Office of Non-executive Directors

The Company has entered into a letter of appointment with non-executive Director (Ms. Zhong Yan) for a fixed term of three years (from 1 April 2023 to 31 March 2026), subject to retirement by rotation and re-election in accordance with the Articles of Association.

Independent Non-executive Directors

In order to ensure the independence of the policymaking process of the Board and protect the interest of its Shareholders, the Company appoints at least three qualified independent non-executive Directors in compliance with Rule 3.10(1). In addition, the Company has complied with Rule 3.10A of the Listing Rules of having at least one-third of the Board being represented by independent non-executive Directors. They are professionals experienced in banking, finance, passenger transportation and logistics services. One of the independent non-executive Directors has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules. The Company undertakes to give them adequate access to the information of the Company and encourages them to thoroughly discuss and provide independent opinions on matters of the Company.

According to the provisions of the Code, a service term of over nine years is one of the key factors in determining the independence of an independent non-executive director. Mr. Chan Kay-cheung ("**Mr. Chan**") and Ms. Yau Lai Man ("**Ms. Yau**") have served as independent non-executive Directors for over nine years. During their years of service with the Company, Mr. Chan and Ms. Yau have contributed by providing independent viewpoints and advice to the Company in relation to its businesses, operations, future development and strategy. The Board considers that Mr. Chan and Ms. Yau have the character, integrity, ability and experience to continue to fulfill his/her role as required effectively. The nomination committee of the Company, having separately assessed and reviewed each of Mr. Chan's and Ms. Yau's duties, contributions and scope of work, also believes that Mr. Chan and Ms. Yau can independently express opinions on matters of the Company and there is no evidence that his/her over nine years of service with the Company would have any impact on his/her independence and therefore his/her independence is confirmed. According to the Provision B.2.3, if an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by Shareholders.

Ms. Yau retired on rotation at the annual general meeting held on 31 May 2022 and, being eligible, offered herself for re-election at that meeting. Ms. Yau was re-appointed by a separate resolution of the Shareholders at the said meeting. In addition, Mr. Chan retired on rotation at the annual general meeting held on 21 June 2023 and, being eligible, offered himself for re-election. Mr. Chan was re-appointed by a separate resolution of the Shareholders at the said meeting.

In accordance with Article 88(i) of the Articles of Association, Ms. Yau will retire at the forthcoming annual general meeting of the Company and, being eligible, offers herself for re-election. Ms. Yau will be re-appointed by a separate resolution of the Shareholders at the said meeting.

The Company has received from each of the current independent non-executive Directors an annual confirmation of his/her independence. The Company considers that all the independent non-executive Directors have maintained their respective independence in accordance with Rule 3.13 of the Listing Rules.

Board Diversity Policy

Pursuant to the Provisions, the Board has adopted the Board Diversity Policy since 15 August 2013 which has been revised on 1 January 2019 and 25 August 2022, and is posted on the Company's website. To attain diversity of the Board, it is the Company's policy to consider an array of factors including professional skills, knowledge, experience, age, gender, cultural and educational background, as well as other factors that the Board considers relevant and applicable from time to time, in determining the appointment and reappointment of Board members. Selection to the Board will be made in accordance with the Company's nomination policy, taking into account the Board's diversity policy. All Board appointments will be based on the strengths of the appointee(s) and the potential contribution he or she can bring to the Company, taking into account the benefits of diversity on the Board. To enhance gender diversity, the Board will take opportunities to progressively increase the proportion of women on the Board and has set measurable targets to ensure that there is at least one Director of a different gender on the Board. During the year, the Company has appointed two female Directors, thus achieving gender diversity on the Board and will continue to maintain the aforementioned measurable targets to achieve a diverse Board.

The Board and the Nomination Committee will regularly discuss and review the Board Diversity Policy on an annual basis to ensure its ongoing effectiveness. In addition, in determining the composition of the Board, the Company will consider the diversity of the Board from various perspectives, including but not limited to gender, age, culture, educational background, experience, knowledge and the potential contribution that a candidate may bring to the Board. All Board members will be appointed on the basis of merit, and candidates will be considered on the basis of objective criteria to take full account of the benefits of diversity on the Board.

Directors' Responsibilities for Financial Statements

During each financial period, the Directors are responsible for the preparation of the financial statements that give a true and fair view of the state of affairs of the Group and of its results and cash flows during the relevant period. In preparing the financial statements for the year, the Directors selected and applied consistently appropriate accounting policies, made careful and reasonable judgments and estimates, and prepared the financial statements on a going concern basis. The Directors are responsible for the filing of appropriate accounting records that reasonably and accurately disclose the financial position of the Company at any time. The Board is not aware so far of any significant uncertain events or circumstances which would affect the business of the Company or its ability to continue its operation. The responsibilities of the Company's external auditor are set out in the Independent Auditor's Report on pages 83 to 88 of the annual report.

Board Meeting Procedures

The Board held regular meetings during the year. The company secretary of the Company (the "**Company Secretary**") assists the chairman in establishing the meeting agenda, and each Director/committee member may request the inclusion of items in the agenda. The date and agenda of the Board meeting will be available to the Directors at least 14 days in advance and related documents will be available to the Directors at least 7 days in advance to enable each Director to fully understand the matters to be discussed and make an informed opinion. Draft and final versions of the minutes of Board meetings and Board committee meetings prepared in sufficient details by the secretary of the meetings, were circulated to the Directors for their comment and record respectively. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any reasonable time on reasonable notice by any Director. Each Director has the right to seek independent professional advice in furtherance of his/her duties at the expense of the Company. No Director has requested to seek professional advice as mentioned above during the year.

If a Director has a conflict of interest in a matter to be considered at the meetings of the Board and the committee which the Board has determined to be material, such Director may express his/her recommendations but shall not be counted in the quorum and shall abstain from voting on the relevant resolution.

All Directors have unrestricted access to the Company Secretary who is responsible for ensuring that the Board/committee procedures are complied with, and for advising the Board/committee(s) on compliance matters.

Attendance at Meetings and Time Commitment of Directors

During 2024, the attendance of the Board members at general meetings, the meetings of the Board and respective committees were as follows:

	Attendance in person/number of meetings held					
	Annual General Meeting	Board Meeting	Executive Committee Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting
Mr. Liu Guanghui (Chairman of the Board)	1/1	4/4	12/12	N/A	2/2	1/1
Mr. Zhou Jun (Managing Director)	1/1	4/4	12/12	N/A	N/A	N/A
Mr. Liu Wuwei (Executive Director)	1/1	3/4	12/12	N/A	N/A	N/A
Ms. Zhong Yan (Non-executive Director)	0/1	4/4	N/A	1/2	N/A	N/A
Mr. Chan Kay-cheung (Independent Non-executive Director)	1/1	4/4	N/A	2/2	2/2	1/1
Ms. Yau Lai Man (Independent Non-executive Director)	1/1	4/4	N/A	2/2	2/2	1/1
Hon. Rock Chen Chung-nin (Independent Non-executive Director)	1/1	4/4	N/A	N/A	N/A	1/1
Mr. Tang Yi Hoi (Independent Non-executive Director, appointed on 9 October 2024)	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Chow Bing Sing (Independent Non-executive Director, resigned on 1 April 2024)	0/1	1/4	N/A	1/2	1/2	1/1

Upon reviewing (i) the annual confirmation of the time commitment given by each Director; (ii) the directorships and major commitments of each Director; and (iii) the attendance rate of each Director on the Board and their respective Board committee meetings, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during the year.

Committees under the Board

In order to assist the Directors to perform their responsibilities, the Board has set up four Board committees, namely, the executive committee, the audit committee, the remuneration committee and the nomination committee. The chairmen of all the committees are appointed by the Board, in which the audit committee and the remuneration committee are both chaired by an independent non-executive Director with written terms of reference which were discussed and approved by the Board. The related terms of reference of each committee have been published on the websites of the Company and the Hong Kong Stock Exchange. The duties of the four committees are as follows:

Executive Committee

The Executive Committee was established in 2009 to approve and undertake the transactions on behalf of the Board in respect of each investment project within an authorised limit or other day-to-day business operations. The committee consists of the chairman of the Board or/and executive Directors.

The Executive Committee comprises:
Mr. Liu Guanghui (Chairman of the committee and Chairman of the Board)
Mr. Zhou Jun (Managing Director)
Mr. Liu Wuwei (Executive Director)

Audit Committee

The Company has established an audit committee in accordance with Rule 3.21 of the Listing Rules and the Code. The Audit Committee was established in 2001 to review the Company's financial reporting, internal control, risk management, appointment of auditor and corporate governance issues and make recommendations to the Board. The Audit Committee consists entirely of independent non-executive Directors, who are experienced in finance, internal audit, banking, passenger transportation and logistics, and are therefore capable of providing expert opinions on the steady financial operations of the Company. Currently, the Audit Committee comprises three independent non-executive Directors.

Ms. Yau Lai Man, a member of the Audit Committee, has the qualifications required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee comprises:
Mr. Chan Kay-cheung (Chairman of the committee and Independent Non-executive Director)
Ms. Yau Lai Man (Independent Non-executive Director)
Mr. Tang Yi Hoi (Independent Non-executive Director, appointed on 9 October 2024)
Mr. Chow Bing Sing (Independent Non-executive Director, resigned on 1 April 2024)

The Audit Committee held two meetings in 2024 with an average attendance rate of 100% to review the following matters with the Company's senior management and independent auditor during the reporting period:

- accounting principles adopted by the Company for preparing financial statements;
- draft annual report, interim report and financial statements of the Company;
- scope of audit work of external auditor;
- independent audit results of the Company's financial statements;
- internal recommendations issued by external auditor to the management and the management's response;
- appointment of external auditor for providing non-audit services to the Company;
- proposed audit fee for 2024;
- internal audit function (including its effectiveness) of the Company, including internal audit policy, internal audit plan and internal audit reports, covering financial monitoring, internal control and risk management;
- corporate governance of the Company; and
- connected transactions of the Company.

Reference to the functions of the Audit Committee is available under the terms of reference of the Audit Committee which have been published on the websites of the Company and the Hong Kong Stock Exchange. To further enhance the independence of the external independent auditors, some parts of the above meetings were only attended by independent non-executive Directors and the independent auditors.

Since 2009, the Board has delegated the corporate governance functions to the Audit Committee in accordance with the Provisions A.2, as it considered members of the Audit Committee to be better positioned to provide objective and independent guidance on governance-related matters.

The Audit Committee has reviewed the Company's compliance with the Provisions of this year and the disclosure in this Corporate Governance Report.

Remuneration Committee

The Company has established a Remuneration Committee in accordance with Rule 3.25 of the Listing Rules and the Code. The Remuneration Committee was established in 2005 to make recommendations to the Board on the remuneration policy of the Company and the remunerations of the Directors and executives appointed by the Board. The Remuneration Committee held two meetings in 2024 with an average attendance rate of 100%. Currently, the Remuneration Committee comprises three independent non-executive Directors and one executive Director and is chaired by an independent non-executive Director.

The Remuneration Committee comprises:
Mr. Tang Yi Hoi (Chairman of the committee and Independent Non-executive Director, appointed on 9 October 2024)
Mr. Chan Kay-cheung (Independent Non-executive Director)
Ms. Yau Lai Man (Independent Non-executive Director)
Mr. Liu Guanghui (Executive Director)
Mr. Chow Bing Sing (Independent Non-executive Director, resigned on 1 April 2024)

Reference to the functions of the Remuneration Committee is available under the terms of reference of the Remuneration Committee which have been published on the websites of the Company and the Hong Kong Stock Exchange.

During the year, the Remuneration Committee reviewed and assessed the performance and remuneration packages of the Directors of the Company (including executive Directors, non-executive Directors and independent non-executive Directors) and discussed on the remuneration and benefits system and policy of the staff of the Group.

Remuneration of Executive Directors

The remuneration of the executive Directors of the Company mainly includes basic salary, bonus and directors' fee, which were determined by the Board by reference to various factors (including market conditions) upon the recommendations of the Remuneration Committee to the Board. The Company considers various factors in determining the remuneration such as market conditions, comparable companies and time of the Executive Directors spent on managing the affairs of the Company. The Executive Directors currently do not receive any director's remuneration.

Remuneration of Non-executive Director

Currently, the Non-executive Director does not receive any director's remuneration.

Remuneration of Independent Non-executive Directors

The Company pays emoluments to Independent Non-executive Directors in form of directors' fee. The Remuneration Committee will present a proposal to the Board, and the Board will make decisions based on market conditions.

Nomination Committee

The Company has established a Nomination Committee in accordance with the Code. The Nomination Committee was established in 2011 and it is mainly responsible for making recommendations to the Board on the appointment of Directors and senior management. The Nomination Committee held one meeting in 2024 with an average attendance rate of 100%. Currently, the committee comprises five Directors, of which four are independent non-executive Directors. On 1 October 2019, the Board approved and adopted the Nomination Policy which was proposed by the Nomination Committee.

The Nomination Committee comprises:
Mr. Liu Guanghui (Chairman of the committee and Executive Director)
Mr. Chan Kay-cheung (Independent Non-executive Director)
Ms. Yau Lai Man (Independent Non-executive Director)
Hon. Rock Chen Chung-nin (Independent Non-executive Director)
Mr. Tang Yi Hoi (Independent Non-executive Director, appointed on 9 October 2024)
Mr. Chow Bing Sing (Independent Non-executive Director, resigned on 1 April 2024)

Reference to the functions of the Nomination Committee is available under the terms of reference of the Nomination Committee which have been published on the websites of the Company and the Hong Kong Stock Exchange.

During the year, the Nomination Committee has made recommendations to the Board on new Director's appointment and re-election of retiring Directors. The Nomination Committee also reviewed the structure, size and composition of the Board and believed that the composition of the Board is diversified (also as disclosed in "Composition of the Board" above). The Nomination Committee considers the Board Diversity Policy when nominating the Directors (see the "Board Diversity Policy" above). The Nomination Committee has also reviewed the nomination policy in the year.

According to the Articles of Association, all Directors are subject to retirement by rotation and re-election at annual general meetings of the Company. New Directors appointed by the Board during the year are required to retire and offer themselves for re-election at the first annual general meeting immediately following their appointments. Further, at each annual general meeting, one-third (if not a multiple of three, then the number nearest to one-third) of Directors shall retire from office by rotation and according to the Provision B.2.2, every Director shall be subject to retirement by rotation at least once every three years.

In accordance with Article 84 of the Articles of Association, independent non-executive Director Mr. Tang Yi Hoi will retire at the forthcoming annual general meeting of the Company and, being eligible, offer himself for re-election. The Nomination Committee recommended to the Board that Mr. Tang Yi Hoi be nominated for re-election at the forthcoming annual general meeting of the Company.

In accordance with Article 88(i) of the Articles of Association, executive Directors Mr. Liu Guanghui and Mr. Zhou Jun and independent non-executive Director Ms. Yau Lai Man will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election. The Nomination Committee recommended to the Board that Mr. Liu Guanghui, Mr. Zhou Jun and Ms. Yau Lai Man be nominated for re-election at the forthcoming annual general meeting of the Company.

Nomination Procedures

(i) If the Nomination Committee is required to appoint a Director, the secretary of the Nomination Committee may convene a meeting of the Nomination Committee and invite nominations for Directors, (if any), for consideration by the Nomination Committee prior to the meeting.

(ii) In addition to Director nominees, the Nomination Committee may also nominate non-director nominees.

(iii) Upon receipt of a proposal for the appointment of a new Director and the candidate's curriculum vitae, the Nomination Committee and/or the Board shall evaluate the candidate to determine whether the candidate is qualified in accordance with the criteria set out below.

(iv) The Nomination Committee shall then make recommendations to the Board for its consideration and recommendation for re-election in respect of the appointment of a suitable candidate as a Director. The Nomination Committee may pass a written resolution for the nomination of a Director. A circular will be sent to Shareholders for the purpose of providing information on candidates for election or re-election as Directors at general meetings. The names, biographical details (including qualifications and relevant experience), independence, remuneration and other information of the candidates will be included in the circular in accordance with applicable laws, rules and regulations.

The following criteria will be used as a reference by the Nomination Committee in assessing the suitability of the proposed candidates.

- credibility;
- the required skills, expertise, experience, cultural and educational background, gender, age and other qualities, with due regard to the benefits of diversity on the Board;
- the extent to which the proposed candidate can contribute to the overall effectiveness of the Board and work constructively with existing Directors;
- the skills and experience of the proposed candidate as a Director and how the candidate could enhance the overall effectiveness and performance of the Board;
- the nature of the proposed candidate's existing position, including the directorship or other relationship with the Company and other Directors of the Company, and the impact that such relationships may have on the candidate's ability to exercise independent judgment; and
- other factors that could affect the amount of time the proposed candidate would devote to the performance of his duties in relation to the Company.

Training for Directors and Company Secretary

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 in shares and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have also been updated on the latest development regarding the Listing Rules and other applicable regulatory requirements to ensure compliance with relevant regulations and enhance their awareness of good corporate governance practices. During the year, the Company arranged directors' training for Directors, and explained to Directors the provisions in the Listing Rules regarding disclosable transactions and connected transactions.

All Directors confirmed that they have complied with the Provision C.1.4 on directors' training. During the year, all Directors have participated in continuous professional development by reading materials or attending seminars/briefing sessions to develop and refresh their knowledge and skills and provided records of training to the Company. Current Directors have participated in training on the following topics during the year:

	Corporate governance/ updates on laws, rules and regulations		Accounting/financial/ management or other expertise	
	Reading Materials	Attending seminars/ briefing sessions	Reading materials	Attending seminars/ briefing sessions
Mr. Liu Guanghui (Chairman of the Board)	✓	✓	✓	✓
Mr. Zhou Jun (Managing Director)	✓	✓	✓	✓
Mr. Liu Wuwei (Executive Director)	✓	✓	✓	✓
Ms. Zhong Yan (Non-executive Director)	✓	✓	✓	✓
Mr. Chan Kay-cheung (Independent Non-executive Director)	✓	✓	✓	✓
Ms. Yau Lai Man (Independent Non-executive Director)	✓	✓	✓	✓
Hon. Rock Chen Chung-nin (Independent Non-executive Director)	✓	✓	✓	✓
Mr. Tang Yi Hoi (Independent Non-executive Director, appointed on 9 October 2024)	✓	✓	✓	✓
Mr. Chow Bing Sing (Independent Non-executive Director, resigned on 1 April 2024)	✓	✓	✓	✓

To comply with Rule 3.29 of the Listing Rules, the Company Secretary has taken no less than 15 hours of relevant professional training during the year.

Changes in Information of Directors

Save as disclosed in this annual report, pursuant to Rule 13.51B(1) of the Listing Rules, following specific enquiry of all Directors by the Company, all Directors have confirmed that there are no any other changes in the information of Directors during 2024 which needs to be disclosed.

Details of changes in the annual remuneration of Directors are set out in the note 38 to the financial statements.

EMPLOYEE GENDER DIVERSITY

The Company aims to maintain an appropriate balance with the growth and diversity of the Company's business and to ensure that recruitment at all levels, including the Board and senior management, meets diversity standards so that a diverse range of talent is considered. Details of the gender balance of the Company's personnel and related data are set out in the Company's ESG Report for the year ended 31 December 2024, please refer to the relevant section in the Company's 2024 ESG Report. To achieve diversity, the Nomination Committee will regularly discuss and, if necessary, agree on measurable objectives such as gender diversity at the Board meeting, and recommend such objectives to be adopted by the Board.

Specifically, the Nomination Committee will identify and recommend implementation plans to the Board, in helping to build a skilled and experienced workforce, so as to enhance the competitiveness of the Company. For the time being, the Board plans to increase the female representation, and achieve a proper balance of gender diversity by taking into account Shareholder expectations and recommended best practices. The Company will also ensure gender diversity in the recruitment of middle and senior management, and is committed to providing equal employment development opportunities for female employees.

REMUNERATION OF SENIOR MANAGEMENT

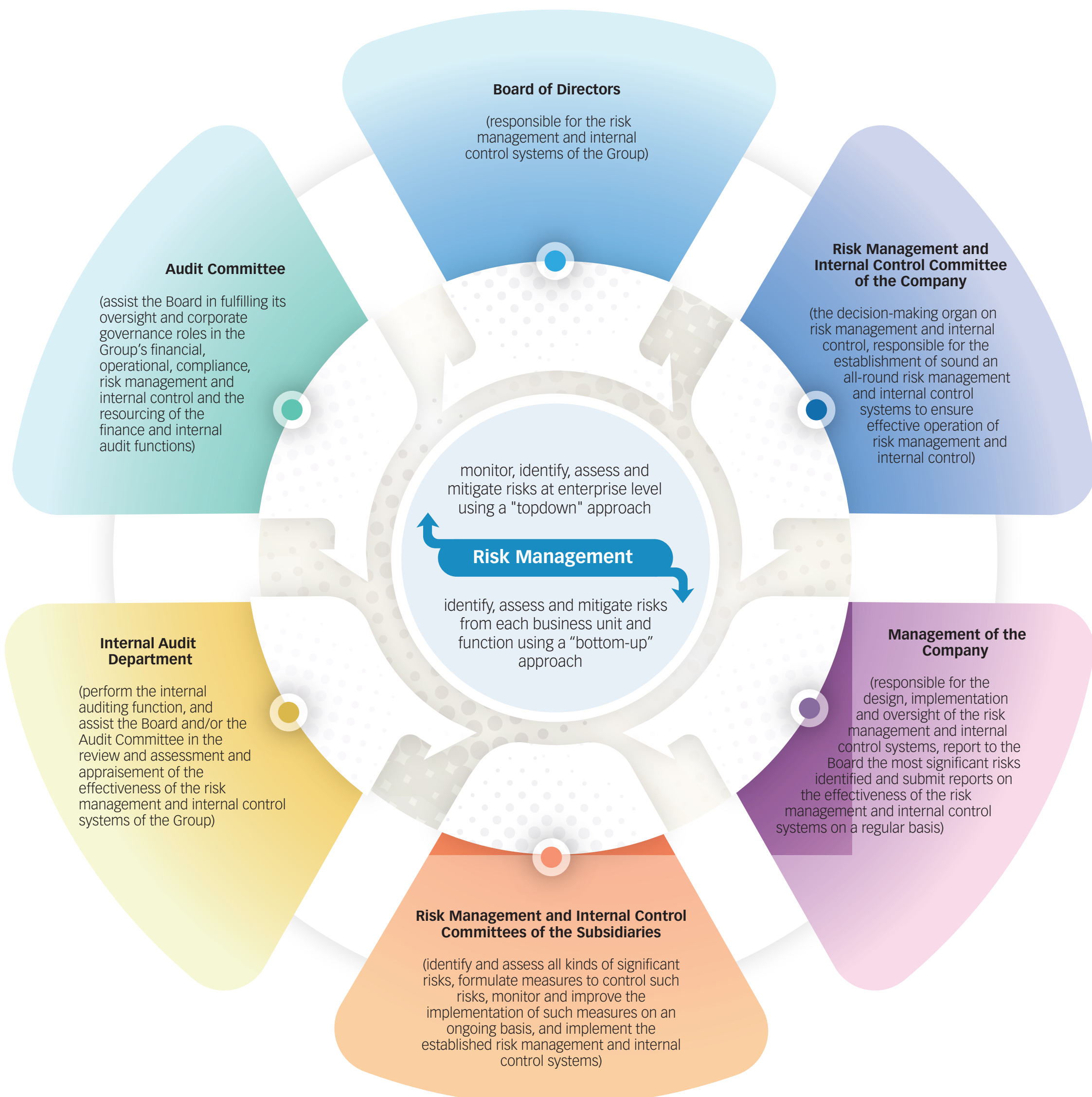
Number of senior management according to the level of remuneration:

Level of remuneration	**Number of Senior Management**	
HK$'000	**2024**	2023
Equal to, or less than 400	**0**	0
401-1,000	**2**	3
1,001-1,800	**3**	2

RISK MANAGEMENT AND INTERNAL CONTROL

The Group has established effective risk management and internal control systems to provide reasonable (though not absolute) assurance against material misstatement or loss and to manage (rather than eliminate) risks of failing to achieve business objectives. The Board shall be responsible for the risk management and internal control systems of the Group and shall review at least annually the effectiveness of such systems for that relevant financial year. The Audit Committee shall assist the Board in fulfilling its oversight and corporate governance functions in the Group's financial, operational, compliance, risk management (including environmental, social and governance risks) and internal control, and the resources of the finance and internal audit functions. The Group has established a set of organisational structure with a clear division of responsibilities and reporting mechanisms.

STRUCTURE OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS PROCEDURE



- the internal audit department of the Company (the "**Internal Audit Department**") has an internal audit function, and shall assist the Board and/or the Audit Committee in the review of the effectiveness of the Group's internal control and risk management systems (including environmental, social and governance risks) on an ongoing basis. The head of the Internal Audit Department shall report directly to the Audit Committee;

- the Company has also established the Risk Management and Internal Control Committee (the "**Risk Control Committee**") comprising Mr. Zhou Jun, Mr. Liu Wuwei and heads of all departments, which shall determine the members of the committee and their respective responsibilities, define the work division among all departments and the duties and responsibilities of each group, and give instructions in relation to the commencement of risk assessment (including environmental, social and governance risks) and internal control assessment. The Risk Control Committee shall report directly to the Board about the significant risks that may affect the performance of the Group on a regular basis; and

- the Company will set up task group(s) in light of the actual situation, which will hold meetings regularly to review the effectiveness of the relevant financial, operational and compliance control as well as risk management procedures (including environmental, social and governance risks) and to review on how to make further improvement.

The Company has implemented the following procedures to identify, assess and manage significant risks (including environmental, social and governance risks):

1. the Company has formulated the Guideline on Risk Management (《風險管理工作指引》), and required the Company and all subsidiaries to manage risks in accordance with this guideline;

2. the Company has established a whistleblowing policy, which is disclosed on the Company's website and compendium of rules and regulations, to which employees, employees of subsidiaries and persons dealing with the Company may access, in order to enable them to raise concerns and report possible improprieties in any matter concerning the Company in a confidential and anonymous manner;

3. all subsidiaries have set up their own risk management and internal control committees and identified their officer-in-charge for risk management. An annual inspection shall be carried out to identify their respective risks, assess all kinds of significant risks, formulate relevant control measures and continuously monitor and improve the risk management and internal control systems. Each of the risk management and internal control committee shall conduct an annual review in the middle of the year for self-inspection and self-reporting of risks/to check the implementation of such control measures, so as to ensure the feasibility and effectiveness of existing control measures;

4. after collecting information on the risk profile of each subsidiary and the relevant control measures implemented by them, the Company would summarise a list of significant risks based on the major risk categories (including market risks, strategic risks, operation risks, financial risks, environmental, social and governance risks, etc.). After ranking these significant risks by priority, the management of the Company would identify the most significant risks and request the relevant companies to focus on the supervision of such risks;

5. the Internal Audit Department would carry out the following tasks every year:

   - to examine if all companies of the Group have focused their supervision on the most significant risks;
   - to evaluate the report in relation to the most significant risks;
   - to assess and ensure the effectiveness of the risk management procedures and the audit reporting process;
   - to ensure accurate assessment of each risk; and
   - to implement independent internal audits according to its internal audit plan.

6. the Internal Audit Department would summarise and report the results of the work above to the Audit Committee on a yearly basis.

The formulation and execution procedures of the internal audit plan of the Company are as follows: the Internal Audit Department adopts a risk and control-based audit approach. An annual work plan will be formulated, covering the Group's operations and businesses as well as all the major activities and processes of each subsidiary, and a special review will be carried out on the demand of the management. The audit result shall be submitted to the Audit Committee promptly for review. Where any deficiency in the internal control is identified, the subsidiaries are required to make improvements promptly according to the recommendations. Audit issues are tracked and followed up by the Internal Audit Department for proper implementation. The Internal Audit Department shall report to the Audit Committee on a regular basis, while the Audit Committee shall report the audit findings and/or progress of the audit work to the Board after reviewing the relevant information.

The Company adopted the Inside Information Management Policy (《內幕消息管理制度》) in 2013 (as revised in 2015), which provides guideline on the handling and dissemination of the Group's inside information by the Directors and employees who may have access to such information as well as the relevant internal control measures. The Board has organised the establishment of the Inside Information Committee, a committee under the Executive Committee which comprises the executive Directors, the Company Secretary, the general manager of the capital operation department and the general manager of the legal department. The members of the Inside Information Committee shall take joint responsibility for the registration and management of the inside information and the insiders of the Group, which shall be organised and implemented by the Company Secretary and the capital operation department. The officer-in-charge of other departments, branch companies and subsidiaries of the Company as well as the invested companies over which the Company has significant influence shall be responsible for the confidentiality of such information arising within their management authority, and shall report and communicate such inside information that comes to their knowledge.

After being aware of any event potentially involving inside information, the senior officers of the relevant company shall fill in and submit the Inside Information Reporting Form (《內幕消息呈報表格》) truthfully on the date such inside information comes to their knowledge. Upon receipt of such alert, the Company Secretary shall promptly convey such inside information to the members of the Inside Information Committee for assessment. In accordance with the relevant provisions of the information disclosure rules, members of the Inside Information Committee shall assess on the potential inside information, fill in the Inside Information Assessment Report (《內幕消息評估報告》) and decide whether a disclosure on such information is required. Where it is determined that a disclosure is required to be made, it shall be reported to the securities regulatory authority and made within three working days or as required by the regulatory rules and regulations.

In respect of the review of the adequacy and effectiveness of the risk management and internal control systems, the Internal Audit Department provides independent assurance regarding the adequacy and effectiveness of the Group's risk management and internal control systems to the Board and the Audit Committee. The head of the Internal Audit Department shall report directly to the Audit Committee. With the assistance of the Internal Audit Department, the management of the Group shall be responsible for the design, implementation and monitoring of the risk management and internal control systems. The Annual Self-assessment Form of Internal Controls and Risk Management (《內部控制及風險管理年度自評表》) are dispatched to all subsidiaries, which shall be collected and consolidated by the Company. Such results shall be assessed by the Internal Audit Department and reported to the Audit Committee, which will then review such information and submit reports on the effectiveness of such systems to the Board on a regular basis. Where necessary, the task group(s) will hold meetings regularly to review the effectiveness of the relevant financial, operational as well as compliance control and risk management procedures and to make further improvements.

During the year, the Company has conducted the following major works relating to risk management and internal control:

- completed the relevant work of the 2024 risk management assessment and based on the 4 major risks identified from last year's assessment, to further implement comprehensive risk management measures and ensure the relevant measures for those work associated with risk to be in place effectively. For the assessment of comprehensive risk management this year, there is no matter involving "One-vote Veto". Meanwhile, safety management requirements and prevention measures were put in place in 2024, mainly through strengthening supervision and inspections; conducting business training and conducting specialised investigations, etc.. There was no major safety duties incident took place in the Group throughout the year;

- the 2024 Internal Audit Plan was properly organised and implemented so as to enhance the internal control and risk management of all subsidiaries. This was accomplished by ways of the Group's Risk Summary Form 《風險總滙表》, the Annual Self-assessment Form of Internal Controls and Risk Management (《內部控制及風險管理年度自評表》) submitted by each subsidiary and the strategic position and business characteristics of each subsidiary together with the management's goal of the year;

- conducted review and audit on the internal control processes, internal borrowing and guarantee, cost control of fund, accounting and auditing for the financial management department of the Group, and the implantation of corrective actions for issues identified in audit of previous years;

- organised the staff of the Group to carry out relevant training and cultural construction works to improve risk management and internal control awareness and enhance the standard of the internal audit work, including arranging dedicated internal auditors to attend online and offline practical audit training, inviting professionals to conduct anti-corruption and bribery prevention educational trainings for the Group's middle level management or above, and the executive positions members of its subsidiaries to enhance anti-corruption awareness; and

- during the year, the 2024 Audit Plan was fully completed, a total of 14 internal audit reports were issued. In respect of the 15 audit comments and recommendations provided for the financial year of 2024, improvement works on addressing audit-related issues were in progress, of which 12 were completed. All subsidiaries had been asked to make improvements according to such recommendations.

This year, the Board, through the Audit Committee, reviewed the risk management and internal control systems of the Group. The Board also reviewed and ensured the adequacy of the Group's resources in accounting, internal audit and financial reporting functions, staff qualifications and experience as well as staff training courses. The Annual Self-assessment Form of Internal Controls and Risk Management (《內部控制及風險管理年度自評表》) had been dispatched to all subsidiaries, which had been collected and consolidated by the Company. Such results were assessed by the Internal Audit Department and reported to the Audit Committee, which then reviewed and reported the same to the Board. The Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the financial position or operating results of the Group and considered the risk management and internal control systems to be generally adequate and effective.

On 27 May 2024, the Company established the Compliance Committee, a committee under the Executive Committee, responsible for resolving compliance issues of the Group. The terms of reference have been established as the basis for the committee's duties. Since its establishment, the Compliance Committee actively performs its duties and exercises its authority by setting the strategic direction for the Group's compliance management and establishing adherence to regulations, revising the CKS Compliance Policy (《珠江船務合規方針》) and the CKS Compliance Management Policy (《珠江船務合規管理辦法》) etc. in 2024. Meanwhile, the Company obtained compliance management system certifications on ISO 37301:2021 International Standard and GB/T 35770-2022 National Standard in October 2024.

REMUNERATION OF AUDITOR

For the year ended 31 December 2024, the Company paid the auditor of the Company the following fees for audit and non-audit services.

	2024 HKD'000	2023 HKD'000
Audit Services	**2,805**	2,776
Non-audit Services, including:		
– review of the interim report	**591**	574
– continuing connected transactions, annual results announcement, tax consulting and tax compliance services	**457**	395
	3,853	3,745

COMMUNICATION WITH SHAREHOLDERS

The Board has established a shareholders' communication policy and the procedures for Shareholders to nominate a candidate for election as a Director. The policy and procedure are available on the website of the Company.

Set out below are procedures for Shareholders to (1) convene a general meeting; (2) put forward proposals at a general meeting; and (3) put enquiries to the Board. These procedures are generally governed by the Articles of Association and applicable laws, rules and regulations, which prevail over the below information in case of any inconsistencies.

1. Procedures for Shareholders to convene a general meeting

Pursuant to the Articles of Association and the Companies Ordinance of Hong Kong, registered Shareholders holding not less than one-twentieth (5%) of the paid up capital of the Company (the "**General Meeting Requisitionists**") can deposit a written request to convene a general meeting at the registered office of the Company (the "**Registered Office**"), which is presently situated at 22nd Floor, Chu Kong Shipping Tower, 143 Connaught Road Central, Hong Kong for the attention of the Company Secretary.

The General Meeting Requisitionists must state in their request(s) the objects of the general meeting and such request(s) must be signed by all the General Meeting Requisitionists and may consist of several documents in like form, each signed by one or more of the General Meeting Requisitionists.

The Company's share registrars (the "**Share Registrars**") will verify the General Meeting Requisitionists' particulars in the General Meeting Requisitionists' request. Promptly after confirmation from the Share Registrars that the General Meeting Requisitionists' request is in order, the Company Secretary will arrange with the Board to convene a general meeting by serving sufficient notice to all the registered Shareholders in accordance with all the relevant statutory and regulatory requirements. On the contrary, if the General Meeting Requisitionists' request is verified to be not in order, the General Meeting Requisitionists will be advised of the outcome and accordingly, a general meeting will not be convened as requested.

The General Meeting Requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting if the Board had not arranged to duly convene a general meeting within 28 days upon serving a written notice in relation to the general meeting within 21 days of the deposit of the General Meeting Requisitionists' request, provided that any general meeting so convened is held within three months from the date of the original General Meeting Requisitionists' request. Any reasonable expenses incurred by the General Meeting Requisitionists by reason of the Board's failure to duly convene a general meeting shall be repaid to the General Meeting Requisitionists by the Company.

2. Procedures for Shareholders to put forward proposals at a general meeting

Shareholders may suggest proposals relating to the Company to be discussed at a general meeting by sending written requisition to the Board or the Company Secretary and following the procedures set out in the paragraph headed "Procedures for Shareholders to convene a general meeting" above to convene a general meeting for any business specified in such written requisition.

3. Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Address: 24th Floor, Chu Kong Shipping Tower, 143 Connaught Road Central, Hong Kong
Telephone: (852) 2859 1415
Facsimile: (852) 2186 7204
E-mail: maggie-cksd@cks.com.hk

The general meeting is an important occasion for direct dialogues between Directors, senior executives and Shareholders, and the Company attaches great importance to any general meeting. All Directors (including independent non-executive Directors) and senior executives will try to attend the meetings, listen to Shareholders' proposals in person, and answer questions raised by shareholders concerning the development strategies and operations of the Company. The Company welcomes Shareholders to attend general meetings in person, express their opinions and raise their enquiries to the Directors and management.

INVESTOR RELATIONS AND COMMUNICATIONS

The Company regards investor relations as utmost importance and discloses relevant information timely under the guidelines of the Listing Rules. Updates of the Company are communicated to institutional investors and analysts regularly. In the year, the Company frequently met with fund managers and investment bank analysts and responded swiftly to the queries of the small and medium investors.

The Board has reviewed the Company's communications activities with Shareholders and investors for the year ended 31 December 2024, as well as the implementation of the measures mentioned above, and is satisfied that the Shareholder and investor communications policy is effective.

There were no amendments to the Articles of Association of the Company during 2024.

Independent auditor's report to the members of
Chu Kong Shipping Enterprises (Group) Company Limited
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Chu Kong Shipping Enterprises (Group) Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 89 to 182, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Assessing impairment of property, plant and equipment, land use rights, software and goodwill

Refer to accounting policies 2.5, 2.7 and 2.8 and notes 6, 7, 9 and 10 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Group has significant balances of property, plant and equipment ("PP&E"), land use rights, software and goodwill which primarily attributable to cargo handling and storage segment, with an aggregated carrying value of HK$3,536,210,000 as at 31 December 2024 and impairment of HK$4,000,000 was made in relation to PP&E during the year. Management performs impairment testing of PP&E, land use rights and software when indicators of impairment are identified. In addition, goodwill impairment assessment is performed by management annually whether or not there is any indication of impairment. In performing impairment assessments, management compared carrying value of each of the separately identifiable cash-generating units ("CGU") with respective recoverable amount, being the higher of fair value less costs of disposal and value in use, to determine the amount of impairment loss, if any. Fair value less costs of disposal is assessed based on independent valuations prepared by a firm of qualified external valuers. Value in use is assessed based on a discounted cash flow forecast prepared by management or qualified external valuers.	Our audit procedures to assess impairment of PP&E, land use rights, software and goodwill included the following: • obtaining and inspecting the valuation reports prepared by the external valuers engaged by management and on which the directors' assessment of the recoverable amount of respective assets was based; • assessing the external valuers' qualifications, experience and expertise in the assets being valued and considering their objectivity; • discussing with the external valuers and evaluating the valuation methodology and challenging the key estimates and assumptions adopted in the valuations, by comparison with available market data and/or government produced market statistics; • assessing the management's evaluation of indicators of impairment, identification of CGU, the allocation of PP&E, land use rights, software and goodwill to each CGU and the methodology adopted by management in the preparation of the discounted cash flow forecasts with reference to our understanding of the Group's business and the requirements of prevailing accounting standards;

The Key Audit Matter	How the matter was addressed in our audit
The preparation of discounted cash flow forecasts involves the exercise of significant management judgement in determining the relevant inputs to the discounted cash flow forecasts and the assumptions adopted therein, including forecast revenue growth rates and the discount rates. We identified the assessment of impairment of PP&E, land use rights, software and goodwill as a key audit matter because the assessment involves significant management judgement which could be subject to management bias.	• assessing the management's cash flow forecasts by comparing the key assumptions adopted by management, in particular, forecast revenue growth rates and the discount rates, with reference to our understanding of the Group's business and industry and available market data; • assessing the historical reliability of management's forecasting process by comparing the actual results for the current year with management's forecast prepared in the previous year; • performing sensitivity analyses on the discount rates and other key assumptions adopted by management to assess the impact of changes on the conclusion reached in management's impairment assessments and considering whether there were any indicators of management bias in the key assumptions adopted; and • assessing the disclosures in the consolidated financial statements in respect of the impairment assessment with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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 HKFRSs issued by the HKICPA and 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 are 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 Section 405 of the Hong Kong Companies Ordinance, 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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.

The engagement partner on the audit resulting in this independent auditor's report is Pang Chi Wai, Aaron.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Consolidated Statement of Financial Position

As at 31 December 2024
(Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**2,901,884**	1,983,891
Investment properties	8	**17,187**	44,510
Land use rights	9	**391,649**	325,374
Intangible assets	10	**242,677**	232,296
Investments in joint ventures	12	**294,307**	302,488
Investments in associates	13	**125,876**	122,468
Deferred income tax assets	14	**1,306**	1,306
Other non-current assets		**64,284**	16,851
		4,039,170	3,029,184
Current assets			
Inventories and spare parts	15	**20,400**	21,225
Trade and other receivables	16	**600,128**	457,099
Bank deposits and cash and cash equivalents	17	**845,459**	1,038,838
		1,465,987	1,517,162
Total assets		**5,505,157**	4,546,346
EQUITY			
Share capital	18	**1,415,118**	1,415,118
Reserves	19	**1,755,717**	1,771,788
		3,170,835	3,186,906
Non-controlling interests		**428,856**	311,136
Total equity		**3,599,691**	3,498,042

Consolidated Statement of Financial Position

As at 31 December 2024
(Expressed in Hong Kong dollars)

	Note	**2024** **HK$'000**	2023 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	14	**84,360**	91,295
Deferred income	24	**697,782**	–
Lease liabilities	21	**38,556**	50,487
Long term borrowings	23	**100,920**	118,125
Other payables	20	**16,675**	10,174
		938,293	270,081
Current liabilities			
Trade payables, accruals and other payables	20	**509,599**	486,937
Amounts due to the non-controlling interests	22	**200,187**	40,360
Income tax payables		**16,223**	15,064
Lease liabilities	21	**23,757**	18,460
Short-term borrowings	23	**200,000**	200,000
Current portion of long-term borrowings	23	**17,407**	17,402
		967,173	778,223
Total liabilities		**1,905,466**	1,048,304
Total equity and liabilities		**5,505,157**	4,546,346
Net current assets		**498,814**	738,939
Total assets less current liabilities		**4,537,984**	3,768,123

Approved and authorised by the board of directors on 25 March 2025

Liu Guanghui
Director

Zhou Jun
Director

The notes on pages 96 to 182 form part of these financial statements.

Consolidated Statement of Profit or Loss

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

	Note	**2024 HK$'000**	2023 HK$'000
Revenue	5	**2,716,471**	2,553,835
Cost of sales/services rendered		**(2,501,218)**	(2,268,367)
Gross profit		**215,253**	285,468
Other income	25	**199,633**	158,958
Other (losses)/gains, net	26	**(3,062)**	1,699
General and administrative expenses		**(298,326)**	(316,013)
Operating profit		**113,498**	130,112
Finance income	28	**15,117**	15,726
Finance cost	28	**(19,122)**	(23,251)
Share of profits less losses of:			
– Joint ventures	12	**12,178**	11,586
– Associates	12	**25,137**	20,283
Profit before income tax		**146,808**	154,456
Income tax expense	29	**(21,128)**	(31,825)
Profit for the year		**125,680**	122,631
Attributable to:			
Equity holders of the Company		**117,027**	114,069
Non-controlling interests		**8,653**	8,562
		125,680	122,631
Earnings per share (HK cents)			
Basic and diluted	31	**10.44**	10.17

The notes on pages 96 to 182 form part of these financial statements.

Consolidated Statement of
Profit or Loss and Other Comprehensive Income

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

	Note	2024 HK$'000	2023 HK$'000
Profit for the year		**125,680**	122,631
Other comprehensive income for the year:			
Items that will not be reclassified to profit or loss			
Unlisted equity security at fair value through other comprehensive income – change in fair value, net of HK$nil tax effect		**1,136**	–
Items that have been reclassified or may be reclassified subsequently to profit or loss			
Currency translation differences, net of HK$nil tax effect:			
– Subsidiaries		**(50,626)**	(33,205)
– Joint ventures and associates		**(7,299)**	(4,984)
Other comprehensive income for the year		**(56,789)**	(38,189)
Total comprehensive income for the year		**68,891**	84,442
Attributable to:			
Equity holders of the Company		**66,412**	87,039
Non-controlling interests		**2,479**	(2,597)
		68,891	84,442

The notes on pages 96 to 182 form part of these financial statements.

Consolidated Statement of Changes in Equity

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

	Attributable to owners of the Company										
	Share capital HK$'000	Exchange reserve (note 19(b)) HK$'000	Revaluation reserve (note 19(c)) HK$'000	Capital reserve (note 19(a)) HK$'000	Statutory reserves (note 19(d)) HK$'000	Merger reserves (note 19(e)) HK$'000	Fair value reserve (non-recycling) HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024	1,415,118	(47,481)	23,009	167,717	118,246	(871,425)	1,184	2,380,538	3,186,906	311,136	3,498,042
Profit for the year	–	–	–	–	–	–	–	117,027	117,027	8,653	125,680
Other comprehensive income:											
Currency translation differences											
– Subsidiaries	–	(45,276)	–	–	–	–	–	–	(45,276)	(5,350)	(50,626)
– Joint ventures and associates	–	(6,475)	–	–	–	–	–	–	(6,475)	(824)	(7,299)
Fair value change on financial asset	–	–	–	–	–	–	1,136	–	1,136	–	1,136
Transfer of reserves	–	–	–	–	824	–	–	(824)	–	–	–
Total comprehensive income for the year	–	(51,751)	–	–	824	–	1,136	116,203	66,412	2,479	68,891
Transactions with owners:											
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	120,219	120,219
Acquisition of additional interests in a subsidiary	–	–	–	–	–	–	–	(4,002)	(4,002)	1,913	(2,089)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(6,891)	(6,891)
2023 final dividend	–	–	–	–	–	–	–	(56,058)	(56,058)	–	(56,058)
2024 interim dividend	–	–	–	–	–	–	–	(22,423)	(22,423)	–	(22,423)
At 31 December 2024	1,415,118	(99,232)	23,009	167,717	119,070	(871,425)	2,320	2,414,258	3,170,835	428,856	3,599,691

The notes on pages 96 to 182 form part of these financial statements.

Consolidated Statement of Changes in Equity

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

	Attributable to owners of the Company										
	Share capital	Exchange reserve (note 19(b))	Revaluation reserve (note 19(c))	Capital reserve (note 19(a))	Statutory reserves (note 19(d))	Merger reserves (note 19(e))	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	1,415,118	(20,451)	23,009	167,717	118,204	(871,425)	1,184	2,335,141	3,168,497	326,810	3,495,307
Profit for the year	–	–	–	–	–	–	–	114,069	114,069	8,562	122,631
Other comprehensive income:											
Currency translation differences											
– Subsidiaries	–	(22,386)	–	–	–	–	–	–	(22,386)	(10,819)	(33,205)
– Joint ventures and associates	–	(4,644)	–	–	–	–	–	–	(4,644)	(340)	(4,984)
Transfer of reserves	–	–	–	–	42	–	–	(42)	–	–	–
Total comprehensive income for the year	–	(27,030)	–	–	42	–	–	114,027	87,039	(2,597)	84,442
Transactions with owners:											
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	(1,360)	(1,360)	(13,077)	(14,437)
2022 final dividend	–	–	–	–	–	–	–	(44,847)	(44,847)	–	(44,847)
2022 special dividend	–	–	–	–	–	–	–	(22,423)	(22,423)	–	(22,423)
At 31 December 2023	1,415,118	(47,481)	23,009	167,717	118,246	(871,425)	1,184	2,380,538	3,186,906	311,136	3,498,042

The notes on pages 96 to 182 form part of these financial statements.

Consolidated Cash Flow Statement

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

	Note	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Cash generated from operations	34(a)	**21,637**	237,739
Hong Kong profits tax paid		**(4,164)**	(6,523)
Mainland China corporate income tax paid		**(18,213)**	(12,410)
Macao profits tax paid		**(1,013)**	–
Net cash (used in)/generated from operating activities		**(1,753)**	218,806
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		**(110,039)**	(46,652)
Payment for purchase of intangible assets		**(3,223)**	–
Acquisition of a subsidiary, net of cash received		**(123,398)**	–
Proceeds from disposals of property, plant and equipment		**4,318**	1,073
Proceeds from bank deposits with more than three months to maturity		**73,411**	50,500
Placement of bank deposits with more than three months to maturity		**(114,230)**	(72,404)
Dividends received from joint ventures and associates		**19,697**	7,173
Cash receipt from disposals of interest in joint ventures		**17,406**	4,804
Capital injection to investment in associates		**–**	(4,982)
Interest received		**15,117**	15,726
Net cash used in investing activities		**(220,941)**	(44,762)
Cash flows from financing activities			
Dividends paid		**(78,481)**	(67,270)
Dividends paid to non-controlling interests		**(6,891)**	–
Interest paid		**(16,910)**	(20,881)
Payment for acquisition of additional interests in subsidiaries		**(2,089)**	(14,437)
Capital element of lease rentals paid	34(b)	**(26,198)**	(30,855)
Interest element of lease rentals paid	34(b)	**(2,212)**	(2,370)
Repayment of bank loans	34(b)	**(296,260)**	(45,790)
Drawdown of bank loans	34(b)	**281,803**	–
Drawdown of amount due to the non-controlling interests	34(b)	**161,554**	–
Repayment of amount due to the non-controlling interests	34(b)	**–**	(3,158)
Net cash generated from/(used in) financing activities		**14,316**	(184,761)
Net decrease in cash and cash equivalents		**(208,378)**	(10,717)
Cash and cash equivalents at the beginning of the year		**985,736**	1,032,375
Effect of exchange rate changes		**(25,303)**	(35,922)
Cash and cash equivalents at the end of the year	17	**752,055**	985,736

The notes on pages 96 to 182 form part of these financial statements.

1 GENERAL INFORMATION

Chu Kong Shipping Enterprises (Group) Company Limited (the "Company") is a limited liability company incorporated in Hong Kong. The address of its registered office is 22nd Floor, Chu Kong Shipping Tower, 143 Connaught Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are mainly engaged in provision of management and other related services to high-speed waterway passenger transportation in Guangdong, Hong Kong and Macao; the operation and management of river trade cargo terminals in the Mainland China and Hong Kong; cargo transportation, warehousing and storage business; provision of diesel and lubricants for passenger ferries and cargo vessels in Hong Kong; provision of operation and management of facilities maintenance services for properties and so forth in Macao; and provision of ferry services and charter hire of vessels services in Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements have been approved for issue by the board of directors of the Company on 25 March 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Chu Kong Shipping Enterprises (Group) Company Limited and its subsidiaries.

2.1 Basis of preparation

(i) The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance ("HKCO"). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The consolidated financial statements have been prepared on a historical cost basis, except that the following assets is stated at its fair value as explained in the accounting policies set out below:

– financial asset at fair value through other comprehensive income (see note 2.9)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(i) (Continued)

The preparation of consolidated financial statements in conformity with HKFRSs 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

(ii) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current account period of the Group:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants*

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

None of these development have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

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

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries and non-controlling interests

Subsidiaries are entities (including structured 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intercompany transactions, are eliminated. Unrealised losses resulting from intercompany transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and 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 NCI and the equity shareholders of the company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(iii) Joint ventures

A joint venture is an arrangement whereby the Group or Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligation for its liabilities.

Investments in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost.

(iv) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.10.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment (see note 2.10). Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2 SUMMARY OF 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 consolidated financial statements are presented in Hong Kong dollars (HK$), which is the Company's functional currency and the Group's presentation currency.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2.5 Property, Plant and equipment

(i) Construction in progress

Construction in progress represents vessels and barges or other property, plant and equipment under construction which is carried at cost less any accumulated impairment losses.

Construction in progress includes construction expenditure incurred, borrowing costs and other direct costs attributable to the construction. On completion, the construction in progress is transferred to appropriate categories of property, plant and equipment. No depreciation is provided for construction in progress.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Property, Plant and equipment (Continued)

(ii) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest and right-of-use assets arising from leases of underlying plant and equipment (see note 2.21), are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	20 - 50 years
Leasehold improvements	5 - 8 years
Plant and machinery	4 - 15 years
Furniture, fixtures and equipment	3 - 8 years
Motor vehicles	3 - 8 years
Containers	4 - 8 years
Vessels and barges	3 - 25 years
Other properties leased for own use	Over the lease term
Other right-of-use assets leased for own use	Over the lease term

Major costs incurred in restoring the property, plant and equipment and vessels and barges to their normal working condition are charged to the profit or loss. Improvements are capitalised and depreciated over their expected useful lives.

Vessel repairs and survey costs are charged as operating expenses as they are incurred. Vessel component costs include the cost of major components which are usually replaced or renewed at dry-dockings. Dry-docking costs of vessel and the costs incurred in replacing or renewing the separate assets are capitalised and depreciated over the period to the next estimated dry-dock date.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts of the assets and are recognised within 'other (losses)/gains, net', in the profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2.21) to earn rental income and/or for capital appreciation.

Investment properties are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 20 to 50 years. Rental income from investment properties is accounted for as described in note 2.19.

2.7 Land use rights

Land use rights represent lease payments for interest in land and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the lease payments over the remaining lease term.

2.8 Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of sale. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

(ii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

– it is technically feasible to complete the software so that it will be available for use;

– management intends to complete the software and use or sell it;

– there is an ability to use or sell the software;

– it can be demonstrated how the software will generate probable future economic benefits;

– adequate technical, financial and other resources to complete the development and to use or sell the software are available; and

– the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The Group amortises software with a limited useful life using the straight-line method over 5 - 10 years. Both the period and method of amortisation are reviewed annually.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets

(i) Classification

The Group categories financial assets into three principal classification: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). The classification of financial assets is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The Group's financial assets include trade and other receivables (note 16), bank deposits and cash and cash equivalents (note 17) and other financial asset.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method less allowance for credit losses.

2.10 Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets

Assets that have an indefinite useful life, for example, goodwill, are not subject to depreciation/amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of sale and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries, joint ventures and associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries, joint ventures and associates in the period the dividend is declared or if the carrying amount of the investment exceeds the carrying amount of the investee's net assets.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business when the Group has an unconditional right to receive consideration. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method and including allowance for credit losses.

The Group assess on a forward-looking basis the expected credit loss associated. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applied the simplified approach permitted by HKFRS 9, which requires expected credit losses to be recognised from initial recognition of the receivables. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. The amount of the loss allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in other operating expenses in the statement of profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amount previously written off are credited against other loss, net in the consolidated statement of profit or loss.

2.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Cash and cash equivalents are assessed for expected credit losses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade payables, accruals and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

They are recognised initially at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

2.15 Borrowings and borrowing costs

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

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

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets which necessarily takes a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the profit or loss in the financial period in which they are incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amount will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.17 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave is 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 balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Defined benefit plan obligations

The Group has the following two categories of defined benefit plans:

– defined benefit retirement plans registered under the Hong Kong Occupational Retirement Schemes Ordinance (the "ORSO plans")

– Long service payment ("LSP") under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For ORSO plans, the net obligation is after deducting the fair value of plan assets. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. For ORSO plans, when the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets in ORSO plans (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. The contributions to defined contribution schemes are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.17 Employee benefits (Continued)

(iii) Bonus entitlements

The Group recognises a liability and an expense for bonus when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

2.18 Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate 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.

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 liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.19 Revenue and other income

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

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

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

(i) Cargo transportation

Revenues from the rendering of services in river trade cargo direct shipment and transhipment are recognised in the financial period in which the services are rendered.

(ii) Cargo handling and storage

Revenues from the rendering of services in river trade wharf cargo handling, cargo consolidation and godown storage and container hauling and trucking are recognised in the financial period in which the services are rendered.

(iii) Passenger transportation agency service

Revenues from passenger transportation agency services are recognised based on net agency fee upon departure of ferries at terminals.

(iv) Ferry terminal operation service

Revenues from ferry terminal operation service are recognised based on net ferry terminal operation service fee upon departure of ferries at terminals.

(v) Fare receipts, freight revenue, hiring income, berthing fee, commission, passenger and maintenance services income

Fare receipts, freight revenue, hiring income, berthing fee, commission, passenger services and ferry terminal maintenance services income are recognised when the services are rendered.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.19 Revenue and other income (Continued)

(vi) Management service

Revenues from management service are recognised when the service is rendered.

(vii) Interest income

Interest income is recognised using the effective interest method.

(viii) Dividend income

Dividend income is recognised in profit or loss on the date on which the group's right to receive payment is established.

(ix) Rental income and charter hire income

Rental income and charter hire income are recognised on a straight-line basis over the term of the lease.

(x) Oil trading

Revenue from trading of oil are recognised when the customer takes possession of and accepts the goods.

(xi) Marine bunkering services

Revenue from marine bunkering services is recognised when the services are rendered.

(xii) Advertising income

Advertising income is recognised when the related advertisement or commercial appears before the public.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

– the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

– the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.21 Leased assets

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

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily barges, offices and staff quarters. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Leased assets (Continued)

(i) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2.5 and 2.10).

Refundable rental deposits are accounted for separately from the right-of-use assets carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

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

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Leased assets (Continued)

(ii) As a lessor

The group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

2.22 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

2.24 Inventories and spare parts

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services

Inventories and spare parts are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in Hong Kong and the People's Republic of China ("PRC") and is exposed to foreign exchange risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are Renminbi, Hong Kong dollar and United States dollar. The Group continuously monitors its foreign currency position and will consider hedging significant foreign currency exposure by using foreign exchange forward contracts when the need arises.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

At 31 December 2024, if Hong Kong dollar had weakened or strengthened by 5% against the Renminbi with all other variables held constant, profit after income tax for the year of the Group would have been HK$1,252,000 (2023: HK$431,000) higher or lower respectively, mainly as a result of foreign exchange gains on translation of bank balances, receivable and payable balances denominated in a foreign currency.

Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to the United States dollar. Therefore the Group does not expose to significant foreign exchange risk in respect of its assets and liabilities denominated in United State dollar.

(ii) Interest rate risk

The Group's amount due to the non-controlling interest, bank balances and bank borrowings bear interest at floating rates which expose the Group to cash flow interest rate risk. 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.

At 31 December 2024, if interest rates on financial assets had been 100 basis points higher or lower with all other variables held constant, profit after income tax and retained profits for the year of the Group would have been HK$6,280,000 (2023: HK$8,231,000) higher or lower respectively, mainly as a result of higher or lower finance income from floating rate loan to a joint venture and bank balances.

3.1 FINANCIAL RISK FACTORS (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

At 31 December 2024, if interest rates on financial liabilities had been 100 basis points higher or lower with all other variables held constant, profit after income tax for the year of the Group would have been HK$7,407,000 (2023: HK$3,709,000) lower or higher respectively mainly as a result of higher or lower finance cost from floating rate bank borrowings and amounts due to the non-controlling interests.

The Group currently does not have a hedging policy on interest rate exposure. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure if necessary.

(b) 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, bank deposits, cash and cash equivalents and loan to a joint venture.

The Group does not provide any guarantees which would expose the Group to credit risk.

For bank deposits and cash and cash equivalents, a substantial portion of the Group's bank balances and deposits were placed with PRC state-owned banks which have sound credit ratings. Management considers the credit risk is low.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. There is no concentration of credit risk with respect to trade and other receivables as the Group has a large number of customers which are widely dispersed. No individual third party customers accounted for more than 10% of the Group's revenue.

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within seven days to three months from the date of billing. Normally, the Group does not obtain collateral from customers.

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

(i) Trade and other receivables (Continued)

The Group measures loss allowances for trade and other receivables at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The Group considered that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2024 and 31 December 2023, and no expected credit loss rate has therefore been disclosed.

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

	2024 **HK$'000**	2023 HK$'000
Balance at 1 January	**8,434**	8,081
Amounts written off during the year	**(1,488)**	(27)
Reversal of impairment losses	**(4,402)**	(1,681)
Impairment losses recognised during the year	**7,972**	2,061
Balance at 31 December	**10,516**	8,434

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by maintaining available committed credit lines.

3.1 FINANCIAL RISK FACTORS (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities which will be settled into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
At 31 December 2024						
Bank borrowings	**220,737**	**23,280**	**52,695**	**34,395**	**331,107**	**318,327**
Amounts due to the non-controlling interests	**203,112**	**–**	**–**	**–**	**203,112**	**200,187**
Lease liabilities	**25,359**	**13,309**	**24,600**	**2,968**	**66,236**	**62,313**
Trade payables, accruals and other payables	**495,173**	**5,902**	**–**	**–**	**501,075**	**501,075**
At 31 December 2023						
Bank borrowings	222,636	25,085	77,975	28,786	354,482	335,527
Amounts due to the non-controlling interests	40,360	–	–	–	40,360	40,360
Lease liabilities	20,412	17,096	30,407	7,089	75,004	68,947
Trade payables, accruals and other payables	481,213	–	–	–	481,213	481,213

3.2 CAPITAL RISK MANAGEMENT

Capital represents the total equity as shown in the consolidated statement of financial position.

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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce short-term and long-term borrowings.

There were no changes in the management's approach to capital management of the Group during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

3.3 FAIR VALUE ESTIMATION

The carrying values less impairment loss (if applicable) of financial assets (including bank deposit and cash and cash equivalents) and the carrying values of financial liabilities with maturities within twelve months from the end of the reporting period are reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair value of long-term borrowings is estimated using the estimated future payments discounted at market interest rates.

The financial instruments are measured in the statement of financial position at fair values and disclosed under the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active market for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

At 31 December 2024 and 31 December 2023, the financial assets at fair value through other comprehensive income of the Group were categorised Level 3 and the fair values were summarised as follows:

	2024			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Assets				
Financial asset at FVOCI	**–**	**–**	**4,128**	**4,128**

	2023			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Financial asset at FVOCI	–	–	2,992	2,992

During the year ended 31 December 2024 and 2023, there were no transfers between the levels.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future financial periods are stated below.

(i) Impairment assessment of property, plant and equipment, land use rights, software and goodwill

The Group's property, plant and equipment, land use rights, software and goodwill which primarily attributable to cargo handling and storage segment, amounted to HK$3,536,210,000 as at 31 December 2024. Management has performed impairment assessment on these assets based on the policies set out below.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.8. Determining whether goodwill is impaired requires an estimation of the recoverable amounts of CGUs to which goodwill has been allocated. The recoverable amounts of CGUs have been determined based on value-in-use calculations.

According to the accounting policies stated in note 2.10 and note 2.8, property, plant and equipment, land use rights and software are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management judgement is required in the area of asset impairment particularly in assessing (i) whether any events including changes in government policies has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of sale or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including revenue growth rates and discount rates.

The key assumptions applied in the cash flow projections of value-in-use calculations are revenue growth rates and discount rates and are set out in note 10.

(ii) Loss allowance for trade and other receivables

Management measures the loss allowance for expected credit losses of trade and other receivables based on the credit history of its customers, the current market situation and forecasts of future economic conditions. Management will reassess the estimations at each the end of each reporting period.

5 REVENUE AND SEGMENT INFORMATION

Revenue consists of revenues from cargo transportation, cargo handling and storage, passenger transportation, fuel supply and corporate and other businesses.

	2024 HK$'000	2023 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Cargo transportation	**1,606,094**	1,424,817
Cargo handling and storage	**357,810**	411,306
Passenger transportation	**347,976**	341,668
Fuel supply	**382,747**	351,464
Corporate and other businesses	**21,844**	24,580
	2,716,471	2,553,835

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

The executive directors of the Company consider the business from service perspectives and assess the performance of the Group and its joint ventures and associates which are organised into five main businesses:

(i) Cargo transportation - Shipping agency, river trade cargo direct shipment and transhipment and container handling and trucking

(ii) Cargo handling and storage - Wharf cargo and container handling, cargo consolidation and godown storage

(iii) Passenger transportation - Passenger transportation agency services, travel agency operation and passenger carrier service and provision of ferry services and charter hire of vessels services

(iv) Fuel supply - Oil trading and marine bunkering service

(v) Corporate and other businesses - Investment holding and other businesses

The executive directors of the Company assess the performance of the operating segments based on their segment profit before income tax expense, which is measured in a manner consistent with that in the consolidated financial statements.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Sales between segments are carried out on terms equivalent to those that prevail with third parties. The revenue from external parties reported to the executive directors of the Company is measured in a manner consistent with that in the consolidated statement of profit or loss.

	Cargo transportation HK$'000	Cargo handling and storage HK$'000	Passenger transportation HK$'000	Fuel supply HK$'000	Corporate and other businesses HK$'000	Total HK$'000
Year ended 31 December 2024						
Total revenue	1,696,152	527,474	347,976	513,071	81,601	3,166,274
Inter-segment revenue	(90,058)	(169,664)	–	(130,324)	(59,757)	(449,803)
Revenue (from external customers)	1,606,094	357,810	347,976	382,747	21,844	2,716,471
Timing of revenue recognition						
At a point in time	–	–	283,620	382,747	1,971	668,338
Over time	1,606,094	357,810	64,356	–	19,873	2,048,133
	1,606,094	357,810	347,976	382,747	21,844	2,716,471
Segment profit before income tax expense	23,097	65,864	26,116	9,476	22,255	146,808
Income tax expense	(2,764)	(18,638)	(1,970)	(960)	3,204	(21,128)
Segment profit after income tax expense	20,333	47,226	24,146	8,516	25,459	125,680
Segment profit before income tax expense includes:						
Finance income	855	5,267	2,136	11	6,848	15,117
Finance cost	(1,033)	(6,017)	(1,777)	(11)	(10,284)	(19,122)
Depreciation and amortisation	(8,192)	(109,594)	(43,077)	(2,864)	(2,935)	(166,662)
Share of profits less losses of:						
Joint ventures	3,920	7,905	353	–	–	12,178
Associates	–	4,122	21,015	–	–	25,137
Impairment loss on investment in an associate	–	–	(3,000)	–	–	(3,000)
Impairment loss on property, plant and equipment	–	(4,000)	–	–	–	(4,000)

5 REVENUE AND SEGMENT INFORMATION (Continued)

	Cargo transportation HK$'000	Cargo handling and storage HK$'000	Passenger transportation HK$'000	Fuel supply HK$'000	Corporate and other businesses HK$'000	Total HK$'000
Year ended 31 December 2023						
Total revenue	1,501,020	598,222	341,668	494,761	75,073	3,010,744
Inter-segment revenue	(76,203)	(186,916)	–	(143,297)	(50,493)	(456,909)
Revenue (from external customers)	1,424,817	411,306	341,668	351,464	24,580	2,553,835
Timing of revenue recognition						
At a point in time	–	–	252,920	351,464	127	604,511
Over time	1,424,817	411,306	88,748	–	24,453	1,949,324
	1,424,817	411,306	341,668	351,464	24,580	2,553,835
Segment profit before income tax expense	11,922	73,316	51,060	7,732	10,426	154,456
Income tax expense	(1,354)	(23,008)	(1,065)	(151)	(6,247)	(31,825)
Segment profit after income tax expense	10,568	50,308	49,995	7,581	4,179	122,631
Segment profit before income tax expense includes:						
Finance income	286	4,265	1,469	7	9,699	15,726
Finance cost	(373)	(15,578)	(4,212)	(12)	(3,076)	(23,251)
Depreciation and amortisation	(11,540)	(110,444)	(32,587)	(2,427)	(3,405)	(160,403)
Share of profits less losses of:						
Joint ventures	1,869	5,035	4,682	–	–	11,586
Associates	–	4,471	15,812	–	–	20,283

5 REVENUE AND SEGMENT INFORMATION (Continued)

	Cargo transportation HK$'000	Cargo handling and storage HK$'000	Passenger transportation HK$'000	Fuel supply HK$'000	Corporate and other businesses HK$'000	Inter segment elimination HK$'000	Total HK$'000
As at 31 December 2024							
Total segment assets	**705,575**	**3,002,783**	**1,629,625**	**180,664**	**1,633,560**	**(1,647,050)**	**5,505,157**
Total segment assets include:							
– Joint ventures	**48,617**	**102,012**	**143,678**	**–**	**–**	**–**	**294,307**
– Associates	**–**	**42,583**	**83,293**	**–**	**–**	**–**	**125,876**
Additions to non-current assets (excluding deferred income tax assets)	**5,555**	**395,710**	**724,054**	**11,817**	**4,540**	**–**	**1,141,676**
Total segment liabilities	**(493,384)**	**(1,036,053)**	**(948,137)**	**(61,589)**	**(1,013,353)**	**1,647,050**	**(1,905,466)**

	Cargo transportation HK$'000	Cargo handling and storage HK$'000	Passenger transportation HK$'000	Fuel supply HK$'000	Corporate and other businesses HK$'000	Inter segment elimination HK$'000	Total HK$'000
As at 31 December 2023							
Total segment assets	666,131	2,587,393	883,041	174,860	1,865,736	(1,630,815)	4,546,346
Total segment assets include:							
– Joint ventures	45,187	111,259	146,042	–	–	–	302,488
– Associates	–	48,880	73,588	–	–	–	122,468
Additions to non-current assets (excluding deferred income tax assets)	12,154	50,451	2,561	11,306	536	–	77,008
Total segment liabilities	(514,858)	(692,405)	(273,896)	(88,646)	(1,109,241)	1,630,742	(1,048,304)

5 REVENUE AND SEGMENT INFORMATION (Continued)

Geographical analysis

The Group's revenue is substantially derived from operations carried out in Mainland China and Hong Kong and customers are located in Mainland China and Hong Kong. Geographical segment information is not presented as the directors consider that the nature of the provision of cargo and passenger transportation services, which are carried out in Mainland China and Hong Kong, preclude a meaningful allocation of operating profit to specific geographical segments.

The analysis of the Group's non-current assets by geographical location is as follows:

	2024 HK$'000	2023 HK$'000
Non-current assets excluding investments in joint ventures and associates, other financial asset and deferred income tax assets		
Hong Kong	**2,063,143**	1,390,619
Mainland China	**1,490,254**	1,195,452
	3,553,397	2,586,071
Joint ventures and associates		
Hong Kong	**66,506**	57,099
Singapore	**25,598**	22,874
Mainland China	**325,308**	342,854
Macao	**2,771**	2,129
	420,183	424,956
Other non-current assets	**64,284**	16,851
Deferred income tax assets	**1,306**	1,306
	4,039,170	3,029,184

6 PROPERTY, PLANT AND EQUIPMENT

	Ownership interest in leasehold land and buildings HK$'000	Other properties leased for own use HK$'000	Construction in progress HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Containers HK$'000	Vessels and barges HK$'000	Total HK$'000
Cost										
At 1 January 2024	2,062,001	78,239	21,019	87,226	528,365	71,719	55,452	35,734	300,540	3,240,295
Exchange differences	(20,146)	(734)	(3,406)	(950)	(8,773)	(708)	(546)	(12)	-	(35,275)
Additions	6,719	853	152,312	5,264	4,192	1,016	696	5,330	711,737	888,119
Additions through acquisition of a subsidiary	-	-	157,311	-	-	-	-	-	-	157,311
Additions from capitalisation for amortisation of land use rights	-	-	3,872	-	-	-	-	-	-	3,872
Transfer from investment properties	28,587	-	-	-	-	-	-	-	-	28,587
Transfer to intangible assets	-	-	(10,107)	-	-	-	-	-	-	(10,107)
Transfer	1,391	-	(19,847)	-	-	-	-	-	18,456	-
Cost adjustment	1,343	-	-	-	5,486	-	-	-	-	6,829
Lease modification	-	3,969	-	-	-	-	-	-	14,983	18,952
Disposals/write-off	(426)	-	-	-	(3,586)	(786)	(11,084)	(2,744)	(20,671)	(39,297)
At 31 December 2024	2,079,469	82,327	301,154	91,540	525,684	71,241	44,518	38,308	1,025,045	4,259,286
Accumulated depreciation and impairment										
At 1 January 2024	548,395	36,403	-	69,775	360,323	64,850	38,314	18,001	120,343	1,256,404
Exchange differences	(11,707)	(445)	-	(713)	(7,053)	(621)	(333)	(10)	-	(20,882)
Transfer from investment properties	3,097	-	-	-	-	-	-	-	-	3,097
Charge for the year	53,884	13,523	-	7,049	31,600	3,788	3,444	2,593	36,910	152,791
Write back on disposal/write-off	(411)	-	-	-	(3,168)	(768)	(10,332)	(2,658)	(20,671)	(38,008)
Impairment (note)	-	-	-	-	4,000	-	-	-	-	4,000
At 31 December 2024	593,258	49,481	-	76,111	385,702	67,249	31,093	17,926	136,582	1,357,402
Net book value										
At 31 December 2024	1,486,211	32,846	301,154	15,429	139,982	3,992	13,425	20,382	888,463	2,901,884

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Ownership interest in leasehold land and buildings HK$'000	Other properties leased for own use HK$'000	Construction in progress HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Containers HK$'000	Vessels and barges HK$'000	Total HK$'000
Cost										
At 1 January 2023	2,048,664	94,204	33,404	84,098	537,678	70,166	58,114	27,714	277,658	3,231,700
Exchange differences	(13,340)	(486)	(171)	(586)	(5,884)	(468)	(390)	(8)	–	(21,333)
Additions	26,011	6,023	18,472	2,776	6,438	2,434	4,912	8,243	1,699	77,008
Transfer	6,067	–	(30,686)	1,502	–	–	–	–	23,117	–
Cost adjustment	(5,401)	–	–	–	–	–	–	–	–	(5,401)
Lease modification	–	2,455	–	–	–	–	–	–	–	2,455
Disposals/write-off	–	(23,957)	–	(564)	(9,867)	(413)	(7,184)	(215)	(1,934)	(44,134)
At 31 December 2023	2,062,001	78,239	21,019	87,226	528,365	71,719	55,452	35,734	300,540	3,240,295
Accumulated depreciation and impairment										
At 1 January 2023	502,249	41,520	–	63,596	338,895	61,539	42,289	15,987	96,837	1,162,912
Exchange differences	(5,483)	(239)	–	(397)	(3,858)	(383)	(188)	(7)	–	(10,555)
Charge for the year	51,629	17,675	–	7,140	34,953	4,086	3,358	2,236	25,440	146,517
Write back on disposal/write-off	–	(22,553)	–	(564)	(9,667)	(392)	(7,145)	(215)	(1,934)	(42,470)
At 31 December 2023	548,395	36,403	–	69,775	360,323	64,850	38,314	18,001	120,343	1,256,404
Net book value										
At 31 December 2023	1,513,606	41,836	21,019	17,451	168,042	6,869	17,138	17,733	180,197	1,983,891

Property, plant and equipment of the Group with net book value amounting to HK$147,167,000 (2023: HK$129,903,000) have been pledged as securities for the bank loans of the Group (note 23).

Note:

During the year, the Group's management identified certain individual CGUs for impairment assessment purpose, which under-performed and estimated the recoverable amounts of the property, plant and equipment, land use rights and software of these CGUs. Based on these estimates, the carrying amount of property, plant and equipment of one of the CGUs was written down by HK$4,000,000 during the year. The recoverable amount of the CGU amounted to HK$65,087,000 based on the value in use. The estimates of recoverable amount were based on the value in use of these property, plant and equipment, determined using a discount rate of 10%. As a result, impairment loss of property, plant and equipment of HK$4,000,000 were recognised during the year.

7 RIGHT-OF-USE ASSETS

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

	Note	2024 HK$'000	2023 HK$'000
Ownership interests in leasehold land and buildings with remaining lease term of:	7(i)		
– Between 10 and 50 years		**1,396,564**	1,426,486
– 50 years or more		**89,647**	87,120
		1,486,211	1,513,606
Other properties leased for own use	7(ii)	**32,846**	41,836
		1,519,057	1,555,442
Land use rights	7(i) & 9	**391,649**	325,374
Ownership interests in leasehold investment properties with remaining lease term of:	8		
– 50 years or more		**14,596**	41,754
– Between 10 and 50 years		**2,591**	2,756
Vessels and barges	7(iii)	**703,776**	3,690
		2,631,669	1,929,016

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

	2024 HK$'000	2023 HK$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land and buildings	**53,884**	51,629
Other properties leased for own use	**13,523**	17,675
Land use rights	**10,660**	10,913
Ownership interests in leasehold investment property	**1,153**	1,179
Vessels and barges	**24,929**	14,762
	104,149	96,158
Interest on lease liabilities (note 28)	**2,212**	2,370
Expense relating to short-term leases	**145,278**	144,203

7 RIGHT-OF-USE ASSETS (Continued)

During the year, additions to right-of-use assets were HK$710,885,000 (2023: HK$30,356,000). This amount related to the capitalised lease payments payable under new tenancy agreements and vessels provided by Hong Kong Government under Vessel Subsidy Scheme agreement.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 34(c) and 21, respectively.

(i) Ownership interests in leasehold land and buildings held for own use and land use rights

The Group is the registered owner of these interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on ratable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Other properties leased for own use

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

(iii) Vessels and barges

The Group has obtained the right to use of vessels to provide passenger transportation services. The leases typically run for an initial period of 3 to 15 years.

8 INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
Cost:		
At 1 January	**54,242**	55,025
Exchange difference	**(855)**	(783)
Transfer to property, plant and equipment	**(28,587)**	–
At 31 December	**24,800**	54,242
Accumulated depreciation:		
At 1 January	**9,732**	8,677
Exchange difference	**(175)**	(124)
Charge for the year	**1,153**	1,179
Transfer to property, plant and equipment	**(3,097)**	–
At 31 December	**7,613**	9,732
Closing net book value as at 31 December	**17,187**	44,510

The fair value of the Group's investment properties was appraised at HK$43,197,000 as at 31 December 2024 (2023: HK$149,652,000).

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 8 years, with an option to renew the lease after that date at which time all terms are renegotiated.

Investment properties of the Group with net book value amounting to HK$3,940,000 (2023: HK$32,211,000) have been pledged as securities for the bank loans of the Group (note 23).

8 INVESTMENT PROPERTIES (Continued)

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

	2024 **HK$'000**	2023 HK$'000
Within 1 year	**333**	5,982
After 1 year but within 2 years	**–**	5,342
After 2 years but within 3 years	**–**	4,445
After 3 years but within 4 years	**–**	3,705
	333	19,474

9 LAND USE RIGHTS

	2024 **HK$'000**	2023 HK$'000
Opening net book value as at 1 January	**325,374**	340,137
Exchange differences	**(12,216)**	(3,850)
Additions through acquisition of a subsidiary	**93,023**	–
Amortisation	**(10,660)**	(10,913)
Less: Amortisation to be capitalised in construction in progress	**(3,872)**	–
Closing net book value as at 31 December	**391,649**	325,374

Land use rights of the Group with net book value amounting to HK$129,040,000 (2023: HK$130,558,000) have been pledged as securities for the bank loans of the Group (note 23).

10 INTANGIBLE ASSETS

	Goodwill HK$'000	Software HK$'000	Total HK$'000
Cost:			
At 1 January 2023	**228,607**	**14,687**	**243,294**
Exchange differences	**(504)**	**(37)**	**(541)**
At 31 December 2023	**228,103**	**14,650**	**242,753**
At 1 January 2024	**228,103**	**14,650**	**242,753**
Exchange differences	**(746)**	**(198)**	**(944)**
Additions	**–**	**3,223**	**3,223**
Transfer from property, plant and equipment	**–**	**10,107**	**10,107**
At 31 December 2024	**227,357**	**27,782**	**255,139**
Accumulated amortisation:			
At 1 January 2023	**–**	**8,691**	**8,691**
Exchange differences	**–**	**(28)**	**(28)**
Charge for the year	**–**	**1,794**	**1,794**
At 31 December 2023	**–**	**10,457**	**10,457**
At 1 January 2024	**–**	**10,457**	**10,457**
Exchange differences	**–**	**(53)**	**(53)**
Charge for the year	**–**	**2,058**	**2,058**
At 31 December 2024	**–**	**12,462**	**12,462**
Net book value:			
At 31 December 2024	**227,357**	**15,320**	**242,677**
At 31 December 2023	**228,103**	**4,193**	**232,296**

10 INTANGIBLE ASSETS (Continued)

Impairment tests for cash-generating units containing goodwill

Goodwill arose from the acquisitions of Chu Kong Cargo Terminals (Gaoming) Co., Ltd., Zhaoqing New Port Co., Ltd., Civet (Zhuhai Bonded Area) Logistics Company Limited and Sun Ferry Services Company Limited.

For the purpose of impairment testing, the goodwill is allocated to each acquired company representing the lowest level at which the goodwill is monitored by management as follows:

	2024 **HK$'000**	2023 HK$'000
Sun Ferry Services Company Limited	**193,202**	193,202
Other CGUs without significant goodwill	**34,155**	34,901
	227,357	228,103

Sun Ferry Services Company Limited

The recoverable amount of the CGU is determined based on a value-in-use calculation. This calculation used discounted cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the constant estimated growth rates. The key assumptions are set out below:

	2024	2023
Long term growth rate	**2%**	3%
Discount rate	**11%**	10%

Management had not identified any reasonably possible change in key assumptions that could cause carrying amounts of the above CGUs to exceed their recoverable amounts.

(Expressed in Hong Kong dollars unless otherwise indicated)

11 SUBSIDIARIES

(a) Details of the subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation/ establishment	Principal activities and place of operation	Particulars of issued/ paid up capital	Interest held by the Group
Directly-held subsidiaries				
Chu Kong Agency Company Limited	Hong Kong	Shipping agency and freight forwarding agency in Hong Kong	100 ordinary shares 100,000 deferred shares (Note (b))	100%
Chu Kong Container Transportation Company Limited	Hong Kong	Container and cargo transportation and towing in Hong Kong	100 ordinary shares 10,000 deferred shares (Note (b))	100%
Chu Kong (Guangdong) International Freight Forwarding Co., Ltd.	PRC, limited liability company	Shipping agency and freight forwarding agency in the PRC	RMB22,660,000	100%
Chu Kong High-Speed Ferry Company Limited	Hong Kong	Management of ships in Hong Kong	10,000 ordinary shares	100%
Chu Kong Godown Wharf & Transportation Company Limited	Hong Kong	Godown and wharf operations in Hong Kong	100 ordinary shares 1,000,000 deferred shares (Note (b))	100%
Chu Kong River Trade Terminal Co., Ltd.	British Virgin Islands	Investment holding in the PRC entities in Hong Kong	100 ordinary shares of US$1 each	80%
Chu Kong Transhipment & Logistics Company Limited	Hong Kong	Transhipment and transportation in Hong Kong	100 ordinary shares 100,000 deferred shares (Note (b))	100%
Chu Kong Transportation (H.K.) Limited	Hong Kong	Wharf cargo handling and transportation in Hong Kong	100 ordinary shares 100,000 deferred shares (Note (b))	100%

(Expressed in Hong Kong dollars unless otherwise indicated)

11 SUBSIDIARIES (Continued)

(a) Details of the subsidiaries as at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation/ establishment	Principal activities and place of operation	Particulars of issued/ paid up capital	Interest held by the Group
Directly-held subsidiaries (Continued)				
Chu Kong Warehouse Properties Co., Ltd.	British Virgin Islands	Property holding in Hong Kong	100 ordinary shares of US$1 each 9,900 preferred shares of US$1 each (Note (c))	100%
Chu Kong Passenger Transport Company Limited	Hong Kong	Provision of agency services and management of ships in Hong Kong	300,000 ordinary shares	100%
Sun Kong Petroleum Company Limited	Hong Kong	Oil trading and marine bunkering services in Hong Kong	200,000 ordinary shares	100%
Oriental Pearl Cruise Company Limited	Hong Kong	Provision of tour operation services in Hong Kong	500,000 ordinary shares	100%
Chu Ou Engineering And Technologies Company Limited	Macao	Provision of passenger services and maintenance services at Macao Maritime Ferry Terminal	MOP50,000	100%
Sun Ferry Services Company Limited	Hong Kong	Provision of passenger services	1,000 ordinary shares	100%
CKS Container Terminal (Zhuhai Doumen) Co., Ltd.	PRC, limited liability company	Cargo transportation and consolidation in the PRC	RMB73,000,000	100%

(Expressed in Hong Kong dollars unless otherwise indicated)

11 SUBSIDIARIES (Continued)

(a) Details of the subsidiaries as at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation/ establishment	Principal activities and place of operation	Particulars of issued/ paid up capital	Interest held by the Group
Directly-held subsidiaries (Continued)				
Chu Kong Shipping (Guangdong) Logistics Co., Ltd.	PRC, limited liability company	Provision of logistics services in the PRC	RMB10,000,000	100%
Zhaoqing Chu Kong Logistics (Gaoyao) Co., Ltd.	PRC, limited liability company	Provision of logistics services in the PRC	US$6,000,000	100%
Zhongshan City Huangpu Port Cargo and Container Terminal Co., Ltd.	PRC, limited liability company	Cargo handling and transportation in the PRC	RMB115,700,000	80%
Zhaoqing New Port Co., Ltd.	PRC, limited liability company	Cargo handling and transportation in the PRC	RMB170,129,600	100%
Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd.	PRC, limited liability company	Cargo handling and transportation in the PRC	US$4,000,000	100%
Guangdong Digital Port & Shipping Technology Co., Ltd	PRC, limited liability company	Information technology service	RMB10,000,000	100%

(Expressed in Hong Kong dollars unless otherwise indicated)

11 SUBSIDIARIES (Continued)

(a) Details of the subsidiaries as at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation/ establishment	Principal activities and place of operation	Particulars of issued/ paid up capital	Interest held by the Group
Indirectly-held subsidiaries				
Chu Kong International Airfreight Company Limited	Hong Kong	Freight forwarding agency in Hong Kong	10,000 ordinary shares	100%
Ever Sky Transportation Limited	Hong Kong	Wharf cargo handling in Hong Kong	10,000 ordinary shares	100%
Chu Kong High-Speed Ferry Management (Macau) Co., Limited	Macao	Management of ships in Macao	MOP25,000	100%
Chu Kong Cargo Terminals (Qingyuan) Co., Ltd.	PRC, limited liability company	Wharf cargo handling in the PRC	RMB27,460,000	72%
Chu Kong Cargo Terminals (Gaoming) Co., Ltd.	PRC, limited liability company	Cargo transportation and consolidation in the PRC	RMB74,969,730	78.2%
Chu Kong Cargo Terminals (Kangzhou) Co., Ltd.	PRC, limited liability company	Cargo handling and transportation in the PRC	RMB35,860,000	80%
Shenzhen Zhu Chuan International Freight Forwarding Co., Ltd.	PRC, limited liability company	Freight forwarding agency in the PRC	US$1,000,000	100%
Chu Kong (Guangdong) International Shipping Agency Co., Ltd.	PRC, limited liability company	Shipping agency in the PRC	RMB3,000,000	100%
Civet (Zhuhai Bonded Area) Logistics Company Limited	PRC, limited liability company	Cargo handling and transportation in the PRC	HK$246,000,000	47%
Kaiping City Industrial Investment Freight and Port Co., Ltd.	PRC, limited liability company	Cargo handling and transportation in the PRC	RMB22,448,980	40.8%

11 SUBSIDIARIES (Continued)

(b) The holders of the deferred shares of respective subsidiaries are entitled to minimal rights as to dividends and returns of capital, but are not entitled to share the subsidiary's profits, to attend or vote at any general meeting of the subsidiary or to have the rights which are vested in the holding of the ordinary shares. These deferred shares are held by the Company or the holding company of the Company.

(c) The holders of the preferred shares have a non-cumulative preferential right to the profit of the subsidiary at 8% of the nominal amount of the share capital of that subsidiary, but are not entitled to receive notice of or to attend or vote at any meeting of members or directors. The preferred shares are held by the holding company of the Company.

(d) The following table lists out the information relating to Civet (Zhuhai Bonded Area) Logistics Company Limited ("Civet"), a subsidiary of the Group which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any intercompany elimination.

	Civet	
	2024	2023
	HK$'000	HK$'000
NCI percentage	**53%**	53%
Current assets	**29,547**	25,156
Non-current assets	**256,645**	268,957
Current liabilities	**(55,905)**	(9,943)
Non-current liabilities	**(64,743)**	(82,696)
Net assets	**165,544**	201,474
Carrying amount of NCI	**87,672**	93,403
Revenue	**59,669**	68,530
Profit for the year	**6,911**	9,152
Total comprehensive income	**6,911**	9,152
Profit allocated to NCI	**3,660**	3,785
Dividend paid to NCI	**(4,000)**	–
Cash flows from operating activities	**18,336**	8,294
Cash flows from investing activities	**(5,793)**	(2,046)
Cash flows from financing activities	**(11,283)**	(16,468)

12 INVESTMENTS IN JOINT VENTURES

	2024 HK$'000	2023 HK$'000
Investments in joint ventures	**295,113**	314,694
Provision for impairment of joint ventures	**(806)**	(12,206)
	294,307	302,488

(a) Details of the principal joint ventures as at 31 December 2024 are as follows:

Name	Place of incorporation/ establishment and operation	Principal activities	Percentage of interest in ownership, voting power and profit sharing
Directly-held joint ventures			
Shenzhen Yantian Port Chu Kong Logistics Co., Ltd.	PRC	Container transportation and repairs	40%
Chu Kong Logistics (Singapore) Pte. Ltd.	Singapore	Shipping agency and freight forwarding agency	60%[2]
Zhong Shan Port Goods Transportation United Co., Ltd.	PRC	Wharf cargo handling, godown storage and river trade cargo transportation	25%

(Expressed in Hong Kong dollars unless otherwise indicated)

12 INVESTMENTS IN JOINT VENTURES (Continued)

(a) Details of the principal joint ventures as at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation/ establishment and operation	Principal activities	Percentage of interest in ownership, voting power and profit sharing
Indirectly-held joint ventures			
Chu Kong Cargo Terminals (Beicun) Co., Ltd.	PRC	Wharf cargo handling and godown storage	40%[1]
Foshan New Port Ltd.	PRC	Cargo transportation and consolidation	0% (2023: 30%)[3]
Foshan Nankong Terminal Co., Ltd. ##	PRC	Cargo transportation and consolidation	42.5%[1]
Heshan County Hekong Associated Forwarding Co., Ltd.	PRC	Wharf cargo handling, godown storage and river trade cargo transportation	40%[1]
Heshan Port Construction & Development General Company #	PRC	Investment holding	40%[1]
Hong Kong International Airport Ferry Terminal Services Limited	Hong Kong	Ferry linkage services between the Hong Kong International Airport and Pearl River Delta	60%[2]
Zhongshan-Hong Kong Passenger Shipping Co-op Co., Ltd. ("ZHPS")	PRC	Passenger transportation	40%
Chu Kong Logistics (Malaysia) Sdn Bhd.	Malaysia	Shipping agency and freight forwarding agency	42%

12 INVESTMENTS IN JOINT VENTURES (Continued)

(a) Details of the principal joint ventures as at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation/ establishment and operation	Principal activities	Percentage of interest in ownership, voting power and profit sharing
Indirectly-held joint ventures (continued)			
Chu Kong Logistics (Thailand) Ltd.	Thailand	Shipping agency and freight forwarding agency	29.4%
CKPT-WACI joint venture	Hong Kong	Passenger Assistance Services	60%[2]
CKPT-EID joint venture	Hong Kong	Passenger Assistance Services	55%[2]
Foshan Gaoming Jiangtong Supply Chain Management Co., Ltd. #	PRC	Supply Chain Management and Shipping agency	31.3%[1]
Thrive Dragon Services Limited	Hong Kong	Dormant	20%[1]

The English names of these companies are the translation of the Chinese names for identification purpose only.

22.5% of this joint venture is directly held by the Company.

12 INVESTMENTS IN JOINT VENTURES (Continued)

(a) Details of the principal joint ventures as at 31 December 2024 are as follows: (Continued)

[1] These joint ventures are held by a non-wholly owned subsidiary of the Company. The percentage of interest in ownership, voting power and profit sharing represent the effective interest held by the Group.

[2] The Group has, in these joint ventures, over 50 percent of the voting rights. Notwithstanding this, the contractual arrangements between the Group and the other joint venture partners specified that unanimous approvals are required for certain significant decisions, which render the shareholders joint control in these entities.

[3] Deregistration of a joint venture

During the year ended 31 December 2024, Foshan New Port Ltd., a joint venture of the Group, was deregistered.

(b) Summarised financial information for a material joint venture

Set out below are the summarised financial information for 100% equity interest in a joint venture of the Group for the year ended 31 December 2024, which, in the opinion of the directors, is material to the Group.

The below summarised financial information is prepared using the same accounting policies of the Group, after fair value adjustments from acquisitions and before intercompany elimination.

12 INVESTMENTS IN JOINT VENTURES (Continued)

(b) Summarised financial information for a material joint venture (Continued)

Summarised statement of financial position as at 31 December 2024 and 2023 and summarised statement of comprehensive income for the years ended 31 December 2024 and 2023

	ZHPS	
	2024	2023
	HK$'000	HK$'000
Current assets	**71,216**	63,753
Current liabilities	**(22,321)**	(36,006)
Non-current assets	**274,102**	296,957
Non-current liabilities	**(8,622)**	(10,554)
Included in the above assets and liabilities:		
Cash and cash equivalents	**49,895**	50,046
Revenue	**142,074**	157,347
Profit after income tax	**6,430**	35,179
Included in the above profit:		
Depreciation and amortisation	**15,257**	16,274
Interest income	**(758)**	(659)
Interest expense	**–**	844
Income tax expense	**2,368**	8,431

Reconciliation of summarised financial information

	ZHPS	
	2024	2023
	HK$'000	HK$'000
Opening net assets 1 January	**314,150**	293,890
Profit for the year	**6,430**	35,179
Currency translation differences	**(6,205)**	(14,919)
Closing net assets as at 31 December	**314,375**	314,150
Interest in joint venture	**40%**	40%
Share of net assets	**125,750**	125,660
Carrying value	**125,750**	125,660

12 INVESTMENTS IN JOINT VENTURES (Continued)

(c) The aggregate amount of the Group's share of results of its joint ventures which are individually immaterial are as follows:

	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year	**9,606**	(2,486)
Other comprehensive income	**(2,952)**	2,168
Total comprehensive income	**6,654**	(318)

13 INVESTMENTS IN ASSOCIATES

	2024 HK$'000	2023 HK$'000
Investments in associates	**128,876**	122,468
Provision for impairment of an associate (note)	**(3,000)**	–
	125,876	122,468

Note:

The investment in an associate has written down by HK$3,000,000 to its recoverable amount as at 31 December 2024, which was determined based on its value using the discounted cash flow forecast and 10% discount rate was used by the management.

13 INVESTMENTS IN ASSOCIATES (Continued)

(a) Details of the principal associates as at 31 December 2024 are as follows:

Name	Place of incorporation/ establishment and operation	Principal activities	Percentage of interest in ownership, voting power and profit sharing
Directly-held associate			
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited	Hong Kong	Passenger Transportation	20%
Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited	Hong Kong	Passenger transportation	11%
Hong Kong International Airport Passenger Service (Macao) Co. Ltd.	Macao	Passenger transportation	8%
Indirectly-held associates			
Foshan Shunde Shungang Passenger Transportation Co-op Co., Ltd.	PRC	Passenger transportation	40%
Guangdong Sanbu Passenger and Freight Transportation Co., Ltd.	PRC	Wharf cargo handling, godown storage and river trade cargo transportation	32%[1]

1 This associate is held by a non-wholly owned subsidiary of the Company. The percentage of interest in ownership, voting power and profit sharing represent the effective interest held by the Group.

(b) The aggregate amount of the Group's share of results of its associates which are individually immaterial are as follows:

	2024 HK$'000	2023 HK$'000
Profit for the year	**25,137**	20,283
Other comprehensive income	**(1,865)**	(1,184)
Total comprehensive income	**23,272**	19,099

14 DEFERRED INCOME TAX

The movements in the net deferred income tax liabilities are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	**89,989**	84,585
(Credited)/charged to profit or loss (note 29)	**(5,144)**	4,929
Exchange difference	**(1,791)**	475
At 31 December	**83,054**	89,989

The movement in deferred income tax (assets) and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets	**Tax losses HK$'000**	**Decelerated tax depreciation HK$'000**	**Total HK$'000**
At 1 January 2023	(17,742)	(671)	(18,413)
Charged/(credited) to profit or loss	6,044	(126)	5,918
Exchange difference	891	–	891
At 31 December 2023 and 1 January 2024	(10,807)	(797)	(11,604)
Credited to profit or loss	(6,234)	(599)	(6,833)
Exchange difference	550	–	550
At 31 December 2024	(16,491)	(1,396)	(17,887)

14 DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities	Accelerated tax depreciation HK$'000	Undistributed profits of PRC entities not wholly-owned HK$'000	Total HK$'000
At 1 January 2023	75,302	27,696	102,998
(Credited)/charged to profit or loss	(2,274)	1,285	(989)
Exchange difference	(253)	(163)	(416)
At 31 December 2023 and 1 January 2024	72,775	28,818	101,593
Charged/(credited) to profit or loss	5,922	(4,233)	1,689
Exchange difference	(1,748)	(593)	(2,341)
At 31 December 2024	76,949	23,992	100,941

The reconciliation to the consolidated statement of financial position is as follows:

	2024 HK$'000	2023 HK$'000
Net deferred tax asset recognised in the consolidated statement of financial position	**(1,306)**	(1,306)
Net deferred tax liability recognised in the consolidated statement of financial position	**84,360**	91,295
	83,054	89,989

14 DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2024, the Group have unrecognised tax losses of HK$303,412,000 (2023: HK$301,762,000) to carry forward. These tax losses have no expiry dates except for tax losses of HK$113,519,000 (2023: HK$126,161,000) of the Group, whose expiry dates are:

	2024 HK$'000	2023 HK$'000
2024	**–**	32,622
2025	**33,068**	33,667
2026	**20,143**	20,508
2027	**6,377**	6,492
2028	**32,288**	32,872
2029	**21,643**	–
	113,519	126,161

Certain wholly owned PRC subsidiaries of the Group have undistributed earnings of RMB85,663,071 (equivalent to approximately HK$93,508,428) (2023: RMB83,213,048 (equivalent to approximately HK$91,826,361) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these wholly owned PRC subsidiaries and is not expected to distribute these profits in the foreseeable future.

15 INVENTORIES AND SPARE PARTS

	2024 HK$'000	2023 HK$'000
Engines and parts	**17,656**	18,710
Diesel	**2,103**	2,045
Engine lubricant	**641**	470
	20,400	21,225

The cost of inventories recognised as expense and included in "cost of sales/services rendered" amounted to HK$419,474,000 (2023: HK$445,948,000).

16 TRADE AND OTHER RECEIVABLES

	2024 **HK$'000**	2023 HK$'000
Trade receivables		
– third parties	**304,532**	252,149
– fellow subsidiaries	**26,098**	18,481
– joint ventures and associates	**3,351**	4,454
– other related companies	**22,595**	16,757
Trade receivables, net (note (a))	**356,576**	291,841
Other receivables:		
– third parties	**176,463**	114,168
– immediate holding company (note (b))	**–**	1,208
– fellow subsidiaries (note (b))	**10,141**	19,746
– joint ventures and associates (note (b))	**56,948**	30,136
	243,552	165,258
Total trade and other receivables	**600,128**	457,099

(a) The normal credit periods granted by the Group to customers on open account range from seven days to three months from the date of invoice. The ageing analysis of trade receivables by invoice date is as follows:

	2024 **HK$'000**	2023 HK$'000
Within 3 months	**250,939**	244,638
4 to 6 months	**39,925**	25,018
7 to 12 months	**23,130**	2,104
Over 12 months	**53,098**	28,515
	367,092	300,275
Less: loss allowance recognised	**(10,516)**	(8,434)
	356,576	291,841

The trade receivables due from related parties are unsecured, interest-free and have similar terms of repayment as third party receivables.

16 TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables due from related parties are interest-free, unsecured and are repayable on demand.

(c) The carrying amounts of trade and other receivables denominated in a currency other than the functional currency of the entity to which they relate are as follows:

	2024 **HK$'000**	2023 HK$'000
Hong Kong dollar	**355**	2,244
Renminbi	**25,781**	11,658
United States dollar	**56,490**	42,427
	82,626	56,329

(d) The carrying amounts of trade and other receivables approximate their fair values.

17 BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2024 **HK$'000**	2023 HK$'000
Cash at bank and on hand	**752,055**	834,011
Deposits with banks	**–**	151,725
Cash and cash equivalents in the consolidated cash flow statement	**752,055**	985,736
Bank deposits with original maturity dates more than three months	**93,404**	53,102
	845,459	1,038,838

17 BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

The carrying amounts of cash and cash equivalents denominated in a currency other than the functional currency of the entity to which they relate are as below:

	2024 HK$'000	2023 HK$'000
Hong Kong dollar	**25,914**	30,369
Renminbi	**63,157**	83,871
United States dollar	**63,887**	147,989
Macao pataca	**–**	1
Euro	**1,285**	570
	154,243	262,800

Bank deposits and cash and cash equivalents denominated in Renminbi are mainly held by the Group with banks operating in the PRC where exchange controls apply.

18 SHARE CAPITAL

Ordinary shares, issued and fully paid

	Number of shares ('000)	Share capital HK$'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,121,167	1,415,118

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19 RESERVES

(a) Capital reserve

The capital reserve mainly represents a capital contribution made by Chu Kong Shipping Enterprises (Holdings) Company Limited ("CKSE"), the immediate holding company, during a group reorganisation in 2010. In the reorganisation, CKSE transferred to the Group one subsidiary at a consideration of HK$1 and two joint ventures at nil consideration.

(b) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.4.

(c) Revaluation reserve

The revaluation reserve mainly represents surplus on revaluation of land of a subsidiary in previous years.

(d) Statutory reserve

In accordance with PRC regulations, subsidiaries, joint ventures and associates in the PRC are required to transfer part of their profit after income tax to the enterprise expansion and reserve funds. The quantum of the transfers are subject to the approval of the board of directors of these subsidiaries, joint ventures and associates in accordance with their respective articles of association. The funds are required to be retained in the financial statements of the respective subsidiaries, joint ventures and associates for specific purposes.

(e) Merger reserve

The Group entered into business combination under common control in previous years. Upon the completion of the acquisition, a merger reserve, being the difference between the consideration made by the Company and the share capital of the combining entity as at completion date, was recognised.

(f) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 2.9)).

20 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Trade payables (notes (a) and (c)):		
– third parties	**204,862**	248,683
– immediate holding company	**2,933**	2,842
– fellow subsidiaries	**8,250**	25,049
– joint ventures and associates	**19,433**	12,521
– other related companies	**5,468**	1,866
	240,946	290,961
Accruals and other payables:		
– third parties	**236,275**	166,061
– immediate holding company (note (c))	**27,044**	29,353
– fellow subsidiaries (note (c))	**10,028**	3,973
– joint ventures and associates (note (c))	**3,074**	1,032
– other related companies (note (c))	**383**	7
	276,804	200,426
Less: Amount included under "non-current liabilities" (note (f))	**(16,675)**	(10,174)
	260,129	190,252
Contract liabilities (note (e))	**8,524**	5,724
	268,653	195,976
	509,599	486,937

20 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES (Continued)

(a) The ageing analysis of the Group's trade payables by invoice date is as follows:

	2024 HK$'000	2023 HK$'000
Within 3 months	**226,052**	258,911
4 to 6 months	**8,116**	20,979
7 to 12 months	**1,633**	8,361
Over 12 months	**5,145**	2,710
	240,946	290,961

(b) The carrying amounts of trade payables, accruals and other payables denominated in a currency other than the functional currency of the entity to which they relate are as below:

	2024 HK$'000	2023 HK$'000
Hong Kong dollar	**407**	389
Renminbi	**26,755**	71,155
United States dollar	**16,738**	21,117
Euro	**930**	46
Other currencies	**19**	88
	44,849	92,795

(c) The trade payables, accruals and other payables due to related parties are unsecured and interest-free. Trading balances have similar terms of settlement as those of third party payables whereas other balances are repayable on demand.

(d) The carrying amounts of trade payables, accruals and other payables approximate their fair values.

20 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES (Continued)

(e) The contract liabilities primarily relate to the advance consideration received from customers, or the Group has unconditional right to considerations before the goods or services are delivered.

As the contracts are for periods of one year or less or the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(f) All of the trade payables, accruals and other payables, apart from certain long service payment totalling HK$16,675,000 (2023: HK$10,174,000), are expected to be settled or recognised as income or are repayable within one year.

21 LEASE LIABILITIES

At 31 December 2024, the lease liabilities were repayable as follows:

	2024 **HK$'000**	2023 HK$'000
Within 1 year	**23,757**	18,460
After 1 year but within 2 years	**10,261**	15,280
After 2 years but within 5 years	**25,363**	28,296
After 5 years	**2,932**	6,911
	38,556	50,487
	62,313	68,947

22 AMOUNTS DUE TO THE NON-CONTROLLING INTERESTS

	2024 **HK$'000**	2023 HK$'000
Current		
– at floating rate (note (i))	**101,512**	–
– interest-free (note (ii))	**98,675**	40,360
	200,187	40,360

Notes:

(i) The balance is denominated in Renminbi, unsecured and interest-bearing at a rate of Loan Prime Rate ("LPR") – 0.9%. (2023: Nil)

(ii) The balances are denominated in Renminbi and Hong Kong dollars, unsecured and repayable on demand.

23 BORROWINGS

	2024 **HK$'000**	2023 HK$'000
Fixed rate borrowings:		
Secured, bank loans	**–**	82,697
Variable rate borrowings:		
Unsecured, bank loans	**200,000**	200,000
Secured, bank loans	**118,327**	52,830
	318,327	335,527

23 BORROWINGS (Continued)

The maturity of the bank loans is as follows:

	2024 HK$'000	2023 HK$'000
Repayable within one year	**217,407**	217,402
Repayable within one to two years	**20,512**	20,575
Repayable within two to five years	**48,037**	70,139
Repayable more than five years	**32,371**	27,411
	318,327	335,527
Current portion included in current liabilities	**(217,407)**	(217,402)
	100,920	118,125

The secured bank loans are secured by certain property, plant and equipment (note 6), investment properties (note 8) and land use rights (note 9) of the Group, denominated in Renminbi.

At 31 December 2024, bank loans of HK$200,000,000 (2023: HK$200,000,000) were interest-bearing at a rate of 0.25% to 0.4% over Hong Kong Interbank Offered Rate ("HIBOR") (2023: 0.75% to 0.8% over HIBOR) per annum.

At 31 December 2024, bank loans of HK$118,327,000 (2023: HK$52,830,000) were interest-bearing at a rate of LPR minus 0.5% (2023: LPR minus 0.5%) per annum.

At 31 December 2024, bank loans of HK$nil (2023: HK$82,697,000) were interest bearing at a fixed rate of 4.38% per annum.

24 DEFERRED INCOME

	2024 **HK$'000**	2023 HK$'000
Government grants - Vessel Subsidy Scheme	**697,782**	–

25 OTHER INCOME

	2024 **HK$'000**	2023 HK$'000
Management fee income from CKSE (note 36(a)(i))	**25,000**	27,500
Property rental income	**24,839**	24,165
Government grants – ferry operation (note (i))	**115,119**	89,174
Government grants – others	**3,757**	3,887
Government grants - Vessels Subsidy Scheme (note (ii))	**12,249**	–
Government subsidies – Industry Support Scheme	**3,250**	2,295
Repair and maintenance service income	**7,496**	6,641
Others	**7,923**	5,296
	199,633	158,958

Notes:

(i) In accordance with ferry license agreements, Hong Kong Government would provide subsidy for the Group's ferry operations based on the vessel maintenance cost incurred and fare concessions to the elderly passengers aged 65 or above and child aged 3 to 12 during the year.

(ii) In accordance with Vessel Subsidy Scheme agreement, Hong Kong Government would provide a number of vessels for the Group's ferry operations. Under the terms of the grant, the Group is required to continuously render ferry services and comply with the conditions set out in the agreement. The Group has fulfilled the conditions to receive the grant, hence property, plant and equipment (Note 6) and a deferred income (Note 24) was recognised as at 31 December 2024.

26 OTHER (LOSSES)/GAINS, NET

	2024 HK$'000	2023 HK$'000
Exchange losses, net	(754)	(1,118)
Gains on disposals of property, plant and equipment	3,029	1,011
Gain on disposal of interest in joint ventures	6,042	2,227
Provision for impairment of trade receivables, net (note 3.1(b)(i))	(3,570)	(380)
Provision for impairment of other receivables	(809)	(41)
Impairment loss on investment in an associate	(3,000)	–
Impairment loss on property, plant and equipment	(4,000)	–
	(3,062)	1,699

27 PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	2024 HK$'000	2023 HK$'000
Amortisation of land use rights (note 9)	10,660	10,913
Auditor's remuneration		
– audit services	2,805	2,776
– non-audit services	1,048	969
Depreciation of property, plant and equipment (note 6)	152,791	146,517
Depreciation of investment properties	1,153	1,179
Amortisation of intangible assets	2,058	1,794
Lease payments for short-term leases		
– vessels and barges	135,346	134,455
– buildings	9,932	9,748
Staff costs (including directors' emoluments) (note 32)	569,656	584,655

28 FINANCE INCOME AND COST

	2024 HK$'000	2023 HK$'000
Finance income		
Interest income on short-term deposits, bank deposits and bank balances	**15,117**	15,726
Finance cost		
Interest expense on bank borrowings	**17,901**	21,689
Interest expense on amounts due to the non-controlling interests	**764**	21
Interest expense on lease liabilities	**2,212**	2,370
Less: amounts capitalised on qualifying assets	**(1,755)**	(829)
	19,122	23,251

The capitalisation rate applied to funds borrowed is 2.6% (2023: 5.7%) per annum.

29 INCOME TAX EXPENSE

	2024 HK$'000	2023 HK$'000
Current income tax		
– Hong Kong profits tax	**7,918**	8,348
– PRC corporate income tax	**17,031**	16,998
– Macao profits tax	**1,530**	–
– (Over)/under provision in prior years	**(207)**	1,550
Deferred income tax expense (note 14)	**(5,144)**	4,929
	21,128	31,825

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit of the Hong Kong entities for the year. PRC corporate income tax has been calculated at the tax rate of 25% (2023: 25%) on the estimated assessable profit for the year of the PRC entities for the year. Macao profits tax has been provided at the rate of 12% (2023: 12%) on the estimated assessable profit of the Macao entities for the year.

29 INCOME TAX EXPENSE (Continued)

The income tax on the Group's profit before share of profits less losses of joint ventures and associates, and income tax expense differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2024 **HK$'000**	2023 HK$'000
Profit before income tax	**146,808**	154,456
Less: share of profits less losses of:		
– Joint ventures	**(12,178)**	(11,586)
– Associates	**(25,137)**	(20,283)
Profit before share of profits less losses of joint ventures and associates, and income tax expense	**109,493**	122,587
Calculated at a tax rate of 16.5% (2023: 16.5%)	**18,066**	20,227
Effect of different tax rates applicable to the subsidiaries in the PRC and Macau	**1,669**	21,510
Income not subject to income tax	**(105,065)**	(135,481)
Expenses not deductible for income tax purposes	**110,906**	122,970
Tax losses not recognised	**7,009**	8,543
Under provision in prior years	**(207)**	1,550
Unused tax losses in prior years recognised in this year	**(4,551)**	–
Utilisation of previously unrecognised tax loss	**(1,505)**	(7,930)
	26,322	31,389
Withholding income tax on undistributed profits of PRC enterprises and loan interest income from PRC	**(5,194)**	436
Income tax expense	**21,128**	31,825

30 DIVIDENDS

(a) Dividends payable to equity shareholders of the company attributable to the year

	2024 **HK$'000**	2023 HK$'000
Interim dividend declared and paid of HK2 cents (2023: HKnil cent) per ordinary share	**22,423**	–
Final dividend proposed after the end of the reporting period of HK4 cents (2023: HK5 cents) per ordinary share	**44,847**	56,058

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the company attributable to the previous financial year, approved and paid during the year

	2024 **HK$'000**	2023 HK$'000
Final dividend paid/payable for 2023 of HK5 cents (2022: HK4 cents) per ordinary share	**56,058**	44,847
Special dividend payable for 2023 of HKnil cent (2022: HK2 cents) per ordinary share	**–**	22,423

On 25 March 2025, the board of directors proposed a final dividend of HK4 cents per ordinary share (2023: HK5 cents per ordinary share) for the year ended 31 December 2024. This proposed dividend is not reflected as a dividend payable in these financial statements. During the year, the total dividends paid by the Company, including the final dividend for the year 2023 and the interim dividend for the year 2024, amounting to HK$78,481,000 (2023: HK$67,270,000).

31 EARNINGS PER SHARE

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

	2024	2023
Profit attributable to equity holders of the Company (HK$'000)	**117,027**	114,069
Weighted average number of ordinary shares in issue ('000)	**1,121,167**	1,121,167
Basic earnings per share (HK cents)	**10.44**	10.17

Diluted earnings per share for the years ended 31 December 2024 and 2023 are the same with basic earnings per share as there were no dilutive potential ordinary shares in issue.

32 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2024 **HK$'000**	2023 HK$'000
Salaries and allowances	**518,825**	534,540
Retirement benefit costs - defined contribution plans (note)	**50,831**	50,115
	569,656	584,655

Note:

The Group operates defined contribution schemes which are available to all employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries or a fixed sum and are charged to the consolidated statement of profit or loss as incurred. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group has no further payment obligations once the contributions have been paid.

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Group in this country participate in respective government retirement benefit schemes (the "Schemes") whereby the subsidiaries are required to contribute to the Schemes to fund the retirement benefits of eligible employees. Contributions made to the Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire retirement benefit obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes.

33 FIVE HIGHEST-PAID INDIVIDUALS' EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 include three (2023: two) directors whose emoluments are reflected in the analysis shown in note 38. The emoluments payable to the remaining two (2023: three) highest paid individuals during the year are as follows:

	2024 **HK$'000**	2023 HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	**2,394**	2,773
Discretionary bonuses	**659**	341
Retirement benefit costs - defined contribution plans	**30**	54
	3,083	3,168

The emoluments of the two (2023: three) highest paid individuals fell within the following bands:

	Number of individuals	
	2024	2023
Emolument bands		
Less than HK$1,000,000	**–**	1
HK$1,000,001 - HK$1,500,000	**1**	2
HK$1,500,001 - HK$2,000,000	**1**	–

(a) During the year, no emoluments have been paid by the Group to the directors or the senior management as an inducement to join or upon joining the Group, or as compensation for loss of office. None of the directors waived or has agreed to waive any emoluments.

34 NOTE TO CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to cash generated from operations

	2024 HK$'000	2023 HK$'000
Operating profit	**113,498**	130,112
Amortisation of land use rights	**10,660**	10,913
Amortisation of intangible assets	**2,058**	1,794
Depreciation of property, plant and equipment and investment properties	**153,944**	147,696
Impairment loss on property, plant and equipment	**4,000**	–
Gain on disposals of interest in joint ventures	**(6,042)**	(2,227)
Gains on disposals of property, plant and equipment	**(3,029)**	(1,011)
Provision for impairment of trade and other receivables, net	**4,379**	421
Impairment loss on investment in an associate	**3,000**	–
Amortisation of deferred income	**(12,249)**	(1,800)
Operating profit before working capital changes	**270,219**	285,898
Decrease in inventories and spare parts	**825**	1,076
Increase in trade and other receivables	**(133,579)**	(92,658)
(Decrease)/increase in trade payables, accruals and other payables	**(115,828)**	43,423
Cash generated from operations	**21,637**	237,739

34 NOTE TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Liabilities from financing activities				
	Short term borrowings HK$'000	Long term borrowings HK$'000	Amounts due to the non-controlling interests HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 January 2024	200,000	135,527	40,360	68,947	444,834
Changes from financing cash flows:					
Drawdown of amount due to the non-controlling interest	–	–	161,554	–	161,554
Drawdown of bank loans	200,000	81,803	–	–	281,803
Repayment of bank loans	(200,000)	(96,260)	–	–	(296,260)
Capital element of lease rentals paid	–	–	–	(26,198)	(26,198)
Interest element of lease rentals paid	–	–	–	(2,212)	(2,212)
Total changes from financing cash flows	–	(14,457)	161,554	(28,410)	118,687
Foreign exchange difference	–	(2,743)	(1,727)	(241)	(4,711)
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	–	853	853
Lease modifications	–	–	–	18,952	18,952
Interest expenses for lease liabilities	–	–	–	2,212	2,212
Total other changes	–	–	–	22,017	22,017
As at 31 December 2024	200,000	118,327	200,187	62,313	580,827

34 NOTE TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Net debt reconciliation (Continued)

	Liabilities from financing activities				
	Short term borrowings HK$'000	Long term borrowings HK$'000	Amounts due to the non-controlling interests HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 January 2023	220,000	166,355	43,518	72,764	502,637
Changes from financing cash flows:					
Repayment of bank loans	(20,000)	(25,790)	–	–	(45,790)
Repayment of amount due to the non-controlling interest	–	–	(3,158)	–	(3,158)
Capital element of lease rentals paid	–	–	–	(30,855)	(30,855)
Interest element of lease rentals paid	–	–	–	(2,370)	(2,370)
Total changes from financing cash flows	(20,000)	(25,790)	(3,158)	(33,225)	(82,173)
Foreign exchange difference	–	(5,038)	–	(2,192)	(7,230)
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	–	28,377	28,377
Lease modifications	–	–	–	2,455	2,455
Lease disposals	–	–	–	(1,602)	(1,602)
Interest expenses for lease liabilities	–	–	–	2,370	2,370
Total other changes	–	–	–	31,600	31,600
As at 31 December 2023	200,000	135,527	40,360	68,947	444,834

34 NOTE TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2024 **HK$'000**	2023 HK$'000
Within operating cash flows	**145,278**	144,203
Within financing cash flows	**28,410**	33,225
	173,688	177,428

These amounts relate to the following:

	2024 **HK$'000**	2023 HK$'000
Lease rentals paid	**173,688**	177,428

34 NOTE TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

(d) Net cash outflow arising from the acquisition of a subsidiary

On 25 October 2024, the Group acquired 51% of equity interest in Kaiping City Industrial Investment Freight and Port Co., Ltd., ("Kaiping"), whose principal activities are cargo handling and transportation in the PRC, at a total consideration of HK$125,247,000. The acquisition of Kaiping was accounted for as an asset acquisition.

The following table summaries the consideration paid for the acquisition of Kaiping and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	Note	HK$'000
Consideration:		
Cash		**125,247**
Recognised amounts of identifiable assets acquired and liabilities assumed:		
Property, plant and equipment	6	**157,311**
Land use rights	9	**93,023**
Tarde and other receivables		**58,907**
Cash and cash equivalents		**1,849**
Trade and other payables		**(24,394)**
Loans from former shareholder		**(161,449)**
Total identifiable net assets		**125,247**
Cash consideration paid		**125,247**
Less: cash and cash equivalents received		**(1,849)**
Net cash outflow		**123,398**

35 CAPITAL COMMITMENTS

	2024 HK$'000	2023 HK$'000
Contracted but not provided for – Property, plant and equipment	**501,178**	15,227

36 RELATED PARTY TRANSACTIONS

The directors of the Group regard CKSE as the immediate holding company, which owns 71% (2023: 71%) of the Company's ordinary shares. The parent company of the Group is Guangdong Provincial Port & Shipping Group Company Limited ("GDPS"), a state-owned enterprise established in the PRC. GDPS itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC.

In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include GDPS 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 GDPS as well as their close family members.

For the years 2024 and 2023, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government, mainly include most of its bank deposits and the corresponding interest income 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 the financial statements, the following is a summary of the significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year:

36 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties

	Note	2024 HK$'000	2023 HK$'000
Revenues:			
Shipping agency, river trade cargo direct shipment and transhipment income			
– a fellow subsidiary	(vii)	**108**	–
– joint ventures and an associate		**5,057**	8,010
– other related companies		**1,495**	317
Passenger transportation agency fees			
– a fellow subsidiary	(vii)	**9,145**	9,027
– joint ventures and an associate		**13,434**	9,363
– a related company	(vii)	**968**	302
Ferry terminal operation service fees			
– a fellow subsidiary	(vii)	**166**	888
– joint ventures and an associate		**336**	6,012
– a related company	(vii)	**6**	633
Sub-baggage handling services fee			
– a fellow subsidiary	(vii)	**722**	–
– joint ventures and an associate		**3,210**	–
– a related company	(vii)	**1,746**	1,267
Management service fees			
– immediate holding company	(i), (vii)	**25,000**	27,500
Staff Management service fees			
– immediate holding company	(vii)	**260**	–
– a fellow subsidiary	(vii)	**14**	–
– joint ventures and associates	(ii)	**2,845**	7,719
– a related company	(ii)	**3**	264
Vessel rental income			
– a joint venture		**–**	2,132
– other related companies		**2,399**	2,931
Fuel supply income			
– fellow subsidiaries	(vii)	**52,481**	45,235
– joint ventures and an associate		**52,314**	47,171
– other related companies		**5,938**	14,487
Marine bunkering service			
– fellow subsidiaries	(vii)	**430**	3,701
– joint ventures and an associate		**154**	–
– other related companies	(vii)	**2,196**	1,853
Consulting and software service	(ii)		
– fellow subsidiaries		**1,089**	1,326
– joint ventures and an associate		**89**	232
– a related company		**1,502**	1,629
Agency fee income			
– a joint venture		**127**	494
– other related companies		**–**	647
Repairing and maintenance service			
– a fellow subsidiary		**–**	7
– a related company		**–**	188

36 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

	Note	2024 HK$'000	2023 HK$'000
Revenues: (continued)			
Cargo warehousing services			
– a related company	(vii)	**991**	1,050
Ferry rental Income			
– a fellow subsidiary	(vii)	**2,132**	950
Expenses:			
Shipping agency, river trade cargo direct shipment and transhipment expenses			
– a joint venture and an associate		**10,517**	1,988
Wharf cargo handling, cargo transportation and godown storage expenses			
– joint ventures	(vii)	**25,047**	30,176
– a related company	(vii)	**10,548**	8,324
Luggage handling fee			
– a related company		**2,083**	1,740
Ferry rental expenses			
– a fellow subsidiary	(vii)	**7,611**	6,671
Vessel rental expenses			
– a joint venture	(vii)	**16,021**	21,773
– a related company	(vii)	**11,676**	4,772
Warehouse rental expenses			
– immediate holding company	(iv), (vii)	**5,354**	5,014
Office rental expenses			
– immediate holding company	(vii)	**5,278**	6,852
– fellow subsidiaries		**2,819**	2,060
Staff quarter rental expenses			
– immediate holding company	(vii)	**2,307**	2,206
– fellow subsidiaries		**–**	21
Property management fee expenses			
– fellow subsidiaries	(vii)	**496**	924
Loan interest expenses			
– non-controlling interests	(vi)	**764**	21
IT Management fee expenses			
– immediate holding company	(v), (vii)	**1,395**	1,200
Repair and maintenance expenses			
– a fellow subsidiary		**149**	–
– a related company	(vii)	**21,740**	16,433
Management fee expenses			
– fellow subsidiaries		**–**	26
Staff Management fee expenses			
– fellow subsidiaries	(vii)	**–**	2,733

36 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

Notes:

(i) Management service fees was charged to CKSE for provision of services to a number of subsidiaries and joint ventures of CKSE in Hong Kong and the PRC. According to the management agreement, the management fee is calculated annually at (i) HK$20,000,000 per year or (ii) 3.25% of the total assets value of these companies as at 30 June of each year, whichever is higher, but the amount shall not exceed HK$30,000,000. The contract period was from 1 July 2020 to 30 June 2023.

On 30 June 2023, the Company and CKSE has entered into a new management agreement. The management fee is calculated annually at (i) HK$20,000,000 per year or (ii) 3.25% of the total assets value of these companies as at 30 June of each year, whichever is higher, but the amount shall not exceed HK$25,000,000. The contract period is from 1 July 2023 to 30 June 2026.

(ii) Management, consulting and software service fees were charged based on the actual costs incurred for the service provided.

(iii) Interests were charged to a joint venture in respect of loans at the base lending rate announced by the PBOC (2023: base lending rate announced by the PBOC), pursuant to the agreements entered into between the Group and joint venture.

(iv) The Group leased a warehouse from CKSE and rental was charged by CKSE pursuant to the agreement governing the transaction.

(v) Management fee expenses were charged for IT services provided by CKSE as set out in the agreement governing these transactions.

(vi) Loan Interest was charged by the non-controlling interests in respect of loans bearing interest rates at the base lending rate announced by PBOC (2023: base lending rate announced by PBOC).

(vii) The transactions represent continuing connected transactions which has complied with the disclosure requirements in accordance with Chapter 14A of the Rules governing the listing of Securities on the stock exchange ("the Listing Rules").

(b) Key management compensation

	2024 **HK$'000**	2023 HK$'000
Salaries and allowances	**7,662**	6,788
Discretionary bonuses	**2,185**	1,776
Directors' fees	**945**	870
Retirement benefit scheme contributions	**120**	90
Housing benefit	**1,559**	623
	12,471	10,147

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	Note	As at 31 December 2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**100,933**	97,323
Land use rights		**27,225**	28,062
Investments in subsidiaries		**2,001,334**	1,991,359
Investments in joint ventures		**145,953**	129,189
		2,275,445	2,245,933
Current assets			
Trade and other receivables		**637,062**	543,541
Income tax recoverable		**–**	2,601
Cash and cash equivalents		**273,175**	362,315
		910,237	908,457
Total assets		**3,185,682**	3,154,390
EQUITY			
Share capital		**1,415,118**	1,415,118
Reserves	(a)	**1,488,953**	1,451,035
Total equity		**2,904,071**	2,866,153

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Statement of financial position of the Company (Continued)

	Note	As at 31 December	
		2024	2023
		HK$'000	HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**512**	512
Current liabilities			
Trade payables, accruals and other payables		**81,099**	87,725
Short-term borrowings		**200,000**	200,000
		281,099	287,725
Total liabilities		**281,611**	288,237
Total equity and liabilities		**3,185,682**	3,154,390

Approved and authorised by the board of directors on 25 March 2025

Liu Guanghui
Director

Zhou Jun
Director

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a) Reserve movement of the Company

	Retained profits HK$'000
At 1 January 2024	**1,451,035**
Profit for the year	**116,399**
2023 final dividend	**(56,058)**
2024 interim dividend	**(22,423)**
At 31 December 2024	**1,488,953**
Representing:	
2024 final dividend proposed	**44,847**
Reserves	**1,444,106**
	1,488,953

	Retained profits HK$'000
At 1 January 2023	1,445,952
Profit for the year	72,353
2022 final dividend	(44,847)
2022 special dividend	(22,423)
At 31 December 2023	1,451,035
Representing:	
2023 final dividend proposed	56,058
Reserves	1,394,977
	1,451,035

38 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2024:

Name	Fees HK$'000	Salary (Note (i)) HK$'000	Discretionary bonuses (Note (ii)) HK$'000	Allowances and benefits in kind (Note (iii)) HK$'000	Employers contributions to retirement benefit scheme HK$'000	Total HK$'000
Chairman/managing director						
Mr. Liu Guanghui	–	1,075	409	348	167	1,999
Mr. Zhou Jun	–	1,012	315	341	167	1,835
Executive directors						
Mr. Liu Wuwei	–	748	443	179	175	1,545
Non-executive director						
Ms. Zhong Yan	–	–	–	–	–	–
Independent non-executive directors						
Mr. Chan Kay-Cheung	345	–	–	–	–	345
Ms. Yau Lai Man	237	–	–	–	–	237
Mr. Chow Bing Sing #2	50	–	–	–	–	50
Hon. Rock Chen Chung-nin	238	–	–	–	–	238
Mr. Tang Yi Hoi #1	75	–	–	–	–	75
Total	945	2,835	1,167	868	509	6,324

#1 Appointed on 9 October 2024

#2 Resigned on 1 April 2024

38 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

(i) Salary paid to a director is generally an emolument paid or receivable in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

(ii) Discretionary bonuses are determined on the Group achieving its target performance indicators.

(iii) Includes housing benefit.

For the year ended 31 December 2023:

Name	Fees HK$'000	Salary (Note (i)) HK$'000	Discretionary bonuses (Note (ii)) HK$'000	Allowances and benefits in kind (Note (iii)) HK$'000	Employers contributions to retirement benefit scheme HK$'000	Total HK$'000
Chairman/managing director						
Mr. Liu Guanghui	–	1,066	331	304	157	1,858
Mr. Zhou Jun	–	1,013	233	320	155	1,721
Executive directors						
Mr. Liu Wuwei	–	442	350	–	138	930
Non-executive director						
Ms. Zhong Yan	–	–	–	–	–	–
Independent non-executive directors						
Mr. Chan Kay-Cheung	320	–	–	–	–	320
Ms. Yau Lai Man	200	–	–	–	–	200
Mr. Chow Bing Sing	200	–	–	–	–	200
Hon. Rock Chen Chung-nin #1	150	–	–	–	–	150
Total	870	2,521	914	624	450	5,379

#1 Appointed on 1 April 2023

38 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

(i) Salary paid to a director is generally an emolument paid or receivable in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

(ii) Discretionary bonuses are determined on the Group achieving its target performance indicators.

(iii) Includes housing benefit.

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiary undertaking		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking		Total	
2024	2023	**2024**	2023	**2024**	2023
HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
6,324	5,379	**–**	–	**6,324**	5,379

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the years ended 31 December 2024 and 2023.

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the years ended 31 December 2024 and 2023.

38 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(d) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2024 and 2023, no consideration was paid by the Company to third parties for making available directors' services.

(e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors

During the years ended 31 December 2024 and 2023, there were no loans, quasi-loans and other dealing arrangements in favour of directors of the Company or its holding companies, bodies corporate controlled by and entities connected with such directors.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

39 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Company entered into a joint venture agreement with a joint venture partner for the formation of a joint venture on 3 March 2025. The Company will contribute RMB166,600,000 (equivalent to approximately HK$179,914,000) and the joint venture partner will contribute the remaining RMB173,400,000 (equivalent to approximately HK$187,257,000) as the registered capital of the joint venture. The joint venture shall be owned as to 49% by the Company and 51% by the joint venture partner respectively upon its formation.

RESULTS

	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**2,716,471**	2,553,835	2,899,545	2,268,408	1,854,549
Operating profit	**113,498**	130,112	162,387	130,773	80,647
Finance income	**15,117**	15,726	11,934	10,051	22,337
Finance cost	**(19,122)**	(23,251)	(24,121)	(11,508)	(10,116)
Net finance income/(cost)	**(4,005)**	(7,525)	(12,187)	(1,457)	12,221
Share of profits less losses of					
– joint ventures	**12,178**	11,586	(9,619)	(25,212)	(20,192)
– associates	**25,137**	20,283	(9,506)	(9,970)	1,808
Profit before income tax	**146,808**	154,456	131,075	94,134	74,484
Income tax expense	**(21,128)**	(31,825)	(23,050)	(27,861)	(9,186)
Profit for the year	**125,680**	122,631	108,025	66,273	65,298
Attributable to:					
Equity holders of the Company	**117,027**	114,069	93,490	44,074	49,821
Non-controlling interests	**8,653**	8,562	14,535	22,199	15,477
	125,680	122,631	108,025	66,273	65,298
Earnings per share (HK cents)					
Basic and diluted	**10.44**	10.17	8.34	3.93	4.44

ASSETS AND LIABILITIES

	2024 **HK$'000**	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
Non-current assets	**4,039,170**	3,029,184	3,119,225	3,299,300	3,183,441
Current assets	**1,465,987**	1,517,162	1,450,555	1,398,566	1,390,273
Total assets	**5,505,157**	4,546,346	4,569,780	4,697,866	4,573,714
Non-current liabilities	**938,293**	270,081	286,843	362,767	251,181
Current liabilities	**967,173**	778,223	787,630	783,905	691,012
Total liabilities	**1,905,466**	1,048,304	1,074,473	1,146,672	942,193
Total equity	**3,599,691**	3,498,042	3,495,307	3,551,194	3,631,521

Notes:

(a) The financial information for the years ended 31 December 2023 and 2024 were extracted from the 2024 financial statements.

(b) The financial information for the years ended 31 December 2020, 2021 and 2022 were extracted from the 2023 Annual Report.

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