SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Codes: 737 (HKD counter) & 80737 (RMB counter)

ANNUAL REPORT 2024

About Us

Shenzhen Investment Holdings Bay Area Development Company Limited (the "Company", formerly known as Hopewell Highway Infrastructure Limited) was incorporated in the Cayman Islands with limited liability and listed on The Stock Exchange of Hong Kong Limited since 6 August 2003 with stock codes 737 (HKD counter) and 80737 (RMB counter). The Company is principally engaged in expressway business and adopts development strategies focusing on the infrastructure and correlated business as well as land development and utilisation along the GS Superhighway within the Guangdong- Hong Kong-Macao Greater Bay Area. Shenzhen Expressway Corporation Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 548) and Shanghai Stock Exchange (Stock code: 600548), became the controlling shareholder of the Company on 11 January 2022.

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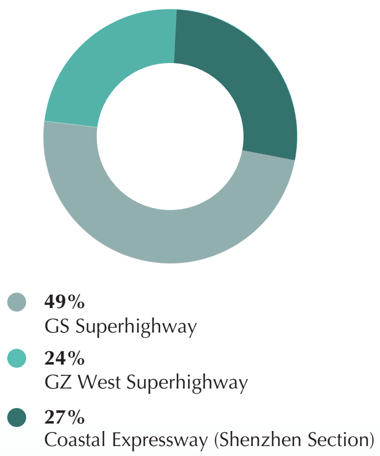
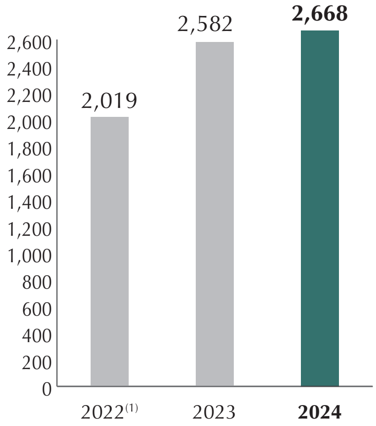
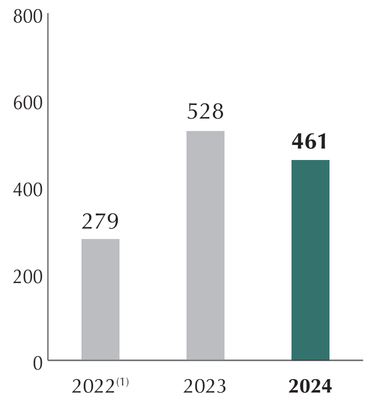
The Group's Share of Net Toll Revenue by Expressway for 2024



The Group's Share of Net Toll Revenue
(RMB million)



Profit Attributable to Owners of the Company
(RMB million)



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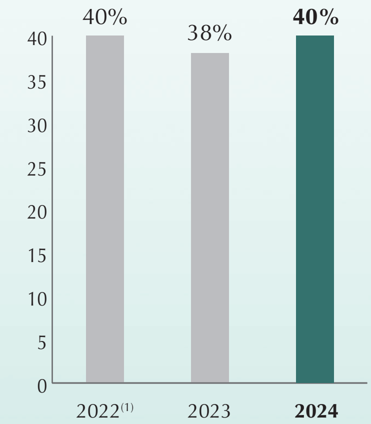
(Total Liabilities/Total Assets)



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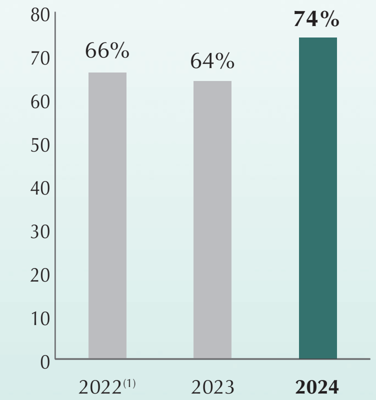
(Net Debt/Equity Attributable to Equity Shareholders of the Company)



Financial Highlights

Notes:

(1) On 18 August 2022, the Company entered into a subscription agreement with Shenzhen Expressway, an intermediate holding company of the Company, pursuant to which Shenwan Infrastructure has conditionally agreed to inject RMB2,998 million to the Coastal Company to obtain 51% of the enlarged equity interest in the Coastal Company, and the remaining 49% continue to be held by Shenzhen Expressway upon completion. The Subscription was completed on 30 November 2022. The Coastal Company becomes an indirect non-wholly owned subsidiary of the Company.

The Subscription is accounted for as a business combination under common control as the Group and the Coastal Company are both controlled by SIHC before and after the Subscription and that control is not transitory. The results of the Group for the year ended 31 December 2022 was prepared as if the current group structure upon completion of the Subscription had been in existence throughout the year ended 31 December in 2022. The results for the year ended 31 December 2022 had been included the 2022 annual results of Coastal Company accordingly.

5-Year Financial Summary

The financial summary of the Group for the year ended 31 December 2020 to the year ended 31 December 2024.

On 18 August 2022, the Company entered into a subscription agreement with Shenzhen Expressway, an intermediate holding company of the Company, pursuant to which Shenwan Infrastructure has conditionally agreed to inject RMB2,998 million to the Coastal Company to obtain 51% of the enlarged equity interest in the Coastal Company, and the remaining 49% continue to be held by Shenzhen Expressway upon completion. The Subscription was completed on 30 November 2022. The Coastal Company becomes an indirect non-wholly owned subsidiary of the Company.

The Subscription is accounted for as a business combination under common control as the Group and the Coastal Company are both controlled by SIHC before and after the Subscription and that control is not transitory. The results of the Group for the two years ended 31 December 2021 and 2022 were prepared as if the current group structure upon completion of the Subscription had been in existence throughout the two years ended 31 December in 2021 and 2022. The results for the year ended 31 December 2021 had been restated accordingly.

Restatement in respect of the business combination described above has not been made for the year ended 31 December 2020.

Consolidated Results Prepared (RMB million)

	2020	2021 (Restated)	2022	2023	**2024**
Share of results of joint ventures	295	656	354	691	**585**
Corporate results	(10)	162	(27)	(53)	**13**
Gain on partial disposal of a joint venture (net of tax)	409	–	–	–	**–**
Profit for the year	694	818	327	638	**598**
Attributable to:					
Equity shareholders of the Company	**689**	**711**	**279**	**528**	**461**
Non-controlling interests	5	107	48	110	**137**
Profit for the year	**694**	**818**	**327**	**638**	**598**

5-Year Financial Summary

Segment Revenue and Results (RMB million)

	2020	2021 (Restated)	2022	2023	**2024**
Revenue	**1,573**	**2,565**	**2,050**	**2,951**	**2,809**
Coastal Expressway (Shenzhen Section)	–	591	481	629	**736**
GS Superhighway	1,041	1,289	1,016	1,301	**1,298**
GZ West Superhighway	532	666	522	652	**634**
Xintang Interchange	–	19	31	369	**141**
EBITDA	**1,277**	**2,251**	**1,748**	**2,455**	**2,316**
Coastal Expressway (Shenzhen Section)	–	502	388	530	**620**
GS Superhighway [(1)]	860	1,194	941	1,339	**1,202**
GZ West Superhighway	418	560	412	525	**510**
Xintang Interchange	(1)	(5)	7	61	**(16)**
Depreciation and amortisation	**(693)**	**(926)**	**(808)**	**(1,032)**	**(1,015)**
Coastal Expressway (Shenzhen Section)	–	(220)	(181)	(227)	**(269)**
GS Superhighway	(450)	(469)	(426)	(536)	**(465)**
GZ West Superhighway	(243)	(237)	(201)	(269)	**(280)**
Xintang Interchange	–	(0)	(0)	(0)	**(1)**
Interest and tax	**(370)**	**(526)**	**(445)**	**(551)**	**(472)**
Coastal Expressway (Shenzhen Section)	–	(82)	(118)	(98)	**(89)**
GS Superhighway	(189)	(259)	(197)	(308)	**(271)**
GZ West Superhighway	(140)	(160)	(117)	(126)	**(112)**
Xintang Interchange	(41)	(25)	(13)	(19)	**0**
Segment results [(2)]	**214**	**799**	**495**	**872**	**829**
Coastal Expressway (Shenzhen Section)	–	200	89	205	**262**
GS Superhighway	221	466	318	495	**466**
GZ West Superhighway	35	163	94	130	**118**
Xintang Interchange	(42)	(30)	(6)	42	**(17)**
Segment corporate results [(3)]	**(2)**	**(6)**	**(79)**	**(212)**	**(204)**
Gain on partial disposal of a joint venture (net of tax)	409	–	–	–	**–**
Net exchange gain/(loss) (net of related income tax)	73	25	(89)	(22)	**(27)**
Profit for the year	694	818	327	638	**598**
Attributable to:					
Equity shareholders of the Company	**689**	**711**	**279**	**528**	**461**
Non-controlling interests	5	107	48	110	**137**
Profit for the year	**694**	**818**	**327**	**638**	**598**

5-Year Financial Summary

Consolidated Statement of Financial Position Prepared (RMB million)

	As at 31 December				
	2020	2021 (Restated)	2022	2023	**2024**
Property, plant and equipment	2	313	290	272	**255**
Right-of-use assets	–	5	22	13	**5**
Concession intangible assets	–	5,527	5,675	5,795	**5,695**
Interests in joint ventures	4,674	4,971	4,519	4,991	**5,275**
Equity instrument at fair value through other comprehensive income (“FVOCI”)	31	20	20	18	**21**
Deferred tax assets	–	303	211	117	**54**
Trade and other receivables	–	1,108	322	169	**290**
Amount due from a joint venture	350	264	210	–	**–**
Structured deposits	801	351	451	320	**–**
Time deposits	240	–	–	204	**374**
Restricted bank deposits	–	13	15	3	**62**
Cash and cash equivalents	519	1,860	474	484	**733**
Other assets	2	8	11	27	**38**
Total assets	**6,619**	**14,743**	**12,220**	**12,413**	**12,802**
Lease liabilities	–	5	23	14	**5**
Bank loans	1,078	1,936	3,957	4,032	**4,532**
Deferred tax liabilities	76	131	133	158	**181**
Trade and other payables	–	1,101	716	506	**422**
Tax payables	147	10	5	–	**23**
Interim dividend payable	306	–	–	–	**–**
Other liabilities	10	2	–	–	**–**
Total liabilities	**1,617**	**3,185**	**4,834**	**4,710**	**5,163**
Non-controlling interests	24	3,197	2,850	2,952	**3,089**
Total equity attributable to equity shareholders of the Company	**4,978**	**8,361**	**4,536**	**4,751**	**4,550**

5-Year Financial Summary

Consolidated Statement of Cash Flows (RMB million)

	2020	2021 (Restated)	2022	2023	**2024**
Net cash (used in)/generated from operating activities	(51)	(633)	87	468	**569**
Net cash (used in)/generated from investing activities					
— Increase in structured deposits	(800)	(1,045)	(1,468)	(1,290)	**(350)**
— Increase in time deposits	(240)	–	–	(200)	**(160)**
— Advance to a joint venture	(559)	(354)	–	–	**–**
— Proceeds on partial disposal of a joint venture	558	–	–	–	**–**
— Cash receipt from the disposal of loans to a joint venture and accrued interests	533	–	–	–	**–**
— Dividends received (net of PRC withholding tax)	495	777	603	391	**159**
— Repayment of loan from a joint venture	–	–	53	210	**–**
— Withdrawal of time deposit	–	240	–	–	**–**
— Withdrawal of structure deposits	–	1,495	1,368	1,420	**670**
— Increase in amount due from Shenzhen Expressway	–	(500)	–	–	**–**
— Payment for purchases of property, plant and equipment, construction in progress and intangible assets	–	–	(318)	(309)	**(275)**
— Others	(6)	112	72	12	**4**
Net cash generated from/(used in) financing activities					
— Proceeds from new bank loans	3,190	2,466	2,379	1,204	**1,908**
— Repayment of bank loans	(2,318)	(1,575)	(542)	(1,176)	**(1,481)**
— Dividends paid	(323)	(879)	(513)	(287)	**(608)**
— Increase in amounts due to other related parties	–	51	30	–	**–**
— Repayment of capital reduction to Shenzhen Expressway	–	–	(3,050)	(266)	**–**
— Others	(16)	(20)	(89)	(171)	**(186)**
Net increase/(decrease) in cash and cash equivalents	463	135	(1,388)	6	**250**
Cash and cash equivalents at the beginning of year	50	1,723	1,860	474	**484**
Effect of foreign exchanges rates changes	6	2	2	4	**(1)**
Cash and cash equivalents at the end of year	519	1,860	474	484	**733**
Total cash and cash equivalents	**519**	**1,860**	**474**	**484**	**733**

5-Year Financial Summary

Per Share Basis

	2020	2021 (Restated)	2022	2023	**2024**
Basic earnings per share (RMB cents)	22.35	23.09	9.04	17.15	**14.96**
Dividend per share (RMB cents)					
— Interim	–	9.3	5.75	5.55	**7.80**
— Special interim	10	–	–	–	**–**
— Final	9.1	10.45	3.25	11.55	**7.15**
Net asset value per share (RMB)	1.62	2.71	1.47	1.54	**1.48**
Regular dividend payout ratio [4]	100%	100%	100%	100%	**100%**

Financial Ratios

	As at 31 December				
	2020	2021 (Restated)	2022	2023	**2024**
Return on equity attributable to equity shareholders of the Company	14%	10%	7%	11%	**10%**
Debt to asset ratio (Total liabilities/ Total assets)	24%	22%	40%	38%	**40%**
Gearing ratio (Net debt [5]/equity attributable to equity shareholders of the Company)	–	–	66%	64%	**74%**

Notes:

(1) Excluding exchange differences and related income tax.

(2) The segment results represent (i) the Group's share of results of joint ventures before exchange differences (net of related income tax) and net of withholding tax attributed to the dividend received from and the undistributed earnings of joint ventures; and (ii) Group's results from the operation of Coastal Expressway.

(3) The segment corporate results represent the corporate results before corporate exchange differences and withholding tax attributed to the dividend received from and the undistributed earnings of joint ventures.

(4) Excluding special dividend and impact of restatement.

(5) Net debt is defined as total bank loans less total cash and cash equivalents, restricted bank deposits, structured deposits and time deposits.

Chairman's Statement

In 2024, Chinese Mainland adhered to the general principle of sustaining prudent progress while promoting high-quality development, resulting in an overall stable economic performance. With steady economic growth, both freight and passenger volumes in Chinese Mainland continued to increase, positively impacting the traffic volume and tolls on the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section). As an enterprise based in the Greater Bay Area and engaging in the investment, construction and operation of expressways, the Company benefited from the economic development of the surrounding regions and achieved solid performance in 2024. I would like to take this opportunity to share with our investors the operating results of the Group over the past year.

Financial Results and Dividend Proposal

On behalf of the Board, I am delighted to report to Shareholders the final results of the Group for 2024. The revenue from investment projects attributable to the Group was approximately RMB2,809 million. The profit attributable to equity shareholders of the Company amounted to approximately RMB461 million and a basic earnings per Share of RMB14.96 cents, representing a YoY decrease of 13%, which was mainly due to the following effects of (1) the reverse in share of resurfacing obligations of the GS JV in the end of 2023; and (2) a decrease in the Group's share of results of Grand Park City project.

The Board has proposed a final dividend of RMB7.15 cents per Share for year 2024 with a dividend payout ratio amounting to 100% of total dividend to the profit attributable to equity shareholders of the Company. Payment of the final dividend is subject to approval by Shareholders at the 2025 Annual General Meeting.

Operating Environment

In 2024, Chinese Mainland's economy maintained its prudent development, with continued enhancements in economic strength, technological capabilities and overall national power. The development of new productive forces advanced steadily while reforms and opening-up deepened, contributing to the effective and orderly mitigation of risks in key sectors. With effective social welfare measures, Chinese Mainland successfully achieved its primary economic and social development objectives for the year. In 2024, the GDP of Chinese Mainland increased by 5.0% YoY, with a total economic volume of approximately RMB134.9 trillion. Guangdong Province, strategically positioned adjacent to the Hong Kong Special Administrative Region and the Macao Special Administrative Region, has consistently demonstrated exceptional resilience and leadership in terms of economic growth, business structure optimisation and innovation-driven development. In 2024, Guangdong Province's GDP grew by 3.5% YoY while its total economic volume amounted to approximately RMB14.16 trillion, maintaining its position as the top provincial economy in Chinese Mainland for 36 consecutive years. The high-quality development of the Greater Bay Area has created a favourable operating environment for the business of the Group.

Chairman's Statement

Business Review

During the year under review, toll revenue of the three expressways operated by the Group showed overall growth. However, due to changes in the surrounding road networks and traffic diversion impacts, the toll revenue growth of the GS Superhighway and the GZ West Superhighway was slightly dampened. The Coastal Expressway (Shenzhen Section) benefited from the opening of its Phase II and the Shenzhen-Zhongshan Link, resulting in a more substantial growth in traffic volume and toll revenue. Based in the favourable location of the Greater Bay Area and benefiting from the continuous economic development of the surrounding regions, the Group is fully confident about the future development of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section).

Meanwhile, the reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway will be carried out in two segments: namely the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023, and is now in full swing in the year. The reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway is advancing the relevant work of project approval. With the advancement of the reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway, it would help to further strengthen the Group's core competitiveness in the toll road industry.

In addition, the Group had actively participated in investments in land development projects along expressway. The Grand Park City project, the Group's first comprehensive land development project along expressway, achieved satisfactory sales performance in 2024. In 2024, the contracted sales amounted to approximately RMB1,310 million, and achieving cumulative contracted sales of approximately RMB4,555 million since the beginning of pre-sale so far. In 2024, the introduction of several policies to stabilise the real estate market in 2024 supported the Group's land development and comprehensive utilisation business along expressway. In the future, the Group will actively promote land development projects along the GS Superhighway, such as the Luogang interchange and Tongle interchange, as an important supplement to the profits of the Group for providing continuous returns to Shareholders. In addition, the Group is also actively exploring quality resources within the Greater Bay Area, seeking market investment opportunities and driving new business breakthroughs. By leveraging external mergers and acquisitions, the Group aims to facilitate the implementation of its strategies, further strengthening the growth of its asset value and revenue.

Prospects

2025 marks the final year of the Group's "14th Five-Year" Plan and the planning year for the "15th Five-Year" Plan. Based on policy direction, market dynamics and its advantages, the Group will formulate a comprehensive strategic blueprint for the "15th Five-Year" Plan, further consolidate the main business of toll roads, accelerate the revitalisation of land resources along the expressways, and expand the investment opportunities in the Greater Bay Area.

Meanwhile, the Group will continue to focus on the reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway. The reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway will proceed according to the project schedule. The reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway is expected to receive approval in 2025, and the Group will strive to commence construction as soon as possible.

In respect of land development business, for the Grand Park City Project under development, the Group will carry out the construction, property sales and delivery of each phase of the Grand Park City in an orderly manner in alignment with the changes in policies and based on its annual sales targets and development plans. For other land development projects along the GS Superhighway, such as the Luogang interchange, the Group will maintain close communication with local governments and partners through various channels to realise the value of the land along the expressway.

In terms of business expansion, the Group will continue to seek opportunities for merger and acquisition of other expressway assets in the Greater Bay Area, keep up with industry trends, explore the development opportunities of "expressway + road economy" and identify new projects with investment value.

Looking forward, the macro environment in Chinese Mainland is expected to be generally positive, but with the complex and ever-changing international affairs, external challenges shall not be overlooked. The Group will anchor on its strategic goals, and go all out to solidify its standing in the Greater Bay Area to advance on its various tasks. I believe that with the joint efforts of the management and employees, the Group shall continue to achieve high quality and sustainable development and create better returns for Shareholders.

Chairman's Statement

Appreciation

On behalf of the Company, I would like to take this opportunity to express my sincere gratitude to Shareholders, business partners, financial institutions and friends from all walks of life for their support and trust in the development of the Company. I would also like to thank the Directors and senior management for their wise contribution, and the staff for their unity, cooperation and diligence. In 2025, all staff of the Company will seize the opportunities, continue to contribute to the construction of the Greater Bay Area, and strive to achieve a new level of development of the Company.

Xiangwen LIAO*
Chairman
Hong Kong, 20 March 2025

* *For identification purpose only*

Dividend and Closure of Register

Final Dividend

The Board has proposed a final dividend of RMB7.15 cents per Share (equivalent to HK7.74202 cents per Share at the exchange rate of RMB1:HK$1.08280) for the year ended 31 December 2024. Together with the interim dividend of RMB7.80 cents per Share (equivalent to HK8.522358 cents per Share at the exchange rate of RMB1:HK$1.09261) which had been paid on Friday, 8 November 2024, the total regular dividends for the year ended 31 December 2024 will amount to RMB14.95 cents per Share (equivalent to HK16.264378 cents per Share) which is 13% less than the total regular dividends of RMB17.10 cents per Share of last year. The total regular dividends for the year ended 31 December 2024 represented a regular dividend payout ratio of 100% of the Group's profit attributable to equity shareholders of the Company.

Subject to Shareholders' approval at the 2025 Annual General Meeting to be held on Wednesday, 21 May 2025, the proposed final dividend will be paid on Tuesday, 15 July 2025 to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 27 May 2025.

If the proposed final dividend is approved by the Shareholders at the 2025 Annual General Meeting, it will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB to HKD as published by The People's Bank of China on Thursday, 20 March 2025 and Shareholders will be given the option of electing to receive the final dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend currency election, Shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 19 June 2025. **If no dividend election is made by a Shareholder, such Shareholder will receive the final dividend in HK Dollars, unless receipt of dividend in RMB has been previously elected.**

Dividend and Closure of Register

Closure of Register

To ascertain Shareholders' eligibility to attend and vote at the 2025 Annual General Meeting to be held on Wednesday, 21 May 2025, the register of members of the Company will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the 2025 Annual General Meeting, all transfers of Shares, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 15 May 2025.

To ascertain Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed for one day on Tuesday, 27 May 2025, if and only if the proposed final dividend is approved by Shareholders at the 2025 Annual General Meeting. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the proposed final dividend, all transfers of Shares, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 26 May 2025.

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

Profile of Directors

Mr. Xiangwen LIAO*

Aged 56, Mr. LIAO was appointed as an Executive Director, the Chairman of the Board, a member and the chairman of the Executive Committee, and a member and the chairman of the Nomination Committee of the Company on 6 January 2023. He obtained a Doctor degree in Laws from Southwest University of Political Science and Law. He has extensive experience in toll highway management, legal affairs and human resource management.

Mr. LIAO had previously served in the Transport Commission of Shenzhen Municipality. He joined Shenzhen Expressway in November 2004 and had successively served as the deputy manager of the public relations department and the general manager of the human resources department. From September 2009 to September 2018, Mr. LIAO was the vice president of Shenzhen Expressway and was appointed as president since September 2018. Mr. LIAO has been a Director of Shenzhen Expressway since November 2016. Mr. LIAO now also holds directorship in some subsidiaries and investment enterprises of Shenzhen Expressway.

Mr. Jianming WU*

Aged 44, Mr. WU was appointed as an Executive Director and the Executive General Manager and a member of the Executive Committee on 4 February 2022 and was promoted from Executive General Manager to General Manager of the Company on 11 April 2025. He is also a director and/or chairman of various subsidiaries and joint ventures of the Company, including the chairman of Shenwan Infrastructure, the chairman of Coastal Company, the chairman of GZ West JV, a vice chairman of GSZ Company, a director of Hopewell China Development, a director of Hopewell Guangzhou-Zhuhai Superhighway Development Limited and a director of Shenwan Urban Investment (Shenzhen) Company Limited* (深灣城市投資(深圳)有限公司).

Mr. WU is a senior engineer and graduated from Jilin Jianzhu University* (吉林建築大學) with a bachelor's degree in Transportation Civil Engineering* (交通土建專業). He has extensive experience in project and corporate management. In 2004, he joined SZ Expressway Group and had worked in various projects of the SZ Expressway Group. From May 2017 to January 2019, Mr. WU had been appointed as a deputy general manager of Shenzhen Expressway Construction Development Company Limited* (深圳高速建設發展有限公司) ("SZ Construction"), which is a wholly-owned subsidiary of Shenzhen Expressway. From February 2019 to January 2022, Mr. WU had been appointed as a general manager of SZ Construction. He also held the positions as a general manager of Waihuan Project Management Office* (外環項目管理處) of the SZ Expressway Group from February 2019 to February 2022 and the deputy general manager of Jihe Reconstruction and Expansion Project Management Office* (機荷改擴建項目管理處) of the SZ Expressway Group from April 2019 to February 2022. Mr. WU has also been a director of SZ Shenzhen Expressway Financial Leasing Company Limited* (深圳深高速融資租賃有限公司), a non-wholly owned subsidiary of Shenzhen Expressway, since September 2021.

* *For identification purpose only*

Profile of Directors

Mr. Cheng WU*

Aged 55, Mr. WU was appointed as an Executive Director, the Deputy General Manager and a member of the Executive Committee of the Company, and a director of various subsidiaries and joint ventures of the Company on 11 April 2018. He obtained a bachelor's degree in Transportation Management* (交通運輸管理工程專業) from the Changsha Jiaotong College* (長沙交通學院) (now known as Changsha University of Science and Technology) in July 1995. Mr. WU worked as the Deputy General Manager and General Manager at the Luohu Station of Shenzhen Transportation Services Corporation* (深圳市交通運輸服務公司羅湖汽車站) since October 1997, and became the Deputy General Manager of the Management Office of Shenzhen Kuaiyibu Logistics Company Limited* (深圳市快一步物流有限公司) in February 2002. He was the head of the Business Department of Shenzhen Highway Passenger and Freight Transport Service Centre* (深圳市公路客貨運輸服務中心) in February 2009. Mr. WU joined Shenzhen Highway Passenger and Freight Transport Service Center Company Limited* (深圳市公路客貨運輸服務中心有限公司) in June 2012 as a Deputy General Manager, and also held an additional post of the Chairman of the Board of Directors of Shenzhen Transportation Service Company Limited* (深圳市客運服務有限公司) from November 2014 to April 2018.

Mr. Ji LIU*

Aged 49, Mr. LIU was appointed as an Executive Director, the Deputy General Manager, secretary to the Board and a member of the Executive Committee of the Company, and a director of various subsidiaries and joint ventures of the Company on 11 April 2018. Mr. LIU obtained a bachelor's degree in Economics from Zhongnan University of Finance and Economics and a Master of Science degree from the Hong Kong Polytechnic University in 1998 and 2004 respectively, and obtained an EMBA degree from Xiamen University in September 2018. He has obtained the qualification as an Economist in 2002.

Mr. LIU has many years of experience on investment and mergers of listed companies, state-owned property management, and corporate governance of listed companies. He joined Shenzhen Shenhua Group Corporation* (深圳市深華集團公司) in 1998 and joined the Property Management Office of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal* (深圳市國有資產監督管理委員會產權管理處) in 2005. Mr. LIU joined Shenzhen International since August 2006. He successively held the posts of the Secretary of the Board of Executive Directors, the General Manager of the Information Technology Department, the General Manager of the Administration Department, the General Manager of the Corporation Management Department and the General Manager of the Investment Management Department, etc. Mr. LIU is currently a mediator of Shenzhen Court of International Arbitration* (Shenzhen Arbitration Commission*) (深圳國際仲裁院(深圳仲裁委員會)) and was the Supervisor of Shenzhen Cereals Holdings Co., Ltd. (深圳市深糧控股股份有限公司) (listed on the Shenzhen Stock Exchange (stock codes: A000019 and B200019)) until 3 November 2023. From November 2016 to May 2018, he was a non-executive director of Shenzhen Expressway.

* *For identification purpose only*

Profile of Directors

Ms. Siyan CHEN*

Aged 38, Ms. CHEN was appointed as a Non-executive Director of the Company on 3 February 2023. She graduated from Peking University in 2010 with a double bachelor's degree in Science and Economics and obtained a master's degree in finance from Peking University in 2013. She is a registered Chinese Certified Public Accountant (CPA). After graduation, Ms. CHEN had successively worked in Zhongrong International Trust Co., Ltd.* (中融國際信託有限公司) and Western Trust Co., Ltd.* (西部信託有限公司) and has an extensive experience in corporate investment and financing in real estate, infrastructure and other areas. In December 2016, Ms. CHEN joined Taiping Investment Holdings Co., Ltd.* (太平投資控股有限公司), now renamed as Taiping Capital Insurance Assets Management Co., Ltd. (太平資本保險資產管理有限公司). Currently, Ms. CHEN is the executive director of Taiping Financial Holdings Equity Investment Fund Management (Shenzhen) Co., Ltd.* (太平金控股權投資基金管理(深圳)有限公司) and is responsible for insurance capital investment and fund businesses.

Mr. Xuan WANG*

Aged 51, Mr. WANG was appointed as a Non-executive Director of the Company on 30 June 2023. He obtained a Master's Degree in National Economics from Zhongnan University of Economics and Law in 2000. From 2002 to 2006, he successively worked for Wuhan Vanke Real Estate Co. Ltd.* (武漢市萬科房地產有限公司) and Shenzhen Vanke Development Co. Ltd.* (深圳市萬科發展有限公司). During 2007 to 2022, he served successively as the business manager of project investment center, assistant general manager and partner of business development center of China Vanke Co. Ltd. (Shenzhen Stock Exchange stock code: 000002 and the Stock Exchange stock code: 2202). Since 2023, he has been transferred to the southern region headquarters of China Vanke Co. Ltd. and is currently the regional partner and investment and strategy research general manager of the southern region headquarters of China Vanke Co. Ltd.

Mr. Yu Lung CHING

Aged 55, Mr. CHING was appointed as an Independent Non-executive Director, a member and the chairman of the Audit Committee, a member of the Remuneration Committee of the Company on 11 April 2018 and a member of the Nomination Committee of the Company on 1 January 2022. He has more than 32 years of experience in auditing, corporate finance and accounting, and is currently a financial consultant. Mr. CHING obtained a bachelor's degree in business administration from the Chinese University of Hong Kong and executive master's degree in business administration from Tsinghua University in 1992 and 2006, respectively. Mr. CHING is a fellow member of Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants and a member of the American Institute of Certified Public Accountants. Mr. CHING is an Independent Non-executive Director of Hopson Development Holdings Limited (stock code: 754), Ngai Hing Hong Company Limited (stock code: 1047) and Luzhou Bank Co., Ltd. (stock code: 1983), all are listed on the Main Board of the Stock Exchange. He resigned as the chief financial officer of a listed company on the Main Board of the Stock Exchange with effect from 1 July 2023.

* *For identification purpose only*

Profile of Directors

Mr. Tony Chung Nin KAN SBS, JP

Aged 74, Mr. KAN was appointed as an Independent Non-executive Director, a member of the Audit Committee, a member of the Remuneration Committee of the Company on 11 April 2018, a member of the Nomination Committee of the Company on 1 January 2022 and the Chairman of the Remuneration Committee of the Company on 19 May 2023. He is the Founder and Senior Consultant of Tony Kan & Co., Solicitors & Notaries, practising as a Solicitor of the Supreme Court of Hong Kong since 1982. He is also a Solicitor of the Supreme Court of England and Wales, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory, as well as Advocate and Solicitor of the Supreme Court of the Republic of Singapore. He is also a China Appointed Attesting Officer and a Notary Public. Mr. KAN was a Committee Member of the National Committee of the Chinese People's Political Consultative Conference for three consecutive terms and was a Committee Member of the Guangdong Committee of the Chinese People's Political Consultative Conference for three consecutive terms. Mr. KAN had been an Elected Member of the Sha Tin District Council from 1985 to the end of 2011. He had also been an Elected Member of the Regional Council and he was elected as Vice Chairman of the Council in July 1997 until its dissolution at the end of 1999.

Since 1988, Mr. KAN has served as a Councillor of Heung Yee Kuk in the New Territories and is currently an Ex Officio Member and Executive Committee Member of Heung Yee Kuk. Mr. KAN had served on various advisory committees for the government, including Town Planning Board Member as well as the Building Committee Member of the Housing Authority. He had served as a Member of the Election Committee of the Chief Executive of Hong Kong Special Administrative Region. Mr. KAN has been appointed as an Independent Non-executive Director of Man Wah Holdings Limited (stock code: 1999) since May 2013, a company listed in Hong Kong. Mr. KAN has been appointed as an Independent Non-executive Director of Nameson Holdings Limited (stock code: 1982) since 29 January 2016, which has been listed on the Stock Exchange on 12 April 2016. During the period from February 2016 to April 2024, Mr. KAN has been served as a Vice Chairman of the Board of Directors of DBG Technology Co., Ltd. (stock code: 300735), which has been listed on Shenzhen Stock Exchange ChiNext on 29 December 2017.

He was the Non-executive director of Midland Holdings Limited ("Midland Holdings") (listed on the Main Board of the Stock Exchange (stock code: 1200), and subsequently became the Independent Non-executive Director of Midland Holdings during the period from October 1994 to September 2004. Mr. KAN also served as a Non-executive director of Midland Holdings during the period from March 2014 to October 2016 and was appointed as a Non-executive Director as well as the chairman of the board of Midland IC&I Limited (listed on the Main Board of the Stock Exchange (stock code: 459) since October 2016 to October 2019. He was appointed as an Independent Non-executive Director of Kimou Environmental Holding Limited (stock code: 6805) since 18 June 2019 to end of November 2024, which has been listed on the Stock Exchange on 16 July 2019.

Profile of Directors

Mr. Peng XUE*

Aged 54, Mr. Xue was appointed as an Independent Non-executive Director of the Company on 4 February 2022, a member of the Audit Committee and a member of the Remuneration Committee of the Company on 19 May 2023. He is the company secretary, authorised representative and the general manager of the operations management center of SITC International Holdings Company Limited ("SITC", together with its subsidiaries, "SITC Group"), a company listed on the Stock Exchange (Stock Code: 1308). Mr. XUE had been a director of SITC from January 2008 to March 2021. From January 2008 to May 2013, he served as a chief financial officer of SITC. Mr. XUE has been appointed as the general manager of the operations management center of the SITC Group since July 2017. Mr. XUE had also been appointed as an independent non-executive director of China Beststudy Education Group, a company listed on the Stock Exchange (Stock Code: 3978) since 3 December 2018 and had resigned with effect from 4 July 2022.

Mr. XUE graduated from Shandong Province Foreign Trade and Economic University* (山東省對外貿易經濟學校) in 1991 majoring in financial accounting, and graduated from Shandong University of Economics* (山東經濟學院) in 1997 majoring in accounting. He was qualified as an intermediate accountant in 2004 and also obtained an undergraduate degree in Accounting from Renmin University of China* (中國人民大學) in 2006. He received a master's degree in Business Administration from China Europe International Business School* (中歐國際工商學院) in 2011. He obtained a master's degree in Corporate Governance by The Open University of Hong Kong in 2019 and was also qualified of the fellowship of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and Institute of Chartered Secretaries and Administrators (now known as The Chartered Governance Institute) and Chartered Governance Professional.

* *For identification purpose only*

Overall Business Performance

During the year under review, the total net toll revenue of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) increased by 1% YoY to approximately RMB4,890 million. This was mainly due to the combined effects of the following factors: (1) the significant increase in toll revenue of the Coastal Expressway (Shenzhen Section) due to the simultaneous opening of its Phase II and the Shenzhen-Zhongshan Link in June 2024; (2) the Holiday Toll-free Policy for small passenger vehicles with 7 seats or less was implemented for a total of 24 days in 2024, an increase of 3 days as compared to the corresponding period of last year; and (3) the negative diversion impact on the GS Superhighway and the GZ West Superhighway due to the further improvement of the surrounding expressway networks. The average daily toll revenue of the GS Superhighway decreased by 0.5% YoY to approximately RMB7.88 million and average daily mixed traffic remained flat YoY at approximately 632,000 vehicles; the average daily toll revenue and average daily mixed traffic of the GZ West Superhighway decreased by 3% and 1% YoY to approximately RMB3.47 million and 268,000 vehicles respectively; the average daily toll revenue and average daily mixed traffic of the Coastal Expressway (Shenzhen Section) increased by 17% and 8% YoY to approximately RMB2.01 million and 205,000 vehicles respectively.

During the year under review, the contracted sales of the Grand Park City amounted to approximately RMB1,310 million. 3 blocks of the residential units of the second phase started to deliver to buyers in the fourth quarter of 2024.

Year	2024	2023	% Change
At Operational Level			
GS Superhighway			
Average daily toll revenue[N1] (RMB '000)	**7,883**	7,924	–0.5%
Average daily mixed traffic[N2] (No. of vehicles '000)	**632**	632	0%
GZ West Superhighway			
Average daily toll revenue[N1] (RMB '000)	**3,466**	3,572	–3%
Average daily mixed traffic[N2] (No. of vehicles '000)	**268**	270	–1%
Coastal Expressway (Shenzhen Section)[N3]			
Average daily toll revenue[N1] (RMB '000)	**2,012**	1,724	17%
Average daily mixed traffic[N2] (No. of vehicles '000)	**205**	189	8%

N1: Excluding tax

N2: Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-Free Policy was implemented

N3: Coastal Phase II commenced operations on 30 June 2024. The Group is currently in communication with the network toll collection management unit of Guangdong Province regarding the statistics and breakdown of traffic volume data for Coastal Phase II. Therefore, the traffic volume data for the Coastal Expressway (Shenzhen Section) only includes the traffic volume data for Coastal Phase I but excludes Coastal Phase II, while the toll revenue data for the Coastal Expressway (Shenzhen Section) includes both Coastal Phase I and Coastal Phase II

Project Summary

Guangzhou — Shenzhen Superhighway

Location	Guangzhou to Shenzhen, Guangdong, PRC
Length	122.8 km
Lanes	A total of 6 lanes in dual directions, except for certain sections being 10 lanes
Class	Expressway
Toll Collection Period	July 1997–June 2027
Profit Sharing Ratio	Year 1–10: 50% Year 11–20: 48% Year 21–30: 45%

Guangzhou — Zhuhai West Superhighway

Location	Guangzhou to Zhuhai, Guangdong, PRC
Length	97.9 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	Phase I West (September 2003 to September 2033) Phase II West (June 2010 to June 2035) Phase III West (January 2013 to January 2038)
Profit Sharing Ratio	50%

Guangshen Coastal Expressway (Shenzhen Section)

Location	Shenzhen, Guangdong, PRC
Length	Approximately 37 km
Lanes	A total of 8 lanes in dual directions
Class	Expressway
Toll Collection Period	December 2013 to December 2038
Equity Interest	51%

Grand Park City

Location	Xintang Town, Zengcheng District, Guangzhou, Guangdong, PRC
Nature of Development	Residential Project
Stake	15%
Total Site Area	Approximately 200,000 square metres
Gross Floor Area	Approximately 600,000 square metres

Operating Environment

Domestic and External Economic Situation

In 2024, facing a complex and challenging international environment, Chinese Mainland adhered to the principle of sustaining prudent progress while maintaining stability, resulting in an overall stable economic performance. The meeting of the Political Bureau of the Central Committee held in the same year decisively introduced a package of incremental policies, effectively boosting public confidence and driving a significant economic rebound. However, the adverse effects of changes in the external environment, such as geopolitical risks and interest rate hikes, intensified. With the global economy characterised by substantial structural imbalances and divergences in areas such as consumption, employment and inflation, the economic recovery remained fraught with difficulties and challenges. Chinese Mainland has been committed to high-quality development in an effort to reinforce and sustain the positive momentum of economic recovery. Benefiting from the continued release of macro policy effects, the accelerated growth of new productive forces and other factors, the Chinese economy demonstrated strong resilience. According to data released by the National Bureau of Statistics, the GDP in Chinese Mainland grew by 5.0% YoY in 2024, reaching a new level of approximately RMB134.9 trillion.

At the Central Economic Work Conference convened on 11 December 2024 and other conferences, it was pointed out that in 2025, Chinese Mainland will adhere to the principle of sustaining prudent progress while maintaining stability, uphold integrity and strive for innovation with advancements and breakthroughs, and adopt systematic integration and coordination. The government will implement more proactive fiscal policies and moderately loose monetary policies, enhance the policy toolbox, strengthen special counter-cyclical adjustments through an efficient combination of policies. These efforts aim to improve the foresight, precision and effectiveness of macroeconomic regulation. In the future, the transportation industry will benefit from these adjustments of fiscal and monetary policies and economic development, resulting in a continuous recovery with a broadly positive outlook.

Development of the Greater Bay Area

In 2024, the GDP in Greater Bay Area was approximately RMB14.8 trillion, accounted for approximately 11% of the GDP of Chinese Mainland and it is one of the most economically active regions in Chinese Mainland with dominant regional advantages and huge development potential.

Since the promulgation of the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" (《粵港澳大灣區發展規劃綱要》), relevant national ministries and commissions and all sectors of community have supported the accelerated implementation of the development of the Greater Bay Area. On 2 January 2024, the Economic Work Conference of the Guangdong Provincial Committee emphasised that cooperation among Guangdong, Hong Kong and Macao should be deepened around the new positioning of materialising the "one point for two places (一點兩地)" in the Greater Bay Area and that the supporting and driving role of the Greater Bay Area should be better made use of, with a focus on comprehensively refined reforms in key areas and critical aspects such as education, science and technology, talent, business environment and corporate governance, so as to increase economic depth during continuous promotion of two-way opening up and to effectively activate the organic driving force for high-quality development in Guangdong.

In July 2024, the Beijing News and the Guangzhou Guangdong-Hong Kong-Macao Greater Bay Area Research Institute released the "Five-Year Development Report of the Guangdong-Hong Kong-Macao Greater Bay Area — Bay Area Common Market: Vision and Action" (《粵港澳大灣區五周年發展報告 — 灣區共同市場：願景與行動》). The report has demonstrated the establishment of a regional common market as the vision and goal, with a focus on promoting the efficient and convenient flow of goods, services, personnel, capital, data and scientific and technological innovation elements. The report sets several key milestones in 2025, 2035, and 2050, by 2025, several exemplary cases will be established to promote cross-border efficiency and convenience in the flow of goods, services, personnel, capital, data, and scientific and technological innovation elements, thereby accelerating the integration process of the Greater Bay Area market and laying a foundation for building a regional common market in the Greater Bay Area.

The Chinese Mainland's competent authorities and the society recognise the importance of the mission and tasks of the development of the Guangdong Hong Kong-Macao Greater Bay Area and vigorously spur the positive development of highway industry, that will benefit the operating environment of the Group's expressway business in a long run and provide strong support for the sustainable development of the Group's business.

Latest Updates on Industry Policies

Issuance of the Measures for the Administration of Concession Rights for Infrastructure and Public Utilities (《基礎設施和公用事業特許經營管理辦法》)

The Announcement No. 17 of the "Measures for the Administration of Concession Rights for Infrastructure and Public Utilities" (《基礎設施和公用事業特許經營管理辦法》) was promulgated by the National Development and Reform Commission, the Ministry of Finance, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Water Resources and the People's Bank of China on 28 March 2024. It has further clarified and standardised the infrastructure and public utilities concession activities. Private sectors are encouraged and guided to participate in the construction and operation of infrastructure and public utilities, so as to improve the quality and efficiency of public services. In addition, it has proposed extending the maximum term of concessions to 40 years, which is 10 to 15 years longer than the current maximum toll collection period. The implementation of such a new policy would have a certain positive impact on the subsequent development of operational expressways.

Amendments to the Regulations on the Administration of Toll Roads

In May 2024, the General Office of the State Council issued the "2024 Legislative Work Plan of the State Council" (《國務院2024年度立法工作計劃》), and the "Regulations on the Administration of Toll Roads" (《收費公路管理條例》) were listed as the "administrative regulations to be formulated and revised in 2024". Subsequent to the adoption of the newly revised regulations, the administration of toll roads would be further strengthened, and the toll collection acts on toll roads would be standardised, so as to protect the lawful rights and interests of the toll road operators and users, and to promote the development of the highway industry.

Favourable policies for vehicle retail sales

In March 2024, 14 departments, including the Ministry of Commerce and the National Development and Reform Commission, jointly issued the "Action Plan for Promoting Trade-ins of Consumer Goods" (《推動消費品以舊換新行動方案》). The goal is to accelerate the elimination of passenger vehicles with National Emission Standard III or below by 2025, increasing the recycling volume of scrap vehicles by 50% as compared to 2023. By 2027, the recycling volume of scrap vehicles will double as compared to 2023, and the transaction volume of used cars will increase by 45%. To this end, local governments are encouraged to support vehicle replacement and renewal, improve the recycling and dismantling system for scrap vehicles, so as to promote used car transactions, foster the growth of used car business entities, and drive innovative development in vehicle circulation and consumption. At the same time, financial and insurance institutions are encouraged to provide more favourable car loans and insurance services. In addition, the National Development and Reform Commission and other departments published a notice on the "Measures to Create New Consumption Scenarios and Cultivate New Consumption Growth Points" (《關於打造消費新場景培育消費新增長點的措施》) in June 2024, proposing to expand new consumption scenarios for vehicles. Cities with purchase restrictions are encouraged to relax vehicle purchase limits and issue additional vehicle purchase indicators. The notice also encourages the support for vehicle renewal and replacement, as well as the expansion of the pilot scope of comprehensive electrification of vehicles used for public purposes.

As of the end of December 2024, the car ownership volume in Chinese Mainland amounted to 353 million units, among which, the ownership volume of new energy vehicles amounted to 31.4 million units, accounting for 8.9% of the total volume of vehicles. Driven by the strong support from policies such as the "promotion of vehicle renewal and new energy vehicles" (兩新) initiative and measures to boost vehicle consumption, Chinese Mainland's vehicle ownership growth remained stable. This sustained growth in transportation volume created a favourable operating environment for expressway industry.

Holiday Toll-free Policy for small passenger vehicles in 2024

Pursuant to the "Notice of the Ministry of Transport on Optimising the Period on Waiver of Tolls on Toll Road for Small Passengers Vehicles during the Spring Festival Holidays of 2024" (《交通運輸部關於優化2024年春節假期收費公路免收小型客車通行費時段的通知》), the Holiday Toll-free Policy for small passenger vehicles with 7 seats or less during the Spring Festival Holidays of 2024 implemented for 9 days from 9 February 2024 to 17 February 2024, representing an increase of 2 days as compared with the 7 days in the corresponding period of last year. In addition, Holiday Toll-free Policy for small passenger vehicles with 7 seats or less during the Ching Ming Festival of 2024 implemented for 3 days from 4 April 2024 to 6 April 2024, representing an increase of 2 days as compared with 1 day in the corresponding period of last year. Holiday Toll-free Policy for small passenger vehicles with 7 seats or less during National Day Holidays of 2024 implemented for 7 days from 1 October 2024 to 7 October 2024, representing a decrease of 1 day as compared with 8 days in the corresponding period of last year.

GS Superhighway

The GS Superhighway is a main expressway connecting the three major cities — Guangzhou, Dongguan and Shenzhen on the eastern bank of Greater Bay Area to Hong Kong. The GDP of Guangzhou, Dongguan and Shenzhen, the cities along the expressway, rose 2.1%, 4.6% and 5.8% YoY respectively in 2024, showing the economy has maintained steady growth. In 2024, the total toll revenue of the GS Superhighway was approximately RMB2,885 million. The average daily toll revenue decreased by 0.5% YoY to approximately RMB7.88 million and average daily mixed traffic remained flat YoY at approximately 632,000 vehicles respectively. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 82.2% and 92.2% of the toll revenue and mixed traffic volume of the GS Superhighway respectively. The operating performance of the GS Superhighway in 2024 was mainly affected by combined effects of the following factors:

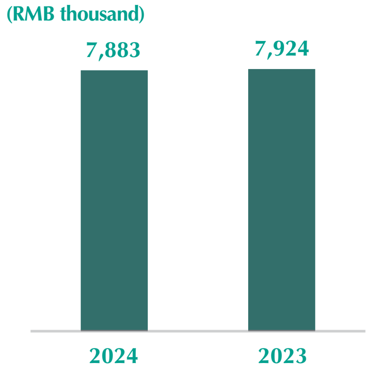
Holiday Toll-free Policy for small passenger vehicles with 7 seats or less was implemented for a total of 24 days in 2024, an increase of 3 days as compared to 2023, which directly reduced toll revenue.

The Dongguan-Panyu Expressway is another major artery running through the central part of Dongguan. Its Phase III has opened to traffic by the end of 2023, connecting the section between the Conghua-Dongguan Expressway and the Dongguan-Shenzhen Expressway, and connects with the GS Superhighway at the Houjienan interchange. Currently, the Changhu Expressway, another east-west route, is connected to the GS Superhighway at Xinlian and Wudianmei interchanges. With the completion of the entire Dongguan-Panyu Expressway, vehicles in the central area of Dongguan have another travel option for east-west journeys, which has resulted in mild traffic diversion for vehicles travelling to and from Xinlian and Wudianmei interchanges.

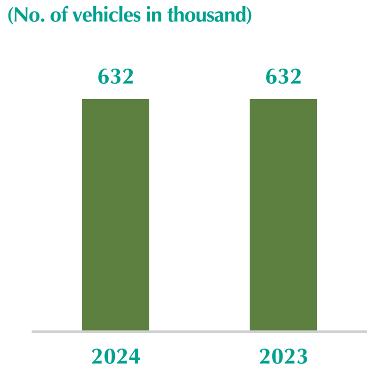
The Shenzhen-Zhongshan Link, a new major channel across the Pearl River and another convenient route for vehicles travelling between Shenzhen and the western Guangdong, has opened to traffic on 30 June 2024. The Shenzhen-Zhongshan Link connects Phase II of Coastal Expressway (Shenzhen Section) in the east, crosses the Pearl River to the west and connects the Zhongshan section of the Zhongshan-Kaiping Expressway, and interconnecting the GS Superhighway, the Coastal Expressway (Shenzhen Section) and the Guangzhu East Expressway. The opening of the Shenzhen-Zhongshan Link resulted in certain diversion impact on the vehicles originally passing the Humen Bridge and the Nansha Bridge via the GS Superhighway for travelling to and from the western Guangdong.

The Humen Port Branch Line of the Changhu Expressway has been completely closed from July 2024 until January 2026 for the implementation of reconstruction and expansion projects. Therefore, vehicles traveling to and from the GS Superhighway via the Changhu Expressway cannot enter and exit the GS Superhighway from the Xinlian Interchange, and need to be diverted to enter and exit the GS Superhighway from the Wudianmei Interchange. During the period with complete closure of the Humen Port Branch Line of the Changhu Expressway, there has been a slightly positive impact on the GS Superhighway.

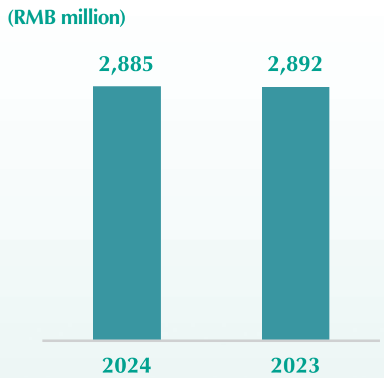
Average Daily Toll Revenue^



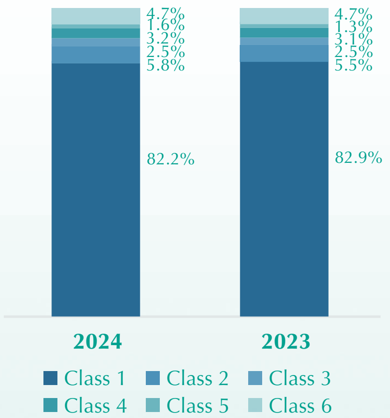
Average Daily Mixed Traffic



Annual Toll Revenue^



Average Daily Toll Revenue Breakdown by Vehicle Type



Average Daily Mixed Traffic Breakdown by Vehicle Type

^ Excluding tax

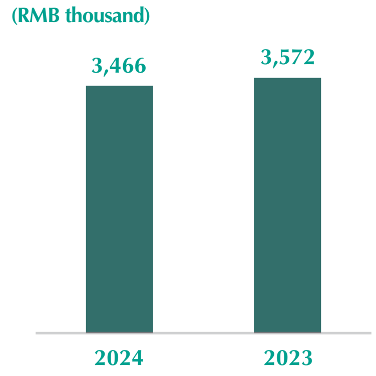
GZ West Superhighway

The GZ West Superhighway is the expressway artery between the city centres of Guangzhou and Zhuhai, and offers access to the HZM Bridge. The GDP of Guangzhou, Foshan, Zhongshan and Zhuhai, the cities along the expressway, rose 2.1%, 1.3%, 3.7% and 3.5% YoY respectively in 2024, and the economy maintained steady growth. In 2024, the total toll revenue of the GZ West Superhighway was approximately RMB1,269 million. The average daily toll revenue and average daily mixed traffic decreased by 3% and 1% YoY to approximately RMB3.47 million and 268,000 vehicles respectively. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 84.2% and 93.1% of the toll revenue and mixed traffic volume of the GZ West Superhighway respectively. The operating performance of the GZ West Superhighway in 2024 was mainly affected by combined effects of the following factors:

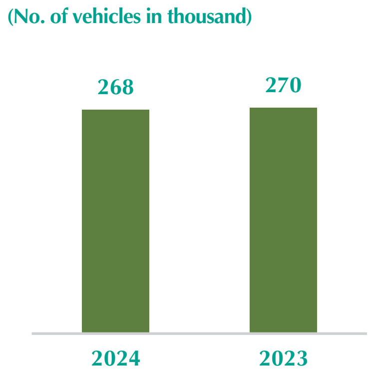
Holiday Toll-free Policy for small passenger vehicles with 7 seats or less was implemented for a total of 24 days in 2024, an increase of 3 days as compared to 2023, which directly reduced toll revenue.

In June 2024, the Zhongshan section of the Zhongshan-Kaiping Expressway has opened to traffic, connecting the Shenzhen-Zhongshan Link (simultaneously opened to traffic) in the east and the Jiangmen section of the Zhongshan-Kaiping Expressway in the west, with interchanges connecting to the GZ West Superhighway and the Zhongshan West Ring Expressway (parallel to the section of Dongfu to Yuehuan of the GZ West Superhighway) of similar north-south direction. In August 2024, the interchange originally connecting the Guangzhou-Zhongshan-Jiangmen Expressway and the Guangzhou-Foshan-Jiangmen-Zhuhai Expressway in the Zhongshan West Ring Expressway was further improved and fully interconnected. The further connection and improvement of the above expressway networks provided more travel route options for vehicles traveling between eastern and western Guangdong and between Guangzhou, Foshan and Zhuhai, which will have a certain diversion effect on the GZ West Superhighway.

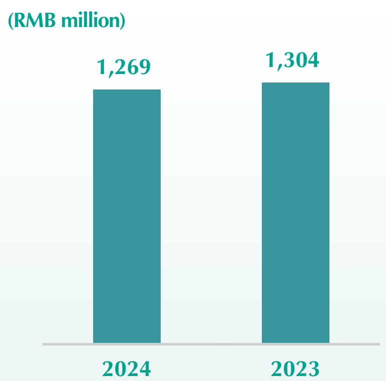
Average Daily Toll Revenue^



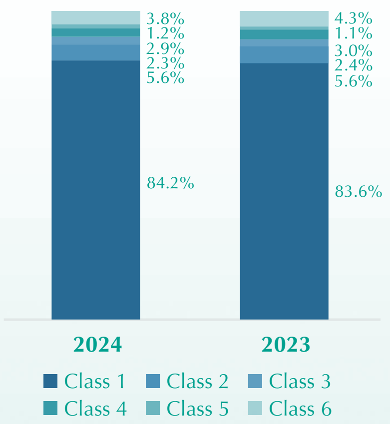
Average Daily Mixed Traffic



Annual Toll Revenue^



Average Daily Toll Revenue Breakdown by Vehicle Type



Average Daily Mixed Traffic Breakdown by Vehicle Type

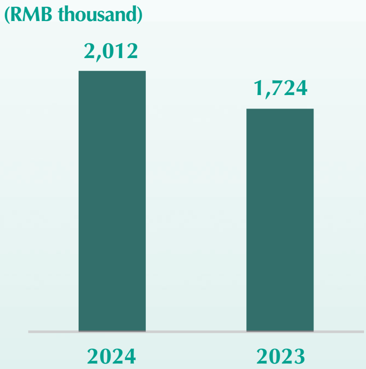
^ Excluding tax

Coastal Expressway (Shenzhen Section)

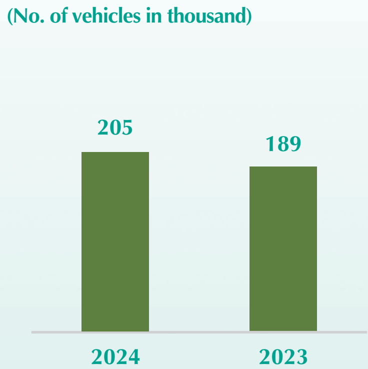
Coastal Expressway (Shenzhen Section) is the Shenzhen section of Guangshen Coastal Expressway, and its phase I extends from Dongbao River, the boundary between Dongguan and Shenzhen, to Nanshan District, Shenzhen and connects with Hong Kong-Shenzhen Western Corridor in the south. It is the main passageway for the three port areas of Shekou, Chiwan and Dachan Bay in the west of Shenzhen. Its phase II is a connecting lane on the Shenzhen side of Shenzhen-Zhongshan Link, which connects the Jihe Expressway in the east and the Shenzhen-Zhongshan Link in the west and opened to traffic simultaneously with Shenzhen-Zhongshan Link in June 2024.

In 2024, the total toll revenue of the Coastal Expressway (Shenzhen Section) was approximately RMB736 million. The average daily toll revenue and average daily mixed traffic increased by 17% and 8% YoY to approximately RMB2.01 million and 205,000 vehicles respectively. The satisfactory operating performance was mainly driven by the simultaneous opening of the phase II and the Shenzhen-Zhongshan Link. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounted for 65.0% and 86.7% of the toll revenue and mixed traffic volume of the Coastal Expressway (Shenzhen Section), respectively.

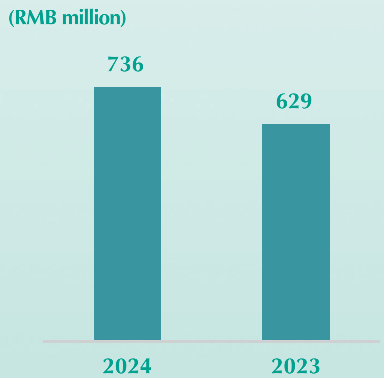
Average Daily Toll Revenue^



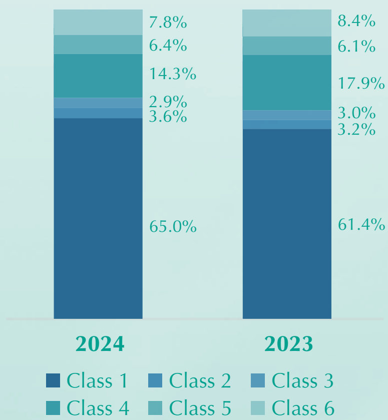
Average Daily Mixed Traffic



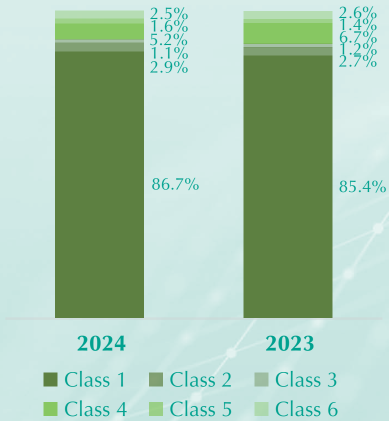
Annual Toll Revenue^



Average Daily Toll Revenue Breakdown by Vehicle Type



Average Daily Mixed Traffic Breakdown by Vehicle Type



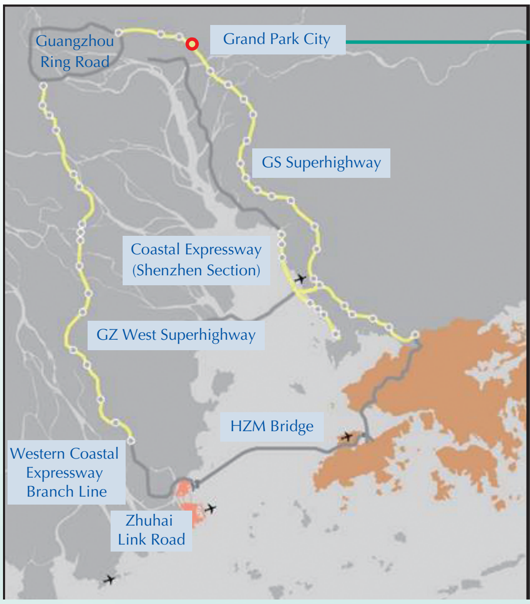
^ Excluding tax

Grand Park City

During the year under review, contracted sales of the Grand Park City Project amounted to approximately RMB1,310 million, representing the average sales price of approximately RMB19,000 per square metre. Since the beginning of pre-sale, the accumulated contracted sales amounted to approximately RMB4,555 million, representing the average sales price of approximately RMB23,000 per square meter.

The Grand Park City Project consists of three phases, approximately 99% of all 7 blocks of the first phase have been sold so far and started to deliver to buyers in the third quarter of 2023; the second phase consists of 12 blocks and the construction had commenced by phase, of which 5 blocks had launched for pre-sale with 3 blocks started to deliver to buyers in the fourth quarter of 2024 as scheduled and the remaining 2 blocks are planned to be delivered to buyers in mid of 2026.

Location of Grand Park City



Demonstration Diagram of Grand Park City

Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project

The reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway is divided into two phases, namely, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023 and shall mainly adopt the integral section method expansion in dual directions to a total of 10 lanes, and has completed tender and bidding processes of multiple bid sections, and is now in full implementation stage.

The project will be invested and constructed by the GSZ Company, which was jointly invested and established by Hopewell China Development (a subsidiary of the Company) and Guangdong Highway Construction. On 24 January 2025, Hopewell China Development and Guangdong Highway Construction entered into the Capital Increase Agreement of GSZ Company, which will provide necessary funding sources for implementing the project. The registered capital of GSZ Company will be changed to RMB7,300 million, with Hopewell China Development and Guangdong Highway Construction subscribing for and paying up RMB3,285 million and RMB4,015 million, respectively, in proportion to their respective 45% and 55% shareholding ratios.

In addition, public consultation of the approval of application of the works of the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway has been completed and is now advancing the relevant work of project approval.

Potential Land Development and Utilisation of GS Superhighway

On 30 September 2022, GS JV entered into the Compensation Agreement with Land Reserve Centre and the Representatives in relation to land resumption along Luogang interchange, pursuant to which GS JV agreed to surrender land use rights of the Resumed Land together with the Attached Buildings to Land Reserve Centre in consideration of approximately RMB317.0 million. Thereafter, the Huangpu District of Guangzhou Municipal Planning and Natural Resources Bureau issued a notice on 20 October 2022, that the detailed planning modification of the land parcels along Luogang interchange has been approved and the Luogang interchange will be transformed to vacate land for residential development (inclusive of commercial use). Currently, the Company maintains active communications with Guangdong Highway Construction, aiming to seize opportunities and release the value of land along the GS Superhighway to achieve substantial investment returns.

Meanwhile, the Company and Guangdong Highway Construction are promoting the studies on the planning that integrates the expansion with land development of Dongguan section and Shenzhen section; in particular, Machong interchange, Chang'an interchange and Tongle interchange will be the key projects for study on feasibility in the next stage, and will further communicate with relevant government authorities proactively.

The Group's results for the year ended 31 December 2024 were as follows:

	Year ended 31 December									
	2024					2023				
RMB million	***Revenue***	***EBITDA***	***Depreciation and amortisation***	***Interest and tax***	***Results***	*Revenue*	*EBITDA*	*Depreciation and amortisation*	*Interest and tax*	*Results*
Group's share project contributions:										
Toll expressway projects										
— Coastal Expressway (Shenzhen Section) (100% shared)	**736**	**620**	**(269)**	**(89)**	**262**	629	530	(227)	(98)	205
— GS Superhighway [Note 1] (45% shared)	**1,298**	**1,202**	**(465)**	**(271)**	**466**	1,301	1,339	(536)	(308)	495
— GZ West Superhighway (50% shared)	**634**	**510**	**(280)**	**(112)**	**118**	652	525	(269)	(126)	130
Sub-total	**2,668**	**2,332**	**(1,014)**	**(472)**	**846**	2,582	2,394	(1,032)	(532)	830
Land development and utilisation project										
— Xintang Interchange Project (15% shared)	**141**	**(16)**	**(1)**	**0**	**(17)**	369	61	(0)	(19)	42
Total	**2,809**	**2,316**	**(1,015)**	**(472)**	**829**	2,951	2,455	(1,032)	(551)	872
YoY change	**-5%**	**-6%**	**-2%**	**-14%**	**-5%**					
Corporate:										
Interest income from bank deposits					**13**					10
Investment income from structured deposits					**4**					7
Interest income from loans made by the Group to a joint venture					**–**					4
Other income and other gain					**7**					15
Administrative expenses and depreciation					**(58)**					(79)
Finance costs					**(174)**					(168)
Income tax					**4**					(1)
Net exchange loss (net of related income tax)					**(27)**					(22)
Profit for the year					**598**					638
Profit for the year attributable to non-controlling interests [Note 2]					**(137)**					(110)
Profit for the year attributable to equity shareholders of the Company					**461**					528
YoY change					**-13%**					

Note 1: Excluding exchange differences on HK Dollar loans, and related income tax.

Note 2: It mainly comprised 49% of the results of the Coastal Expressway (Shenzhen Section).

Toll Expressway Projects

The Group's share of net toll revenue of the expressway projects namely Coastal Expressway (Shenzhen Section) operated by a non-wholly owned subsidiary and the GS Superhighway and the GZ West Superhighway operated by two joint ventures increased by 3% to approximately RMB2,668 million from approximately RMB2,582 million in 2023. Specifically, the net toll revenue of the Coastal Expressway (Shenzhen Section) increased by 17% to approximately RMB736 million from approximately RMB629 million in 2023 due to the simultaneous opening of its Phase II and the Shenzhen-Zhongshan Link during the year; due to the combined effects of steady regional economic growth along the routes, improvements in the surrounding road networks and an increase in days implementing the Holiday Toll-free Policy, the Group's share of the net toll revenue of the GS Superhighway decreased lightly to approximately RMB1,298 million from approximately RMB1,301 million in 2023, the Group's share of net toll revenue of the GZ West Superhighway decreased by 3% to approximately RMB634 million from approximately RMB652 million in 2023.

As a result of the change in toll revenue, and the share of resurfacing obligations of the GS JV was reversed since the end of 2023, the Group's share of aggregate EBITDA of its three toll expressways (excluding net exchange differences on the GS JV's HK Dollar denominated loans) decreased by 3% to approximately RMB2,332 million from approximately RMB2,394 million in 2023. The Group's EBITDA of the Coastal Expressway (Shenzhen Section) increased by 17% to approximately RMB620 million from approximately RMB530 million in 2023; the Group's share of EBITDA of the GS Superhighway decreased by 10% to approximately RMB1,202 million from approximately RMB1,339 million in 2023; the Group's share of EBITDA of the GZ West Superhighway decreased by 3% to approximately RMB510 million from approximately RMB525 million in 2023.

As a result of the growth of the actual full-length equivalent traffic (including tolled and toll-free) of the Coastal Expressway (Shenzhen Section) during the year, the Group's depreciation and amortisation charges of the Coastal Expressway (Shenzhen Section) amounted to approximately RMB269 million, representing an increase of 19% from approximately RMB227 million in 2023. As a result of the adjustment of the units-of-usage basis of amortisation in 2023, the Group's share of depreciation and amortisation charges of the GS Superhighway amounted to approximately RMB465 million, representing a decrease of 13% from approximately RMB536 million in 2023. The Group's share of depreciation and amortisation charges of the GZ West Superhighway amounted to approximately RMB280 million, representing an increase of 4% from approximately RMB269 million in 2023. Overall, the Group's share of aggregate depreciation and amortisation charges of the three toll expressways amounted to approximately RMB1,014 million, representing a decrease of 2% from approximately RMB1,032 million in 2023.

During the year, part of the bank loans of the GS JV were denominated in HK Dollar, as affected by the combined effect of the decrease in outstanding HK Dollar loan principal and the fluctuation in the interest rate of Hong Kong Dollar loans at high position, the Group's share of interest expenses of the GS JV decreased by 17% to approximately RMB55 million from approximately RMB66 million in 2023. As benefited from the decline in the RMB denominated loan prime rate, and the decrease in outstanding loan principal, there was a reduction in interest expenses of the GZ West JV. The Group's share of interest expenses of the GZ West JV decreased by 18% to approximately RMB59 million from approximately RMB72 million in 2023. The applicable PRC EIT rate for the Coastal Company, the GS JV and the GZ West JV is 25%. With the combined effect brought by the increase in toll revenue and the reversal of deferred tax assets of the Coastal Company last year, the tax expenses of the Coastal Company for the year decreased by 6% to approximately RMB88 million from approximately RMB94 million in 2023. As a result of the adjustment of the units-of-usage basis of amortisation, the Group's share of tax expenses of the GS JV decreased by 11% to approximately RMB216 million from approximately RMB242 million in 2023. Meanwhile, the Group's share of tax expenses of the GZ West JV amounted to approximately RMB53 million, similar to last year's. Overall, the Group's share of interest and tax expenses of the Coastal Company and the two joint ventures in aggregate decreased by 11% to approximately RMB472 million from approximately RMB532 million in 2023.

During the year, the Group's net profit of the Coastal Expressway (Shenzhen Section) was approximately RMB262 million, representing an increase of 28% as compared to a net profit of approximately RMB205 million last year; the Group's share of net profit of the GS JV was approximately RMB466 million, representing a decrease of 6% as compared to a net profit of approximately RMB495 million last year; the Group's share of net profit of the GZ West JV was approximately RMB118 million, representing a decrease of 9% as compared to a net profit of approximately RMB130 million last year. The Group's share of aggregate net profit of the three expressway projects (excluding net exchange differences on the GS JV's HK Dollar denominated loans) was approximately RMB846 million, representing an increase of 2% as compared to a net profit of approximately RMB830 million last year.

Land Development and Utilisation Project

The Group (through Shenwan Infrastructure) holds 15% of equity interest in the Xintang JV. In order to meet the relevant bank financing requirements in Chinese Mainland, on 30 June 2021, the Xintang JV increased its registered capital from RMB10 million to RMB3.04 billion through a debt-for-equity swap on the existing shareholder's loans, and the shareholder's loans contributed by the shareholders of the Xintang JV accordingly decreased from approximately RMB4,983 million to approximately RMB1,953 million; the registered capital contributed by the Group (through Shenwan Infrastructure) increased from RMB1.50 million to approximately RMB456 million based on its shareholding percentage, and all the shareholder's loans had been fully repaid in 2023. Residential units of the first phase of Grand Park City were delivered to buyers in 2023 as schedule. Certain residential units of the second phase of Grand Park City were delivered to buyers in the second half of 2024, with the delivery units decreased as compared to last year. Meanwhile, the changes in the macroeconomic environment of the domestic real estate market have reduced Xintang JV's sales profit for the year. Therefore, the Group's share of net loss of the Xintang JV for the year was approximately RMB17 million, as compared to a net profit of approximately RMB42 million last year.

Corporate

The aggregate amount of the corporate's interest income from bank deposits and investment income from structured deposits was approximately RMB17 million, remained flat as compared to last year. As set out in the paragraph under the "Land Development and Utilisation Project", the Group's shareholder's loans to Xintang JV have been fully repaid in 2023, as a result, the interest income of loans to a JV decreased from approximately RMB4 million last year to zero for the year.

The finance cost during the year increased by 4% to approximately RMB174 million from approximately RMB168 million last year, which was mainly due to the increase in outstanding loan principal during the year.

Affected by the depreciation of RMB during the year, the net exchange loss (including the Group's share of exchange loss on the HK Dollar denominated loans of the GS JV) amounted to approximately RMB27 million, as compared to the net exchange loss of RMB22 million recorded last year.

Overall, the profit for the year attributable to equity shareholders of the Company amounted to approximately RMB461 million, representing a decrease of 13% from approximately RMB528 million last year.

Outlook

Although the global economic prospect remains uncertain, the macro environment in Chinese Mainland is expected to be generally steady. With the stable growth of social transportation volume in Chinese Mainland, the economic growth of the cities along the expressways will have a positive impact on the subsidiaries and joint ventures, and the Group believes that the stable core business of the Coastal Expressway (Shenzhen Section), the GS Superhighway and the GZ West Superhighway will continue to support the Group's future performance enhancement. In the long run, the Group remains cautiously optimistic about its future performance.

The Company is committed to creating value for Shareholders and has always adhered to the concept of maximising Shareholder's interests, and sharing the Group's performance with Shareholders through dividends distribution. Since listing in 2003, the Company has basically maintained a full-year regular dividend payout ratio of 75%-100% on recurring income. Under normal circumstances, the Company maintains the dividend payout ratio of previous years. For the year ended 31 December 2024, the Company had paid an interim dividend of RMB7.80 cents per Share and the Board has proposed a final dividend of RMB7.15 cents per Share, expecting a full-year dividend payout ratio amounting to 100%. In the future, the Company will fully consider factors such as business position, financial position, funding requirements of major investment projects, adjustments to industry policies and the continuity of past dividend policies, and review the above dividend policy from time to time, balancing Shareholders' expectations and the long-term sustainable development of the Company.

Financing of the Group

According to the JV agreement, the supplemental agreements and the latest JV articles of the Xintang JV, the maximum total amount to be contributed (whether by way of registered capital, shareholders' loans, shareholders' guarantee and any amount of other nature) by the shareholders of the Xintang JV for the investment in the project (through the Xintang JV) is up to RMB6,800 million ("Total Upper Limit"), among which, Shenwan Infrastructure will contribute the amounts up to RMB1,020 million based on its percentage of equity interest in the Xintang JV, representing 15% of the maximum total amount.

The Total Upper Limit was arrived with reference to the estimated cost of acquisition of the land use rights of the Project Land, the estimated costs of the ancillary works and other estimated costs and expenses in relation to the operation of the Xintang JV. It is intended that Shenwan Infrastructure's commitment of up to its respective limit will be satisfied by way of external financing and internal resources of the Group. The total investment amount of the Xintang JV is not bound by the Total Upper Limit. Xintang JV may arrange financing from banks or other third parties for the cost of development of the Project Land with the use of its own credit and assets.

The Group has duly made arrangement to meet the capital need of the Xintang JV. In 2023, Xintang JV further repaid shareholder's loans based on shareholding percentage, and paid off the bank financing which was guaranteed by the Group based on its shareholding. As at 31 December 2024, the Group contributed approximately RMB456 million to the registered capital of Xintang JV.

Financial position

The financial position of the Group comprises assets and liabilities at the corporate level and the Coastal Company and the Group's share of assets and liabilities of the GS JV, the GZ West JV and the Xintang JV.

Corporate

	31 December 2024 RMB million	31 December 2023 RMB million		31 December 2024 RMB million	31 December 2023 RMB million
Cash and cash equivalents	**291**	382	Bank loans	**4,502**	4,002
Structured deposits	**–**	320	Tax liabilities	**66**	66
Time deposit	**374**	204	Other liabilities	**26**	50
Dividend receivable	**135**	–			
Other assets	**39**	44			
	839	950		**4,594**	4,118
			Net liabilities of corporate	**(3,755)**	(3,168)

Coastal Company

	31 December 2024 RMB million	31 December 2023 RMB million		31 December 2024 RMB million	31 December 2023 RMB million
Cash and cash equivalents	**443**	102	Bank loans	**30**	30
Restricted bank deposits	**62**	3	Other liabilities	**424**	470
Concession intangible assets	**5,695**	5,795			
Other assets	**489**	572			
	6,689	6,472		**454**	500
			Net assets of the Coastal Company	**6,235**	5,972

The Group's share of JVs

GS JV (The Group's shared portion: 45%)

	31 December 2024 RMB million	31 December 2023 RMB million		31 December 2024 RMB million	31 December 2023 RMB million
Cash and cash equivalents	**835**	349	Bank loans		
Concession intangible assets	**2,580**	2,682	— HKD	**694**	911
Other assets	**629**	400	— RMB	**572**	276
			Other loan	**13**	12
			Other liabilities	**897**	685
	4,044	3,431		**2,176**	1,884
			Net assets of GS JV	**1,868**	1,547

GZ West JV (The Group's shared portion: 50%)

	31 December 2024 RMB million	31 December 2023 RMB million		31 December 2024 RMB million	31 December 2023 RMB million
Cash and cash equivalents	221	229	Bank loans	1,763	1,956
Concession intangible assets	4,693	4,911	Other liabilities	421	434
Other assets	146	169			
	5,060	5,309		2,184	2,390
			Net assets of GZ West JV	2,876	2,919

Xintang JV (The Group's shared portion: 15%)

	31 December 2024 RMB million	31 December 2023 RMB million		31 December 2024 RMB million	31 December 2023 RMB million
Cash and cash equivalents	72	30	Bank loan	244	296
Inventories	676	775	Other liabilities	133	145
Other assets	44	69			
	792	874		377	441
			Net assets of Xintang JV	415	433

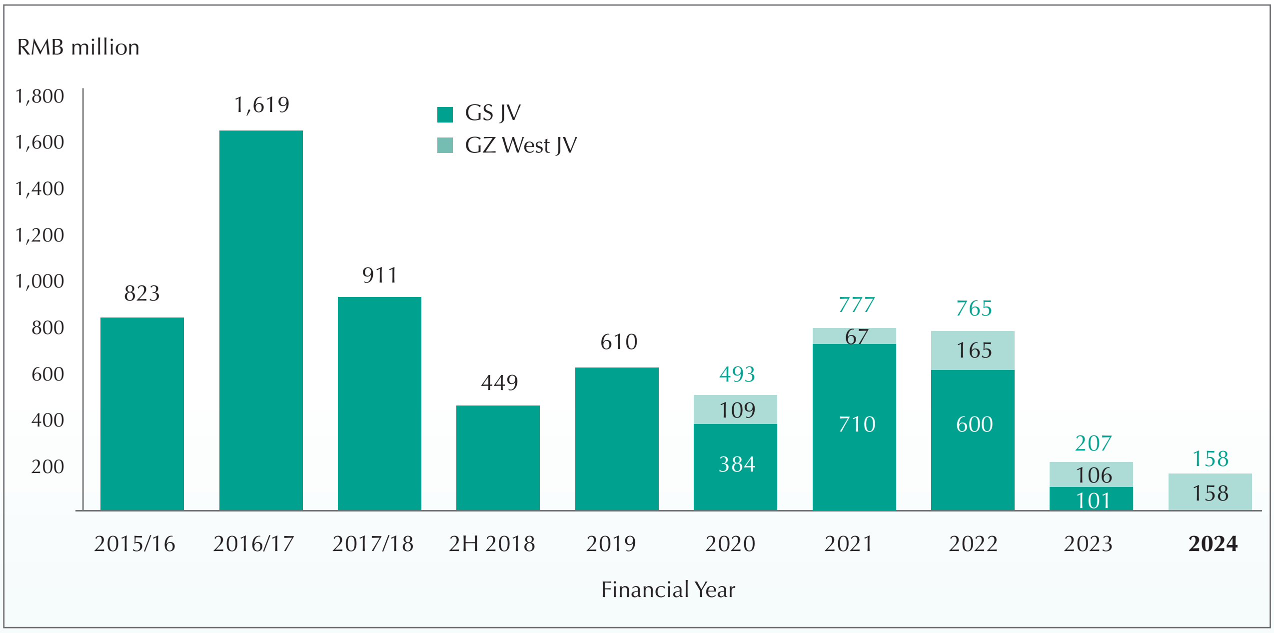
	31 December 2024 RMB million	31 December 2023 RMB million		31 December 2024 RMB million	31 December 2023 RMB million
			Total liabilities	9,785	9,333
			Equity attributable to equity shareholders of the Company	4,550	4,751
			Non-controlling interests	3,089	2,952
Total Assets	17,424	17,036	**Total Shareholder's Equity and Liabilities**	17,424	17,036
			Total net assets	7,639	7,703

	31 December 2024 RMB million	31 December 2023 RMB million
Total liabilities	5,163	4,710
Net debt Note	3,362	3,021
Total assets	12,802	12,413
Equity attributable to equity shareholders of the Company	4,550	4,751
Debt to asset ratio (Total liabilities/Total assets)	40%	38%
Gearing ratio (Net debt/Equity attributable to equity shareholders of the Company)	74%	64%

Note: Net debt is defined as total bank loans less total cash and cash equivalents, restricted bank deposits, structured deposits and time deposit.

Liquidity and Financial Resources

Cash Dividends (Net of Tax) from JVs to the Group



In December 2024, the GS JV announced that it would distribute profits for previous year. The Group has received cash dividend (after deducting withholding tax) of approximately RMB128 million in January 2025.

Bank and Other Borrowings

As at 31 December 2024, the Group (including the Coastal Company) had HK Dollar bank loan of equivalent to approximately RMB2,094 million and RMB bank loan of approximately RMB2,438 million, together with the bank and other borrowings of the JVs shared by the Group amounted to approximately RMB3,286 million (including HK Dollar bank loan of equivalent to approximately RMB694 million, RMB bank loan of approximately RMB2,579 million and other loans of approximately RMB13 million), totalling approximately RMB7,818 million (31 December 2023: approximately RMB7,484 million) with the following profile:

(a) 99.8% (31 December 2023: 99.8%) consisted of bank loans and 0.2% (31 December 2023: 0.2%) of other loan; and

(b) 64.3% (31 December 2023: 59.7%) was denominated in RMB and 35.7% (31 December 2023: 40.3%) was denominated in HK Dollar.

Debt Maturity Profile

As at 31 December 2024, the maturity profile of the bank and other borrowings of the Group (including the corporate and the Coastal Company) and the Group's share of JVs were shown below, together with the corresponding comparatives as at 31 December 2023:

Corporate

	31 December 2024		31 December 2023	
	RMB million	%	RMB million	%
Repayable within 1 year	3,102	69%	1,818	45%
Repayable between 1 and 5 years	1,400	31%	1,684	42%
Repayable beyond 5 years	–	–	500	13%
	4,502	100%	4,002	100%

Coastal Company

	31 December 2024		31 December 2023	
	RMB million	%	RMB million	%
Repayable within 1 year	2	6%	–	–
Repayable between 1 and 5 years	8	27%	8	28%
Repayable beyond 5 years	20	67%	22	72%
	30	100%	30	100%

The Group's share of JVs

	31 December 2024		31 December 2023	
	RMB million	%	RMB million	%
Repayable within 1 year	636	19%	598	17%
Repayable between 1 and 5 years	1,896	58%	2,122	62%
Repayable beyond 5 years	754	23%	732	21%
	3,286	100%	3,452	100%

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates. At present, the Group and JVs have not employed any financial derivative instruments to hedge their exposure to interest rates or foreign currency exchange rates.

Treasury Policies

The Group continues to adopt proactive but prudent treasury policies in its financial and funding management and closely monitors its liquidity, financial resources, interest rate and exchange rate movements, with a view to minimising its funding costs and enhancing return on its financial assets. The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Group, which is consistent with the core objectives of the Group to ensure capital safety and liquidity, for example, the impact of risk factors on the expected rate of return of structured deposits with guaranteed principal is low, but the Group could get a higher return as compared with fixed term deposits in commercial banks in the PRC. As at 31 December 2024, 98% of the Group's bank balances and cash (including structured deposits) were denominated in RMB and the remaining 2% were denominated in HK Dollar. The overall treasury yield on bank deposits (including structured deposits) of the Group was 2.24% during the year whereas 2.20% during 2023.

Guarantee

As at 31 December 2024, the available banking facilities of the Group amounting to approximately RMB9,628 million (31 December 2023: approximately RMB7,232 million), in which the available banking facilities of the Company's subsidiaries amounting to approximately RMB4,928 million (31 December 2023: approximately RMB4,832 million), were guaranteed by the Company. The Company is able to control the utilisation of the facilities.

Contingent Liability

The Group had no material contingent liability as at 31 December 2024.

Material Acquisition or Disposal

The Company's subsidiaries and joint ventures did not make any material acquisitions or disposals for the year ended 31 December 2024.

Events After The Reporting Period

Save as (i) the announcement of the Company dated 17 January 2025 in relation to the discloseable and major transactions in respect of the Structural Steel Fabrication Agreements (G1 and G2 Bid Sections); (ii) the announcement of the Company dated 23 January 2025 in relation to the continuing connected transaction in respect of the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement; and (iii) the announcement of the Company dated 24 January 2025 in relation to the connected and major transaction in respect of the Capital Contribution to GSZ Company, there were no other significant events after the end of the reporting period and up to the approval date of this announcement.

Employees and Remuneration Policies

As at 31 December 2024, the Group (excluding JV companies) had 605 employees (including 539 employees from the Coastal Company). The Group provides competitive remuneration for its employees with reference to the prevailing market remuneration level and the performance of the employees. Discretionary bonuses will be granted to employees based on their individual performance and the Group's business performance. In addition, the Group also provides employees with staff benefits such as retirement contribution scheme, medical insurance, provident fund contributions and labour union benefits.

Besides offering competitive remuneration packages, the Group is committed to promoting family-friendly employment policies and practises. The Group also invests in human resources development. During the year, the Group implemented the "Orientation Course Plan (引路人授課計劃)" and "Party Building Leads 1+3+X Campaign (黨建引領"1+3+X"攻堅行動)". Through the provision of relevant mechanism and system construction and internal and external training to enhance the productivity of employees and to fill the skill gap shown in their performance appraisal, employees are helped for career development and are provided with preparation for future positions, thereby promoting the successful development of the Group's business. Besides formal training programmes, the Group also provides comprehensive and relevant opportunities of training and further study to employees such as on-the-job training and the educational subsidies.

Corporate Governance Report

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management and is strived to improve the governance system and fully adopt the effective code provisions of the CG Code as set out in Appendix C1 to the Listing Rules of the Stock Exchange. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code. The Company believes that good corporate governance can promote the sound operation and healthy development of the Company and enhance the Shareholders' value in the long run.

During the year ended 31 December 2024 (the "Year"), the Company complied with all the code provisions as set out in the CG Code except that:

In respect of Code Provision F.2.2 under the CG Code, Mr. Xiangwen LIAO*, the chairman of the Board, did not attend the 2024 Annual General Meeting due to other business commitment. Mr. Jianming WU*, the Executive Director and Executive General Manager of the Company took the chair of the 2024 Annual General Meeting according to the Company's Articles of Association. In order to ensure effective communication with Shareholders, the chairmen of the Audit Committee and the Remuneration Committee, most of the other members of the Board and Board committees and the external auditors were present at the 2024 Annual General Meeting to answer Shareholders' questions.

The Company has established a corporate governance structure with the Board as the core, and Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee have been established under the Board. According to the authorisation of the general meeting, the Board exercises management decision-making power in respect of development of strategy, investment and financing, financial control, human resources and corporate governance, and is responsible for leading the overall development of the Group, providing necessary resource guarantee for the implementation of strategic objectives, and supervising and inspecting the development and operation of the Company to promote the sustainable and healthy operation of the Company. The Company has formulated a number of corporate governance related documents, mainly including the Memorandum and Articles of Association, the Rules and Procedures of Board Meetings, the Executive Committee — Terms of Reference, and the Terms of Reference of each specific committee, the Code of Conduct and the Whistleblowing Policy, etc.; among which, the Memorandum and Articles of Association serves as the basis for corporate governance. The Directors of the Company take this as the guideline, take the initiative to lead by example, and perform their duties of loyalty and diligence.

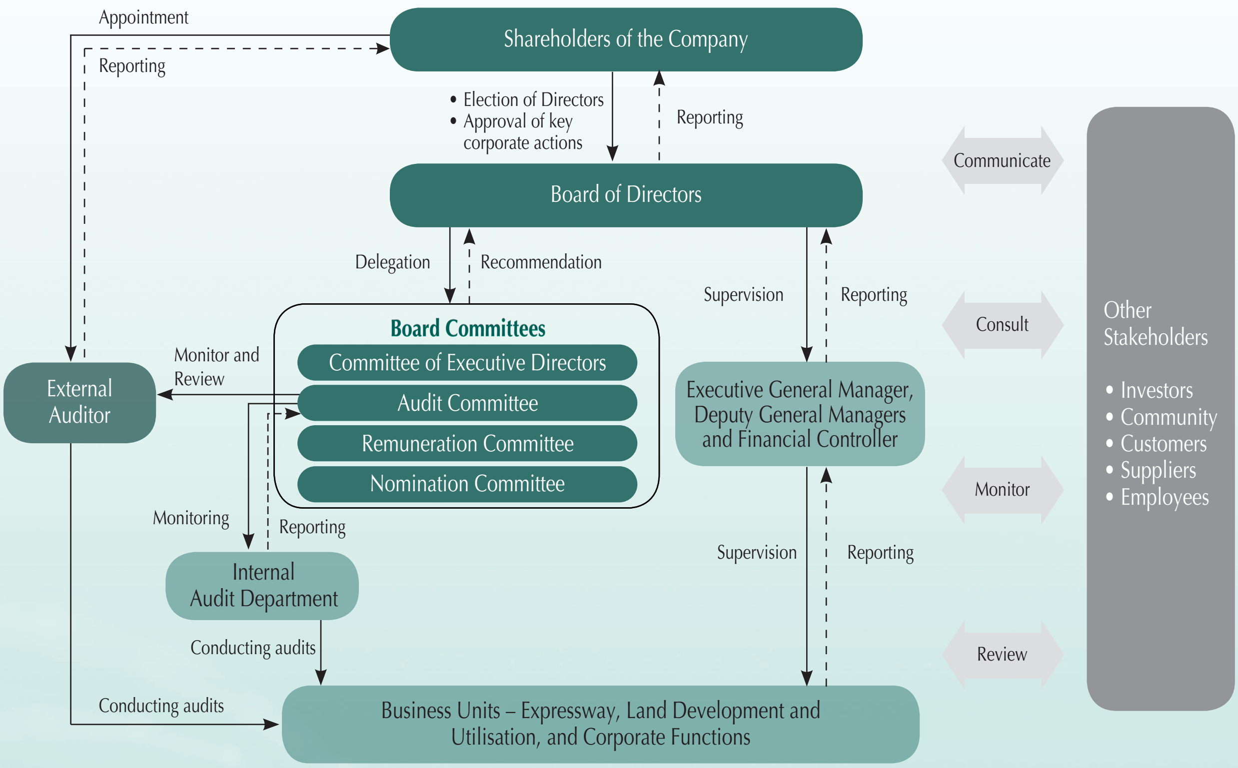
* *For identification purpose only*

Corporate Governance Report

The Board is responsible for formulating the Company's medium and long-term development strategies, including corporate mission, corporate culture and values, corporate spirit, strategic objectives, development plans and implementation guarantees. In order to clarify the Company's future development direction and strategic planning objectives, promote and ensure the Company's high-quality development, based on in-depth research on internal and external environments and the Company's core competitiveness, the Company has formulated the "14th Five-Year" development strategic plan.

The Company discuss and analyse the performance of the Group in the annual report every year, including the impact and the changing trends of domestic and international economic situations, the development situation of the Greater Bay Area, the policies of the expressway industry on the Company's operations, the actual operating results of the Year and the factors affecting them, the completion of the annual operating plan and the annual operating plan for the next year, etc., to ensure the realisation of the Company's medium and long-term development strategic goals.

Corporate Governance Structure



Board of Directors

The Board

The Company is managed through the Board which as at date of this report comprises four Executive Directors (including the chairman of the Board ("Chairman")), two Non-executive Directors and three Independent Non-executive Directors. One third of the Board are Independent Non-executive Directors. The names and biographical details of the Directors, and the relationship amongst them, if any, are set out on pages 15 to 19 of this annual report.

The Board is responsible for setting the strategic direction and policies of the Group and supervising the management. Some functions including, inter alia, the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder of the Company or a Director, the approval of the interim and final results, other disclosures to the public or regulators and the risk management and internal control systems are reserved by the Board and the decisions relating to such matters shall be subject to the decision of the Board. Matters not specifically reserved to the Board and related to the daily operations of the Company are delegated to the management under the supervision of the respective Directors and the leadership of the Executive General Manager.

Independent Non-executive Directors are selected with the necessary skills and experience to provide strong independent element to the Board and to exercise independent judgement. At least one of the Independent Non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise as provided under Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-executive Director a written annual confirmation of independence. All the Independent Non-executive Directors meet the independence criteria set out in Rule 3.13 of the Listing Rules.

The Board has agreed procedures for the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. According to the consideration and decision making needs, the Company may engage the professional institutions including the accounting firms, lawyers and assessment institutions based on the actual situations to issue written reports for the Directors' review. To ensure the independence of the professional institutions, the specific selection and engagement work is conducted by the Independent Non-executive Directors or independent board committee for the engagement of independent financial advisor for the connected transactions. The selection and engagement shall be determined by a majority of votes of the members and the members with connected relationship or conflict of interest shall abstain from voting and shall not be counted as total number of members. The Board reviews the implementation and effectiveness of the above mechanism annually.

The Company provides the Board and each specific committee under the Board with the materials and information required for consideration of resolutions within a reasonable time frame, makes prompt responses and may provide further information after receiving inquiries from the Directors. Under normal circumstances, relevant documents containing matters intended to be proposed to the Board for consideration or discussion would be dispatched to all Directors at least three days before the meeting. During the Year, the Company provided support to the Directors through the following channels. For example, arrangement was made for managers to report the progress of major events of the Group at Board meetings; and monthly reports on operational and financial performance were sent, to regularly report to the Board on the operational performance in areas such as traffic and toll revenue of expressways, the progress of key works and investment projects as well as relevant financial information and other conditions.

All Directors have given sufficient time and attention to the affairs of the Company after their appointments during the Year and have disclosed to the Company the major offices they held in public companies or organisations and other significant commitments.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

Chairman and Executive General Manager

During the Year, Mr. Xiangwen LIAO* served as the Executive Director and the Chairman and was responsible to chair the operation of the Board and to ensure that the Board works effectively. Mr. Jianming WU* served as the Executive Director and Executive General Manager (he was promoted to General Manager on 11 April 2025), was responsible for managing daily operation of the Group. The division of the responsibilities between the Chairman and the Executive General Manager have been established, set out clearly in writing and is not performed by the same individual.

* *For identification purpose only*

Board Diversity

The Board has a board diversity policy since January 2019 which aims to set out the approach of the Company to achieve diversity on the Board.

Policy Statement

To enhance decision-making capability and achieve a sustainable development, the Company is committed to maintain a Board with diversity of directors. A number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, nationality and ethnicity, skills, knowledge and length of service, have been considered during the selection process to ensure diversity and to be relevant to the Company's business. All appointment to the Board will be based on merit, having regard to the ability of candidates to complement and expand the skills, knowledge and experience of the Board as a whole.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, nationality and ethnicity, skills, knowledge and length of service. The Board also includes a balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors so that there is element of independence in the Board.

Up to date of this report, the Board comprises nine Directors, including four Executive Directors (including the Chairman), Mr. Xiangwen LIAO*, Mr. Jianming WU*, Mr. Cheng WU* and Mr. Ji LIU*; two Non-executive Directors, Mr. Xuan WANG* and Ms. Siyan CHEN*; and three Independent Non-executive Directors, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*. In terms of professional background, the members of the Board possess industry and professional skills in various aspects of toll road operation, project management, transportation, investment and merger and acquisition, listed corporate governance, real estate development, financial securities, financial accounting and auditing, legal affairs, human resources, etc.. In terms of gender, the Board consists of one female Director and eight male Directors, which is not a single-gender Board. Members of the Board are of different professional backgrounds and genders, which help to maintain the diversity of the Board and achieve more comprehensive decision-making. At the same time, the Company is also committed to building a gender-diverse working environment. In the process of employee recruitment, we balance the gender ratio of men and women based on the characteristics of the position. As of 31 December 2024, among all employees of the Company (including senior management), female accounted for 50%, male accounted for 50%, and the gender ratio was relatively balanced.

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Appointment, Re-election and Removal

During the Year, the Board regularly considered and reviewed the plans for orderly succession for appointments to the Board and its structure, size and composition to ensure it had a balance of skills and experience appropriate for the requirements of the business of the Company and had a balanced composition of Executive and Non-executive Directors (including Independent Non-executive Directors) so that there was a strong independent element on the Board, which can effectively exercise independent judgement, and the Non-executive Directors had sufficient caliber and number for their views to carry weight. New Director(s) would be nominated by the Nomination Committee and the appointment should be subject to the Board's approval.

During the Year, among the Non-executive Directors (including Independent Non-executive Directors) appointed, all five Directors have no specific term of service but are subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Articles of Association, at least every three years.

In accordance with the Articles of Association, all newly appointed Directors shall hold office until the first annual general meeting of the Company after their appointment and shall then be eligible for re-election. Every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his/her (i) last appointment by the Board, (ii) last election or (iii) last re-election, and shall be eligible for re-election subject to the provisions of the Articles of Association.

Newly appointed Director(s) will be given an induction on the information of the Group and a manual on the duties and responsibilities as a director of a listed company both under the Listing Rules and applicable laws.

Board Committees

The Board established the Executive Committee with delegated authority for reviewing and approving the day-to-day business operations and ordinary and usual course of business of the Company. This committee comprises all the Executive Directors.

In addition, the Company established the Audit Committee, the Remuneration Committee and the Nomination Committee to deal with the specific matters as set out below in the interest of all Shareholders in an objective manner. The Audit Committee and the Remuneration Committee currently comprise three Independent Non-executive Directors; while the Nomination Committee is chaired by the Chairman and comprises two Independent Non-executive Directors.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Yu Lung CHING (chairman), Mr. Tony Chung Nin KAN and Mr. Peng XUE*. The company secretary of the Company, or in his/her absence, his/her representative, serves as the secretary of the Audit Committee and minutes of the meetings are sent to the members of the Audit Committee within a reasonable time after the meetings.

At least one of the members of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. None of the members of the Audit Committee was a former partner of the Company's existing external auditor within two years immediately prior to the dates of their respective appointments. All members have appropriate skills and experience in reviewing financial statements as well as addressing significant control and financial issues of the Company.

The Board expects the members of the Audit Committee to exercise independent judgement and delegates the responsibilities of the corporate governance functions to the Audit Committee in order to comply with the requirements of the CG Code. Under the terms of reference of the Audit Committee, the corporate governance functions of the Board have been delegated to the Audit Committee to monitor, procure and manage corporate compliance within the Group.

Major roles and functions of the Audit Committee include:

- to make recommendations to the Board on the appointment, re-appointment and removal of external auditor
- to approve the remuneration and terms of engagement of external auditor
- to review and monitor external auditor's independence and objectivity

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- to review the Group's financial controls, risk management and internal control systems on on-going basis
- to review the interim and annual financial statements before approval by the Board
- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board
- to review and monitor the training and continuous professional development of Directors and senior management
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
- to develop, review and monitor the code of conduct applicable to employees and Directors
- to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report
- to review arrangements for raising concerns about possible improprieties in financial reporting, internal control or other matters

During the Year, the Audit Committee held 5 meetings, and principal works reviewed and discussed included:

- to make recommendations to the Board on the re-appointment of KPMG as the Company's external auditor and to determine remuneration of KPMG
- to review the annual financial statements for the year ended 31 December 2023, the first quarter financial statements for the three months ended 31 March 2024, the interim financial statements for the six months ended 30 June 2024 and the third quarter financial statements for the nine months ended 30 September 2024 and make recommendations to the Board for approval
- to review the work performed by Internal Audit Department of the Company
- to review the Group's risk management and internal control systems
- to review the policy of provision of non-assurance services, the report on agreed upon procedures for the first quarter of 2024 and the report on agreed upon procedures for the third quarter of 2024 by the external auditor
- to review the Company's Corporate Governance Report
- to review the audit planning for the year ended 31 December 2024

The terms of reference setting out the authority of the Audit Committee and its duties are available on the Company's publication website and the Stock Exchange's website.

Remuneration Committee

The Remuneration Committee comprises three Independent Non-executive Directors namely, Mr. Tony Chung Nin KAN (chairman), Mr. Yu Lung CHING and Mr. Peng XUE*. The head of Human Resources Department of the Company, or in his/her absence, his/her representative, serves as the secretary of the Remuneration Committee and minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings.

The Remuneration Committee has adopted the model that it will review the proposals made by the management of the Company on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Major roles and functions of the Remuneration Committee include:

- to make recommendations to the Board on the Company's policy and structure of all Directors' and senior management's remuneration; and the establishment of a formal and transparent procedure for developing remuneration policy
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives
- to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management
- to make recommendations to the Board on the remuneration of Non-executive Directors (including Independent Non-executive Directors)

During the Year, the Remuneration Committee held 3 meetings, principal works reviewed and discussed included:

- to review the level of Directors' fees and make recommendations to the Board on the Directors' fees for the year ended 31 December 2024
- to make recommendations to the Board on the performance indicators of senior management personnel for 2023 operating results
- to make recommendations to the Board on the performance assessment results and application proposals of senior management personnel for 2023 operating results
- to make recommendations to the Board on the performance assessment results and application proposals of senior management personnel for terms of office in 2021–2023
- to make recommendations to the Board on the 2024 operating results responsibility statement for senior management

The terms of reference setting out the authority of the Remuneration Committee and its duties are available on the Company's publication website and on the Stock Exchange's website.

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Nomination Committee

The Nomination Committee is chaired by the Chairman and comprises two Independent Non-executive Directors namely, Mr. Xiangwen LIAO* (chairman), Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN. The company secretary of the Company, or in his/her absence, his/her representative, shall act as the secretary of the Nomination Committee and minutes of the meetings are sent to the members of the Nomination Committee within a reasonable time after the meetings.

The Nomination Committee is to assist the Board in providing transparent and independent oversight for matters in relation to board nomination and recruitment, board diversity and succession planning of the Company.

Major roles and functions of the Nomination Committee include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy
- to identify individuals suitably qualified to become a Director and select or make recommendations to the Board on the selection of individuals nominated for directorships
- to assess the independence of Independent Non-executive Directors
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman, the General Manager and the Executive General Manager

During the Year, the Nomination Committee held 1 meeting, principal works reviewed and discussed included:

- to assess Directors who stand for re-election at the annual general meeting in 2024 and make recommendations to the Board
- to assess Mr. Cheng WU*, a candidate as an Executive Director, Mr. Ji LIU*, a candidate as an Executive Director, Mr. Xuan WANG*, a candidate as a Non-executive Director, Mr. Yu Lung CHING, a candidate as an Independent Non-executive Director, and Mr. Tony Chung Nin KAN, a candidate as an Independent Non-executive Director and make recommendations to the Board
- to assess and recognise the independence of Independent Non-executive Directors

The terms of reference setting out the authority of the Nomination Committee and its duties are available on the Company's publication website and the Stock Exchange's website.

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Attendance at Meetings

During the Year, the attendance records of the following Directors at Board meeting, Audit Committee meeting, Remuneration Committee meeting, Nomination Committee meeting and the 2024 Annual General Meeting are as follows:

	Number of meetings attended/held				
Name of Directors	**Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**2024 Annual General Meeting**
Executive Directors					
Mr. Xiangwen LIAO* *Chairman*	7/8	N/A	N/A	1/1	0/1
Mr. Jianming WU* *Executive General Manager*	7/8	N/A	N/A	N/A	1/1
Mr. Cheng WU* *Deputy General Manager*	8/8	N/A	N/A	N/A	1/1
Mr. Ji LIU* *Deputy General Manager and Secretary to the Board*	8/8	N/A	N/A	N/A	1/1
Non-executive Directors					
Ms. Siyan CHEN*	8/8	N/A	N/A	N/A	0/1
Mr. Xuan WANG*	8/8	N/A	N/A	N/A	0/1
Independent Non-executive Directors					
Mr. Yu Lung CHING	8/8	5/5	3/3	1/1	1/1
Mr. Tony Chung Nin KAN SBS, JP	8/8	5/5	3/3	1/1	1/1
Mr. Peng XUE*	8/8	5/5	3/3	N/A	1/1

* *For identification purpose only*

Induction Programme and Training for Board Members

A comprehensive and formal induction programme on key areas of business operations and practices of the Company is given to newly appointed Board members by the Company. A Guide on Directors' Duties published by the Companies Registry of Hong Kong and a Guide for Independent Non-executive Directors published by The Hong Kong Institute of Directors (in case of Independent Non-executive Director(s)) has/have been sent to each Director for his/her information and ready reference.

During the Year, Directors received regular updates and presentations on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities.

Directors' training is an on-going process. All Directors are encouraged to attend relevant training courses to enrich their knowledge in discharging their duties as a director.

The Directors received trainings on the following areas to update and develop their skills and knowledge during the Year:

Name of Directors	Corporate Governance	Legal and Regulatory	Group's Business
Executive Directors			
Mr. Xiangwen LIAO*	✔	✔	✔
Mr. Jianming WU*	✔	✔	✔
Mr. Cheng WU*	✔	✔	✔
Mr. Ji LIU*	✔	✔	✔
Non-executive Directors			
Ms. Siyan CHEN*	✔	✔	✔
Mr. Xuan WANG*	✔	✔	✔
Independent Non-executive Directors			
Mr. Yu Lung CHING	✔	✔	✔
Mr. Tony Chung Nin KAN SBS, JP	✔	✔	✔
Mr. Peng XUE*	✔	✔	✔

* *For identification purpose only*

Company Secretary

The company secretary of the Company (the "Company Secretary") is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. He/She is also responsible for ensuring that the Board is fully appraised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of Directors.

The Company Secretary reports to the Chairman and the Executive General Manager, plays an essential role in the relationship between the Company and its Shareholders, and assists the Board in discharging its obligations to Shareholders pursuant to the Listing Rules.

Ms. Ching Fan KOO of Fair Wind Secretarial Services Limited, an external service provider, has been engaged by the Company as its Company Secretary. The primary contact person of the Company with Ms. KOO is Mr. Ji LIU*, the Deputy General Manager and Secretary to the Board. Ms. KOO attended no less than 15 hours of relevant professional training during the Year.

Accountability and Audit

Financial Reporting

The Directors recognise the responsibility for preparing the consolidated financial statements of the Group. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

During the Year, all Directors have been provided, on a monthly basis, with the Group's updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the relevant requirements of the Listing Rules.

External Auditor and their Remuneration

The Company's external auditor is KPMG. The responsibilities of the auditor with respect to the financial reporting are set out in the Independent Auditor's Report on pages 97 to 102 of this Annual Report. The independence of the external auditor is monitored by the Audit Committee which is also responsible for making recommendations to the Board on the appointment of external auditor as well as approving the terms of engagement and remuneration.

* *For identification purpose only*

During the Year, the fees payable by the Group to the external auditor in respect of audit and non-audit services provided by them were as follows:

	RMB'000
Audit services:	
Annual audit	1,080
Other audit	500
Non-audit services:	
Interim and quarterly results review	420
Review of project circulars	300
Others	47
Total	**2,347**

Risk Management and Internal Controls

The Board is of the opinion that sound risk management and internal control systems will help achieve the Group's business objectives, safeguard the Group's assets and contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations. The Group commits to implement the risk management and internal control systems compatible with the COSO (Committee of Sponsoring Organisations of the Treadway Commission) standards to provide reasonable, though not absolute, assurance against material misstatement or loss.

Roles and Responsibilities

The Board acknowledges its overall responsibility for the Group's risk management and internal control systems and for overseeing its effectiveness on an on-going basis through the Audit Committee which reports to the Board, when necessary, during the regular quarterly board meetings. Executive Directors and management teams are delegated the roles of designing and maintaining an environment where managing risks forms the base of all activities.

Evaluation of the Group's risk management and internal control systems, including its effectiveness, proper functioning and compliance with internal policies and external regulations, is independently and consistently conducted by the Internal Audit Department for principal operations.

Risk Management and Internal Control Framework

Under the Risk Management Policy approved by the Board, the Group strives to ensure that risk management and internal controls are integrated into the normal business processes and aligned with the strategic goals of the Group. The Group's risk management and internal control framework, integrating the principles of the COSO, is highlighted as follows:

Control Environment

The Group, committed to ethical values, believes that honesty, integrity and fair play are its important assets in doing business. Such belief is realised through the Group's Code of Conduct under which employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. To enhance the Group's internal control mechanism and the awareness of corporate justice, a Whistle-blowing Policy has been in force. The policy provides a platform for employees and those who deal with the Company raising serious concerns internally in an effective manner.

The Group attaches great importance to the maintenance of an honest and upright working environment, and adopts a "zero tolerance" attitude towards improper conducts such as corruption, bribery and fraud. The Group have formulated the Code of Conduct and Whistleblowing Policy. Of which, the Code of Conduct regulates the ethics of employees at all levels of the Group. The main content includes: unless with the prior and specific approval from the Group, the Directors and staff should not solicit or accept any advantage for themselves or others from any person, company or organisation having business dealings with the Group; and, when actual or potential conflicts of interest arises, employees should report to the General Manager or the Board. The Whistleblowing Policy provides employees with relevant guidelines to ensure that improper behavior can be reported in a timely manner. The main content includes: when employee who has a legitimate malpractice concern, should inform the respective head of department and the head of internal audit department in person or in writing; and depending on the nature and circumstances, the reported matter can be investigated internally, referred to the Hong Kong Police Force or relevant regulatory body, referred to an external auditor and/or constituted an independent inquiry. The Group's anti-corruption system and Whistleblowing Policy can be found in the environmental, social and governance ("ESG") report which is available on the Company's publication website and the Stock Exchange's website.

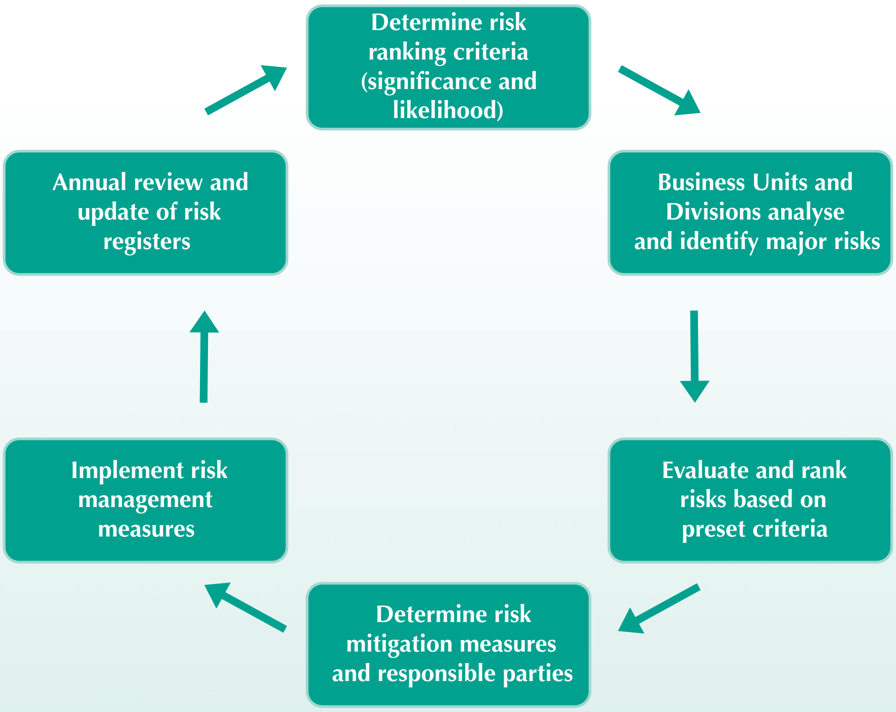
The Board, as the top strategy and policy setting body of the Group, provides oversight to the Group's management under the leadership of the General Manager. Clear corporate governance structure (as depicted on page 48 of our Corporate Governance Report) and reporting lines have been established with responsible parties held accountable for their own assigned areas.

Risk Assessment

A holistic risk management framework is adopted across the Group for:

(i) Identifying, communicating, mitigating and escalating major risk issues (including ESG risks);
(ii) Incorporating risk management principles and objectives into strategic, operational and resource planning activities; and
(iii) Designing and implementing an effective and efficient operation, enabling the Group to respond to a variety of risks (including ESG risks).

The Group's ongoing risk assessment program encompasses the following key steps:



Control Activities/Information and Communication

Internal control procedures of the Group include a comprehensive budgeting, information reporting and performance monitoring system.

Business plans and budgets, taking into consideration significant business risks, are prepared annually by the management of each business unit of the Company for review and approval by the Executive Directors. These plans and budgets are then reviewed periodically against actual performance for validity and adjustments. Various policies and procedures have been established for the approval and control of operating expenses, capital expenditures, project investments, unbudgeted items and acquisitions.

The Executive Directors review monthly management reports and hold periodical meetings with the operational and finance management to discuss business performance, budget variances, forecasts, market outlooks, and to address any operation and finance related matters.

Senior management of the Company conducts a self-assessment on their compliance with the Group's policies, relevant regulations and the fulfillment of their risk management and internal control duties annually. A confirmation is then completed and submitted to the Audit Committee and be reported to the Board.

Monitoring Activities

The Board, through the Audit Committee, oversee the risk management and internal controls of the Group, with assistance from external and internal auditors. External auditor informs senior management of the Company and the Audit Committee on the operation of financial controls reviewed as part of the statutory audit. Findings and risk concerns of internal auditor are raised to responsible management by the Internal Audit Department for rectification with significant items reported to the Audit Committee at least twice every year. Implementation status of audit findings would also be followed up by the Internal Audit Department and reported to the Audit Committee.

Risk Management and Internal Control Review

During the Year, the Board, through the Audit Committee, has reviewed the effectiveness and proper functioning of the Group's internal control and risk management systems, financial reporting and rules/regulations compliance. These reviews also covered the adequacy of resources and competency of the financial/internal auditing as well as those relating to the Company's ESG performance and reporting. No major exception was noted.

Key Risk Profile of the Group

Based on the risk assessment conducted for the Year, impacts from the macroeconomic, financial, exchange rates, road safety and toll system security contributed to the most highly-ranked risks of the Group's main business segments.

The key risks thus identified and their trends are further illustrated as follows:

Risk Category	Risk Event	Risk Description	Risk Change in 2024
Macroeconomic Risk	Global economy	In 2024, under the severe and complex situation such as the rising risk of global stagflation, the economy faced a greater impact and the downward pressure was significantly increased.	↔
Financial Risk	Capital expenditure	Major business expansion projects such as Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project require more capital expenditures. Although the Company has established funding management plans, phased investment and monitoring of major financial indicators, unpredictable risks still exist.	↔
Exchange Rates Risk	HKD borrowing rates and exchange rate fluctuations	Exchange losses arises from debts held in foreign currencies caused by exchange rate fluctuations and significant increase in interest rates of foreign currencies.	↔
Safety Risk	1. Responsibility of road safety management 2. Toll collection system breakdown due to virus attack or error	1. Possible safety risks resulting from any failure to perform the responsibility of road safety management. 2. In the national ETC network of toll collection system, data security must be strictly guaranteed. Data leakage will not only bring serious consequences to users, but may also lead to wrong charges. If there is a safety risk in the physical transmission link in the ETC system, the signal will be interfered or tampered with.	↔

Remarks:

↔ Inherent risks (risks before mitigation measures) remain stable

The Company prepares a detailed list of annual risk management plans, which records in detail the risk issues identified and the assessment results of the risk issues, formulates risk response measures on risks, and prioritises the risk issues based on the quantified risk assessment values, and determines key significant risks to focus on and prioritize control.

In addition to the significant risks mentioned above, the Company also continuously monitors and responds to other identified major risks: production management risks, capital operation risks, debt risks, investment risks, market competition risks, policy risks, etc., to ensure the realisation of the Group's business objectives.

Business Ethics

The Company considers ethical corporate culture and employees' honesty and integrity to be important assets and endeavours to comply with the laws and regulations of the countries in which we operate. All Directors and employees are required to act responsibly to ensure that the reputation of the Company is not tarnished. To uphold a high standard of integrity in all aspects of everyday activities, the Company adopts a Code of Conduct which provides employees with a set of defined ethical standards for adherence. The Code of Conduct is posted on the Company's intranet for observance by all staff. The heads of business units, through the Human Resources Department of the Company, are charged with the responsibility of disseminating the Code of Conduct requirements to the employees concerned.

Remuneration Policy

The Company formulates a competitive remuneration policy by reference to prevailing market salary practices in order to attract, retain and motivate the Directors and senior management of the Company to achieve the strategic targets of the Group. The remuneration package of the Executive Directors comprises of basic annual salary and performance related bonus and other benefits including contributions to retirement benefit scheme, medical insurance, accident cover. No Director is allowed to approve his/her own remuneration.

The Executive Directors' remunerations are reviewed by the Company annually by reference to the Executive Directors' job nature, job responsibilities and performance assessment. Directors' fees for the Year had been approved by the Shareholders at the 2024 Annual General Meeting.

Inside Information Policy

The Board has adopted the Inside Information Policy setting out the guidelines to the Directors and all employees of the Group to ensure that inside information can be promptly identified, assessed and disseminated to public in equal and timely manner in accordance with the applicable laws and regulations.

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors and an employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with all Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout the Year.

Shareholders

Communication with Shareholders

The Company recognises the importance of communication with the Shareholders, both individual and institutional as well as potential investors. The Board has adopted a Shareholders' Communication Policy setting out the provisions with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company. Specific communication channels include the option for Shareholders to access the latest and material information of the Group's major development projects through the Company's website and the Company's publication website; the annual general meeting to provide a platform for Shareholders to raise questions, deliver proposals and exchange views with the Directors; from time to time, arranging press conferences, analyst and investor briefing sessions to provide interested parties with the latest information on the Group's business performance. The Shareholders' Communication Policy of the Company is posted on the Company's publication website.

Dividend Policy

In compliance with Code Provision F.1.1 of the CG Code, the Company's dividend payment policy is disclosed below.

The Company is committed to creating value for Shareholders and has always adhered to the concept of maximising Shareholder's interests, and sharing the Group's performance with Shareholders through dividends distribution. Since listing in 2003, the Company has basically maintained a full-year regular dividend payout ratio of 75%-100% on recurring income. Under normal circumstances, the Company maintains the dividend payout ratio of previous years. For the year ended 31 December 2024, the Company had paid an interim dividend of RMB7.80 cents per Share and the Board has proposed a final dividend of RMB7.15 cents per Share, expecting a full-year dividend payout ratio amounting to 100%. In the future, the Company will fully consider factors such as business position, financial position, funding requirements of major investment projects, adjustments to industry policies and the continuity of past dividend policies, and review the above dividend policy from time to time balancing Shareholders' expectations and the long-term sustainable development of the Company.

However, the Company's future proposals on distribution of profit for a year are subject to Shareholders' approval at general meetings, and proposals on distribution of profits for an interim period are subject to the Board's approval and may only implement after approval.

Disclosure of Information on the Company's Publication Website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and as timely as possible. The Company maintains a publication website at https://sihbay.aconnect.com.hk where important and updated information about the Group's activities and corporate matters such as annual and interim reports, announcements, business development and operations, corporate governance practices and other information are available for review by Shareholders and other stakeholders.

The Company also discloses in a timely manner the toll revenue of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) on the Company's publication website on a monthly basis. When announcements are made through the Stock Exchange, the same information is also made available on the Company's publication website.

Annual General Meeting

The Company's annual general meeting is one of the principal channels of communication with its Shareholders. It provides an opportunity for Shareholders to communicate face-to-face with the Directors about the Company's performance and operations. It has been the practice for most of the Executive Directors and the chairmen and/or member of the Audit Committee, the Remuneration Committee and the Nomination Committee together with the external auditor of the Company to attend the annual general meeting to response Shareholders' questions. The 2024 Annual General Meeting was held at 4th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 21 May 2024. The 2025 Annual General Meeting has been scheduled to be held on 21 May 2025.

Investor Relations

Committed to upholding sound corporate governance practices, the Company believes that good communications with the market and Shareholders as well as transparency are of high priority.

As an important component to engage market participants, the Company's open and effective communications with the investment community is well-recognised. Proactive investor relations program was continued during the Year. Subsequent to interim and annual results announcements, two online results presentations via internet platform with investors, analysts and media were held with the attendance of senior management of the Company to answer queries. To further facilitate exchange of opinions, the senior management of the Company regularly attended investor meetings, roadshows, and conferences engaging both local and overseas investors and analysts. During the Year, more than twenty related activities were participated and communicated with investors and analysts with a total attendance of over 150. In addition, the Company answered the enquiries of investors related to the business of the Company in a timely manner and communicate with investors through direct calls and emails and etc..

Good information disclosure can help investors to effectively understand the Company's operation and improve investors' awareness and recognition. During the Year, the Company completed the compilation and disclosure of the annual report and interim report in a timely manner, and conducted in-depth analysis on the Company's operation and financial conditions and changes in the external operating environment in the annual report and interim report. At the same time, information such as quarterly financial information and monthly operating information announcements continued to be disclosed during the Year, which further deepen investors' understanding of the Company's business development trend. On the other hand, the Company kept its publication website updated by publishing essential corporate information including announcements and financial reports on a timely and accurate basis. As a result, investors could keep track of the latest updates of the Company's business and financial performance.

The Board has reviewed the implementation of the Shareholders' Communication Policy of the Company for 2024. Having considered the above communication channels with investors, the steps taken and the activities held by the Company, the Company considers that the Shareholders' Communication Policy for 2024 has been effectively implemented. Going onward, the Company will continue to advocate its high level of corporate governance framework, aiming to enhance market confidence and maximise Shareholders' value. Investors can direct any comment or enquiry to the Company's investor relations team at ir@sihbay.com.

Shareholders' Rights

The Company recognises the significance and importance of having a governance framework that protects Shareholders' rights.

Voting by Poll

Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the Shareholders at each general meeting, and questions from Shareholders regarding the voting procedures are answered. The poll results are posted on the Company's publication website and on the Stock Exchange's website on the same day of the poll.

Convening of Extraordinary General Meeting on Requisition by Shareholders

In accordance with Article 68 of the Articles of Association, any one or more Shareholders holding together, as at the date of deposit of the requisition, Shares representing not less than one-tenth of the voting rights, on a one vote per share basis, which carry the right of voting at general meetings of the Company, may require the Board to convene an extraordinary general meeting ("EGM") by written requisition. The written requisition shall be deposited at the principal office of the Company in Hong Kong at Rooms 4902–4916, 49th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s) for the attention of the Company Secretary.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene an EGM, the Shareholder(s) concerned or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, provided that the EGM so convened shall not be held after the expiration of 3 months from the date of deposit of the requisition.

The EGM convened by the Shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the Board.

Procedures for Directing Shareholders' Enquiries to the Board

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

Investor Relations Department
Shenzhen Investment Holdings Bay Area Development Company Limited
Rooms 4902–4916, 49th Floor, Sun Hung Kai Centre,
30 Harbour Road, Wan Chai, Hong Kong
Email: ir@sihbay.com
Tel No.: (852) 2191 1622
Fax No.: (852) 2861 0177

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Act of the Cayman Islands. However, Shareholders are requested to follow Article 68 of the Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above.

Pursuant to Article 116 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless (i) he/she is recommended by the Board for election; or (ii) a Shareholder shall have given notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected shall have been given to the Company in the year commencing no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as Director is posted on the Company's publication website.

Report of the Directors

The Board of Directors have pleasure in presenting their report on the affairs of the Company and the Group together with the audited financial statements for the year ended 31 December 2024.

Principal Activities

The Company is an investment holding company. The Group focuses on initiation, promotion, development and operation of toll expressways and bridges as well as land development and utilisation along with the GS Superhighway in the PRC through its subsidiary and joint ventures established in the PRC. The principal activities of the Group's principal subsidiaries and the joint ventures are set out in notes 30 and 18 to the consolidated financial statements respectively.

Business Review

A review of the business of the Group during the year, a discussion on the Group's future business development and description of the principal risks and uncertainties the Company may be facing are provided in the Chairman's Statement on pages 9 to 12 and the Management Discussion and Analysis on pages 20 to 46 of this Annual Report. Also, the financial risk management policies and practices of the Group can be found in note 29 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the year ended 31 December 2024, if applicable, are provided in the Chairman's Statement on pages 9 to 12, the Management Discussion and Analysis on pages 20 to 46 and this Report of the Directors on pages 71 to 96 of this Annual Report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 2 to 3 and the 5-Year Financial Summary on pages 4 to 8 of this Annual Report.

In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, the Management Discussion and Analysis, the Corporate Governance Report and this Report of the Directors on pages 9 to 12, pages 20 to 46, pages 47 to 70 and pages 71 to 96 of this Annual Report respectively and the Environmental, Social and Governance Report to be available on the Company's publication website https://sihbay.aconnect.com.hk. All the above mentioned cross references form parts of this Directors' Report.

Results

The results of the Group for the year ended 31 December 2024 are set out in the Consolidated Statement of Profit or Loss on page 103.

Dividends

The Directors recommend the payment of a final dividend of RMB7.15 cents per Share (equivalent to HK7.74202 cents per Share at the exchange rate of RMB1:HK$1.08280) (year ended 31 December 2023: a final dividend of RMB11.55 cents per Share (equivalent to HK12.724173 cents per Share)) in respect of the year ended 31 December 2024.

Together with the interim dividend of RMB7.80 cents per Share (equivalent to HK8.522358 cents per Share) paid on 8 November 2024, the total dividends for the year will be RMB14.95 cents per Share (equivalent to HK16.264378 cents per Share) (year ended 31 December 2023: RMB17.10 cents per Share (equivalent to HK18.767235 cents per Share)).

Major Projects and Events

Details regarding major projects undertaken by the Group and events that have taken place during the year are incorporated under the section "Business Review" as set out on pages 20 to 34.

Significant Investments Held

Details of significant investments held by the Group, representing 5% or more of the Group's total assets as at 31 December 2024 are set out in note 18 to the consolidated financial statements. In addition, discussion of the Group's investment strategy for the significant investments are incorporated under the section "Business Review" as set out on pages 20 to 34.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

Reserves and Distributable Reserve

Details of the movements in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on page 107.

Details of the distributable reserve of the Company during the year are set out in note 27 to the consolidated financial statements and the Company's distributable reserve at 31 December 2024 amounted to approximately RMB2,338 million (31 December 2023: RMB2,882 million) which represented retained profits and share premium of the Company as at that date.

Fixed Assets

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

Major Customers and Suppliers

There are no major customers and suppliers in view of the nature of the Group's business.

Directors

The Directors and their profiles as at the date of this report are set out on pages 15 to 19. Directors during the year and up to date of this report are as follows:

Executive Directors
Mr. Xiangwen LIAO*
Mr. Jianming WU*
Mr. Cheng WU*
Mr. Ji LIU*

Non-executive Directors
Ms. Siyan CHEN*
Mr. Xuan WANG*

Independent Non-executive Directors
Mr. Yu Lung CHING
Mr. Tony Chung Nin KAN SBS JP
Mr. Peng XUE*

In accordance with the Articles of Association, every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his last election/re-election and shall be eligible for re-election subject to the provisions of the Articles of Association. Mr. Jianming WU* and Mr. Peng XUE* shall retire from office at the 2025 Annual General Meeting and, being eligible, offered themselves for re-election.

Permitted Indemnity Provision

Pursuant to the Articles of Association, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group, which is in force during the course of the year under review and remained in force as of the date of this report.

Directors' Material Interest in Transactions, Arrangements or Contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, fellow subsidiaries or its parent company was a party or were parties and in which a Director or entities connected with him had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Contracts Between the Company and Controlling Shareholders

Save as the section headed "Connected Transactions and Continuing Connected Transactions" below and Note 32 to the financial statements, there is no contract of significance whether for provision of service or otherwise, between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries at any time during the year.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules are set out as follows:

Long positions in ordinary Shares:

Director	Number of ordinary Shares held	Approximate percentage to the issued Shares	Nature of interests	Capacity
Siyan CHEN*	5,500	0.00018%	Personal interests	Beneficial owner
	86,500	0.00281%	Family interests	Interests of spouse

Long positions in ordinary shares of Shenzhen International, an associated corporation of the Company:

Director	Number of ordinary shares and underlying shares(1) held	Approximate percentage to the issued shares of Shenzhen International	Nature of interests	Capacity
Xiangwen LIAO*	851,520	0.035%	Family interests	Interests of spouse

Interests in share options of Shenzhen International, an associated corporation of the Company:

Director	Outstanding share options at 1/1/2024	Change during the year					Outstanding share options[1] at 31/12/2024	Exercise price per share HK$	Nature of interests	Capacity
		Adjustment	Granted	Exercised	Lapsed	Expired				
Xiangwen LIAO*	830,000	–	–	–	–	–	830,000	5.37	Family interests	Interests of spouse

Note:

(1) The share options under share option scheme were granted on 1 November 2023 and 40% of the share options granted shall be vested on 1 November 2025 and become exercisable from 1 November 2025 to 31 October 2028; 30% of the share options granted shall be vested on 1 November 2026 and become exercisable from 1 November 2026 to 31 October 2028 and 30% of the share options granted shall be vested on 1 November 2027 and become exercisable from 1 November 2027 to 31 October 2028.

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executives of the Company had any other interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Equity-Linked Agreements

No equity-linked agreements were entered into during the year or subsisted at the end of the Year.

Arrangements to Acquire Shares or Debentures

Save as disclosed in the previous section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures", at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries, fellow subsidiaries or its parent company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such rights.

Directors' Remuneration

The Directors' fees are approved by Shareholders at the annual general meeting of the Company and the other emoluments payable to Executive Directors are determined by the Board based on the recommendation of the Remuneration Committee with reference to the prevailing market practice, the Company's remuneration policy, the Directors' duties and responsibilities within the Group and contribution to the Group.

Directors' Service Contracts

No Director proposed for re-election at the 2025 Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation). During the Year, among the Non-executive Directors (including Independent Non-executive Directors) appointed, all five Directors have no specific term of service but are subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Articles of Association, at least every three years.

Retirement and Pension Plan

To comply with the statutory requirements of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Group has set up the Mandatory Provident Fund Schemes ("MPF Schemes"). Mandatory contributions to these schemes are made by both the employers and employees at 5% of the employees' monthly relevant income capped at HK$30,000. The PRC employees employed by the Group are members of the state-managed retirement benefit schemes operated by the PRC government. The Group are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. As at 31 December 2024, there were no forfeited contributions available to reduce future obligations. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year ended 31 December 2024 are RMB8,280,000 (year ended 31 December 2023: RMB7,231,000).

Management Contracts

No contract of significance concerning the management and administration of the whole or any substantial part of any business of the Company was entered into during the year or subsisted at the end of the year.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2024, so far is known to the Directors, the interests or short positions of substantial Shareholders of the Company (other than the Directors and the chief executives of the Company disclosed above) in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity	Number of Shares	Approximate % of total number of issued Shares
Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd ("SIICHIC") (深圳投控國際資本控股基建有限公司)[i]	Beneficial owner	2,213,449,666 (L)	71.83
Shenzhen Expressway Company Limited (now known as Shenzhen Expressway Corporation Limited) (深圳高速公路股份有限公司 (現稱深圳高速公路集團股份有限公司))[i]	Interests of controlled corporation	2,213,449,666 (L)	71.83
Shenzhen International Holdings Limited (深圳國際控股有限公司)[i]	Interests of controlled corporation	2,213,449,666 (L)	71.83
Shenzhen Investment Holdings Co., Ltd (深圳市投資控股有限公司)[i]	Interests of controlled corporation	2,213,449,666 (L)	71.83
Golden Baycrest (BVI) Limited[ii]	Beneficial owner	305,087,338 (L)	9.90
China Vanke Co., Limited (萬科企業股份有限公司)[ii]	Interests of controlled corporation	305,087,338 (L)	9.90
CMF Global Quantitative Multi-Asset SPC — CMF Global Quantitative Stable SP[iii]	Trustee	291,207,411 (L)	9.45
China Taiping Life Insurance (Hong Kong) Company Limited[iii]	Beneficiary of a trust (other than a discretionary interest)	291,207,411 (L)	9.45
China Taiping Insurance Holdings Company Limited[iii]	Interests of controlled corporation	291,207,411 (L)	9.45

L: Long Position

Notes:

(i) The 2,213,449,666 Shares were held by SIICHIC, an indirect wholly-owned subsidiary of Shenzhen Expressway which in turn was a subsidiary of Shenzhen International. Shenzhen International was indirectly owned as to 43.95% by SIHC. The interests of SIICHIC, Shenzhen Expressway, Shenzhen International and SIHC in the 2,213,449,666 Shares represented the same block of Shares and were deemed under the SFO to have same interests with each other.

(ii) The 305,087,338 Shares were held by Golden Baycrest (BVI) Limited, an indirect wholly-owned subsidiary of China Vanke Co., Limited. The interests of Golden Baycrest (BVI) Limited and China Vanke Co., Limited in the 305,087,338 Shares represented the same block of Shares and were deemed under the SFO to have same interests with each other.

(iii) China Taiping Life Insurance (Hong Kong) Company Limited is a direct wholly-owned subsidiary of China Taiping Insurance Holdings Company Limited which in turn is directly owned as to 53.23% by China Taiping Insurance Group (HK) Company Limited, 1.50% by Taiping Golden Win Investment Limited, 4.68% by Easiwell Limited and 1.84% by Manhold Limited. Taiping Golden Win Investment Limited, Easiwell Limited and Manhold Limited are wholly-owned by China Taiping Insurance Group (HK) Company Limited which in turn is a direct wholly-owned subsidiary of China Taiping Insurance Group Ltd. The interests of China Taiping Life Insurance (Hong Kong) Company Limited, China Taiping Insurance Holdings Company Limited and CMF Global Quantitative Multi-Asset SPC in the 291,207,411 Shares represented the same block of Shares.

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any other interests or short positions representing 5% or more of the total number of issued Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing Shareholders.

Tax Relief and Exemption

The Company is not aware of any relief on taxation available to the shareholders by reason of their holding of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

Connected Transactions and Continuing Connected Transactions

During the year, the Group conducted certain transactions with connected persons which constituted "connected transactions" or "continuing connected transactions" under the Listing Rules. Details of those transactions which are subject to the reporting requirements under Rule 14A.71 of the Listing Rules are summarised as follows:

(1) Continuing Connected Transactions — Entrusted Coastal Expressway Operation and Maintenance Management Agreement

Shenzhen Expressway Operation Development Limited (the "Operation Development Company"), a subsidiary of Shenzhen Expressway, had been entrusted to provide operation and maintenance management services for the Coastal Expressway (Shenzhen Section) in the past and these services would continue to be provided to the Coastal Company after completion of the Subscription pursuant to the Entrusted Coastal Expressway Operation and Maintenance Management Agreement dated 26 July 2022 (the "Existing Continuing Transactions Agreement") in order to ensure the smooth and stable operation of the Coastal Expressway (Shenzhen Section) after completion. The Operation Development Company is a connected persons of the Company within the meaning of the Listing Rules by virtue of being the associates of Shenzhen Expressway, the controlling Shareholder of the Company. Therefore, the transactions contemplated under the Existing Continuing Transactions Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Under the Existing Continuing Transactions Agreement, the fees payable by the Coastal Company to the Operation Development Company for the years ended 31 December 2022, 2023 and 2024 should not exceed RMB37,956,926.83 (which includes estimated contracts sums payable by the Operation Development Company to third party contractors in the amount of approximately RMB16,587,022.82), RMB22,224,700.17 and RMB23,113,688.17 respectively). For the year ended 31 December 2024, the amount of fees paid and/or payable by the Coastal Company to the Operation Development Company was RMB15,054,000.

Details of the Existing Continuing Transactions Agreement were set out in the announcement and the circular of the Company dated 18 August 2022 and 23 September 2022 respectively.

The independent non-executive Directors had reviewed the existing continuing connected transactions and confirmed that they had been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

(2) Connected Transaction and Continuing Connected Transaction — Compensation Agreement in relation to the Joint Operation of New Hezhou Toll Station

On 18 September 2023, the GS JV and Shenzhen Expressway entered into the compensation agreement ("Compensation Agreement (New Hezhou Toll Station)"), pursuant to which, it was agreed that (i) the GS JV and Shenzhen Expressway should jointly operate the New Hezhou Toll Station; (ii) Shenzhen Expressway should pay a one-off layout optimisation fee of RMB2,867,900 (inclusive of tax) to the GS JV ("Layout Optimisation Fee"); and (iii) Shenzhen Expressway should pay the operation management fees with an annual cap that shall not exceed RMB30,000,000 to the GS JV as compensation for the increased operation costs ("Operation Management Fee") during the term of the Compensation Agreement (New Hezhou Toll Station).

Hezhou Toll Station is wholly owned by the GS JV and locates at the Hezhou Interchange of the GS Superhighway, while Huanghe Toll Station of the Jihe Expressway is wholly owned by Shenzhen Expressway. As part of the Coastal Phase II project, Shenzhen Expressway would dismantle Huanghe Toll Station and would build the Extended Toll Station to replace Huanghe Toll Station to collect tolls for travelling on the Jihe Expressway. For the purpose of accelerating the completion of the Coastal Phase II project, Shenzhen Expressway and the GS JV reached a consensus on the joint operation of the New Hezhou Toll Station which is combining the Hezhou Toll Station and the Extended Toll Station, and entered into the Compensation Agreement (New Hezhou Toll Station). The GS JV would be responsible for operation, management and toll collection of the New Hezhou Toll Station, and Shenzhen Expressway should thereby compensate the GS JV for the increased operation costs in accordance with the terms of the Compensation Agreement (New Hezhou Toll Station).

The entering into of the Compensation Agreement (New Hezhou Toll Station) was conducive to improving the GS JV's overall management efficiency and operating capacity. The compensation from Shenzhen Expressway in accordance with the Compensation Agreement (New Hezhou Toll Station) could basically offset the increase in its operating costs, and would not increase the financial burden of the GS JV.

Shenzhen Expressway is the intermediate controlling Shareholder (as defined in the Listing Rules) of the Company holding 71.83% of the total issued share capital of the Company, accordingly a connected person of the Company under Chapter 14A of the Listing Rules. GS JV is a deemed subsidiary of the Company. The Layout Optimisation Fee was a one-off payment and the Operation Management Fees were continuous payment payable by Shenzhen Expressway to GS JV, therefore the transactions contemplated under the Compensation Agreement (New Hezhou Toll Station) constituted a connected transaction and continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the respective highest applicable percentage ratio for the Layout Optimisation Fee and annual cap for the Operation Management Fees as defined under Rule 14.07 of the Listing Rules exceeds 0.1% but all applicable percentage ratios were less than 5%, pursuant to Rule 14A.76 of the Listing Rules, the entering of the Compensation Agreement (New Hezhou Toll Station) by the GS JV and Shenzhen Expressway was exempt from the circular (including independent financial advice) and Shareholders' approval requirements and were only subject to the announcement and annual reporting requirements.

Under the Compensation Agreement (New Hezhou Toll Station), Shenzhen Expressway should pay the Operation Management Fees with an annual cap that should not exceed RMB30,000,000 to the GS JV as compensation for the increased operation costs during the term of the Compensation Agreement (New Hezhou Toll Station) (i.e. from 18 September 2023 until 17 September 2026). For the year ended 31 December 2024, the amount of fees paid and/or payable by the Shenzhen Expressway to the GS JV was RMB18,885,000.

The Directors (including the independent non-executive Directors) were of the view that the terms of the Compensation Agreement (New Hezhou Toll Station) and the proposed annual caps were fair and reasonable. The transactions contemplated under the Compensation Agreement (New Hezhou Toll Station) were on normal commercial terms or better as compared to those available from independent third parties under the prevailing market conditions, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

Details of the Compensation Agreement (New Hezhou Toll Station) in relation to the joint operation of New Hezhou Toll Station were set out in the announcement of the Company dated 18 September 2023.

(3) Continuing Connected Transaction — 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement

On 25 January 2024, the Coastal Company entered into the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement with the Shenzhen Expressway Engineering Development Limited (the "Engineering Development Company"), pursuant to which the Engineering Development Company should provide the maintenance services to the Coastal Company for a term of one year commencing from 1 January 2024. The Company expected that the maximum amount to be paid by the Coastal Company to the Engineering Development Company for the transactions contemplated under the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement for the year ended 31 December 2024 ("Annual Cap") should be in the amount not more than RMB22.4 million.

Engineering Development Company had been entrusted to provide daily maintenance, electrical and mechanical maintenance and towing services for the Coastal Expressway (Shenzhen Section) in the past and continued to provide these services to the Coastal Company after completion of the Subscription under the Entrusted Coastal Expressway Daily Maintenance, Electrical and Mechanical Maintenance and Towing Services Agreement dated 11 August 2022 in order to ensure the smooth and stable maintenance of the Coastal Expressway (Shenzhen Section) after completion of the Subscription. As the Entrusted Coastal Expressway Daily Maintenance, Electrical and Mechanical Maintenance and Towing Services Agreement dated 11 August 2022 had expired, on 25 January 2024 the Coastal Company entered into the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement with the Engineering Development Company, pursuant to which the Engineering Development Company agreed to provide the maintenance services to the Coastal Company in accordance with the terms therein.

The Engineering Development Company possesses the relevant expertise and experience. By entering into the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, the Coastal Company continued to enjoy the maintenance services provided by the relevant member of the Shenzhen Expressway group and could ensure the smooth and stable maintenance of the Coastal Expressway (Shenzhen Section).

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Engineering Development Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding 71.83% of the total issued Shares) and therefore a connected person of the Company, the transactions contemplated under the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Cap exceeds 0.1% but all applicable percentage ratios were less than 5%, the transactions contemplated under the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and were only subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules.

Under the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, the Coastal Company should pay to the Engineering Development Company with an annual cap that should not exceed RMB22.4 million. For the year ended 31 December 2024, the amount of fees paid and/or payable by the Coastal Company to the Engineering Development Company was RMB22,086,000.

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) considered that the entering into the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement provided the Coastal Company with secured and reliable maintenance services, and were of the view that (i) the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and no less favourable than those available to or from independent third parties, and (ii) the terms of the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details of the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were set out in the announcement of the Company dated 25 January 2024.

(4) Connected Transaction — Construction Supervision Agreement (JL2 Bid Section)

After an open tender and bidding process conducted through Guangzhou Public Resources Trading Center, on 25 March 2024, GSZ Company entered into the Construction Supervision Agreement (JL2 Bid Section) with Guangdong Hualu Transportation Technology Company Limited ("Guangdong Hualu"), pursuant to which Guangdong Hualu should undertake certain agreed construction supervisory works in connection with the Approved Road Section R&E Project at a total contract fee of RMB51,736,021.

Guangdong Hualu should be responsible for the construction supervisory works on roadbed comprising section starting from K8+800 and ending at K29+449 of the Approved Road Section, with a total length of approximately 20.65km and the construction supervisory works on road surface comprising section starting from K2+270 and ending at K71+131 of the Approved Road Section, with a total length of approximately 68.86km.

The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group. Guangdong Hualu is an expert in providing supervision services to road construction works. The entering into of the Construction Supervision Agreement (JL2 Bid Section) will enable the construction works in the Approved Road Section R&E Project be conducted smoothly under supervision.

Given that Guangdong Hualu is a wholly owned subsidiary of GPCG, which is the holding company of Guangdong Highway Construction, the substantial shareholder of GSZ Company (a deemed subsidiary of the Company), Guangdong Hualu is an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The Construction Supervision Agreement (JL2 Bid Section) therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Construction Supervision Agreement (JL2 Bid Section) exceeded 1% but all of them were less than 5%, pursuant to Chapter 14A of the Listing Rules, the Construction Supervision Agreement (JL2 Bid Section) was only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements.

The Directors (including the independent non-executive Directors) had approved the Construction Supervision Agreement (JL2 Bid Section) and considered that the terms thereunder are fair and reasonable and on normal commercial terms, and the entering into of the Construction Supervision Agreement (JL2 Bid Section) was in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

Details of the Construction Supervision Agreement (JL2 Bid Section) were set out in the announcement of the Company dated 25 March 2024.

(5) Connected and Major Transaction — Construction Works Agreement (LM Bid Section)

After an open tender and bidding process conducted through Guangzhou Public Resources Trading Center, on 8 October 2024, GSZ Company entered into the Construction Works Agreement (LM Bid Section) with Poly Changda Engineering Company Limited ("Poly Changda"), pursuant to which Poly Changda would undertake construction works of LM bid section in connection with the Approved Road Section R&E Project at a project price of approximately RMB1,492,146,363.

Poly Changda should undertake the civil engineering construction works on road section starting from K23+078 and ending at K71+130.658 of the Approved Road Section with a total length of approximately 48.05k.m..

The entering into of the Construction Works Agreement (LM Bid Section) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (LM Bid Section) exceeded 25% but was less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (LM Bid Section) constituted a major transaction of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that Poly Changda was owned as to approximately 37.60% by GPCG, which was the holding company of Guangdong Highway Construction, the substantial shareholder of GSZ Company, Poly Changda was an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The Construction Works Agreement (LM Bid Section) therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) had approved the Construction Works Agreement (LM Bid Section) and confirmed that the terms thereunder were fair and reasonable, the transaction was on normal commercial terms, and the entering into of the Construction Works Agreement (LM Bid Section) was in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the Construction Works Agreement (LM Bid Section) was only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of, among others, the Construction Works Agreement (LM Bid Section) pursuant to Rule 14.44 of the Listing Rules on 26 September 2024. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve, among others, the Construction Works Agreement (LM Bid Section) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Construction Works Agreement (LM Bid Section) were set out in the circular of the Company dated 19 November 2024.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor had issued his unqualified letter containing their findings and conclusions in respect of the existing continuing connected transactions disclosed by the Group on pages 79 to 83 of this annual report in accordance with the Listing Rule 14A.56. The auditor had reported its findings and conclusions to the Board.

Save as disclosed above, a summary of related party transactions made during the year, which included the above connected transactions and continuing connected transactions of the Company, is disclosed in Note 32 to the financial statements. Save for the transactions disclosed above, none of these related party transactions constitutes connected transaction or continuing connected transaction that is subject to, among other things, reporting, announcement or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. To the extent that the Group's related party transactions constituted connected transactions or continuing connected transactions as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the year.

Discloseable Transaction

Construction Works Agreement (TJ7 Bid Section)

After an open tender and bidding process conducted through Guangzhou Public Resources Trading Center, on 8 October 2024, GSZ Company entered into the Construction Works Agreement (TJ7 Bid Section) with China Railway No. 4 Engineering Group Co., Ltd. ("China Railway No. 4 Engineering"), pursuant to which China Railway No. 4 Engineering would undertake construction works of TJ7 Bid Section in connection with the Approved Road Section R&E Project at a project price of approximately RMB824,580,835.

China Railway No. 4 Engineering should undertake (i) the civil engineering construction works on road section starting from K51+300 and ending at K58+000 of the Approved Road Section with a total length of approximately 6.7k.m.; and (ii) the prefabricated component construction works starting from K40+545 and ending at K65+740 of the Approved Road Section.

The entering into of the Construction Works Agreement (TJ7 Bid Section) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under Construction Works Agreement (TJ7 Bid Section) exceeded 5% but all of them were less than 25%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ7 Bid Section) constituted a discloseable transaction for the Company and were therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Details of the Construction Works Agreement (TJ7 Bid Section) were set out in the announcement of the Company dated 8 October 2024.

Major Transaction

(1) Construction Works Agreements (TJ2 — TJ5 Bid Sections)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 3 April 2024, GSZ Company entered into the following Construction Works Agreements (TJ2-TJ5 Bid Sections) with the respective contractors for the civil engineering construction works in connection with the Approved Road Section R&E Project:

1. the Construction Works Agreement (TJ2 Bid Section) entered into with China Railway 12th Bureau Group Co., Ltd. ("CR 12th Bureau") with a contract price of approximately RMB1,772,125,038. CR 12th Bureau should undertake the civil engineering construction works on road section starting from K8+800 and ending at K23+078 of the Approved Road Section with a total length of approximately 14.28k.m. and the road surface construction works on road section starting from K2+270 and ending at K23+078 of the Approved Road Section with a total length of approximately 20.81k.m.;

2. the Construction Works Agreement (TJ3 Bid Section) entered into with CCCC Second Highway Engineering Co., Ltd. ("CCCC Second Highway") with a contract price of approximately RMB1,562,566,969. CCCC Second Highway should undertake the construction works of the road section from K23+078 and ending at K29+449.5 of the Approved Road Section with a total length of approximately 6.38k.m.;

3. the Construction Works Agreement (TJ4 Bid Section) entered into with China Railway Major Bridge Engineering Group Co., Ltd. ("CR Major Bridge") with a contract price of approximately RMB1,044,195,888. CR Major Bridge should undertake (i) the civil engineering construction works on road section starting from K29+449.5 and ending at K34+792.5 of the Approved Road Section with a total length of approximately 5.34k.m.; (ii) the prefabricated beam construction works on road section starting from K29+449.5 and ending at K40+545 of the Approved Road Section; and (iii) the prefabricated pillar construction works and the beam covering construction works on road section starting from K23+078 and ending at K34+792.5 of the Approved Road Section; and

4. the Construction Works Agreement (TJ5 Bid Section) entered into with CCCC Road and Bridge International Co., Ltd. ("CCCC R&B") with a contract price of approximately RMB842,098,363. CCCC R&B should undertake the construction works of the road section starting from K34+792.5 and ending at K40+545 of the Approved Road Section with a total length of approximately 5.75k.m..

The entering into of the Construction Works Agreements (TJ2-TJ5 Bid Sections) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

As the highest applicable percentage ratio in respect of the transactions contemplated under each of the Construction Works Agreement (TJ2 Bid Section) and the Construction Works Agreement (TJ4 Bid Section) exceeded 25% but was less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ2 Bid Section) and the Construction Works Agreement (TJ4 Bid Section) would constitute major transactions of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under Construction Works Agreement (TJ5 Bid Section) exceeded 5% but was less than 25% on a standalone basis and the highest applicable percentage ratio in respect of the transactions contemplated under Construction Works Agreement (TJ3 Bid Section) exceeds 25% but was less than 100% on a standalone basis, given that the CCCC Constructions Works Agreements were entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the CCCC Construction Works Agreements on an aggregated basis, pursuant to Rule 14.22 of the Listing Rules, exceeded 25% but was less than 100%.

In view of the above, the entering into of and the transactions contemplated under the Construction Works Agreements (TJ2-TJ5 Bid Sections) constituted major transactions of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of the Construction Works Agreements (TJ2-TJ5 Bid Sections) pursuant to Rule 14.44 of the Listing Rules on 3 April 2024. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Construction Works Agreements (TJ2-TJ5 Bid Sections) were set out in the circular of the Company dated 25 April 2024.

(2) Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 8 October 2024, GSZ Company entered into (i) the Construction Works Agreement (TJ6 Bid Section) with China Railway 11th Bureau Group Co., Ltd. ("CR 11th Bureau"), pursuant to which CR 11th Bureau would undertake construction works of TJ6 Bid Section in connection with the Approved Road Section R&E Project at a project price of approximately RMB721,026,485; and (ii) the Construction Works Agreement (TJ9 Bid Section) with China Railway 14th Bureau Group Co., Ltd. ("CR 14th Bureau"), pursuant to which CR 14th Bureau would undertake construction works of TJ9 Bid Section in connection with the Approved Road Section R&E Project at a project price of approximately RMB663,144,828.

CR 11th Bureau should undertake the civil engineering construction works on road section starting from K40+545 and ending at K51+300 of the Approved Road Section with a total length of approximately 10.76k.m. and CR 14th Bureau should undertake the civil engineering construction works on road section starting from K65+740 and ending at K71+130.658 of the Approved Road Section with a total length of approximately 5.39k.m..

The entering into of the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) exceeded 5% but is less than 25% on a standalone basis, given that the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) were entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) on an aggregated basis, pursuant to Rule 14.22 of the Listing Rules, exceeded 25% but was less than 100%. As such, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) constituted a major transaction of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of, among others, the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) pursuant to Rule 14.44 of the Listing Rules on 26 September 2024. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve, among others, the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) were set out in the circular of the Company dated 19 November 2024.

(3) Construction Works Agreement (TJ8 Bid Section)

After an open tender and bidding process conducted through Guangzhou Public Resources Trading Center, on 8 October 2024, GSZ Company entered into the Construction Works Agreement (TJ8 Bid Section) with CCCC Second Harbour Engineering Co., Ltd. ("CCCC Second Harbour"), pursuant to which CCCC Second Harbour would undertake construction works of TJ8 Bid Section in connection with the Approved Road Section R&E Project at a project price of approximately RMB1,451,479,970.

CCCC Second Harbour should undertake the civil engineering construction works on road section starting from K58+000 and ending at K65+740 of the Approved Road Section with a total length of approximately 7.74k.m..

The entering into of the Construction Works Agreement (TJ8 Bid Section) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (TJ8 Bid Section) exceeded 25% but was less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ8 Bid Section) constituted a major transaction of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of, among others, the Construction Works Agreement (TJ8 Bid Section) pursuant to Rule 14.44 of the Listing Rules on 26 September 2024. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve, among others, the Construction Works Agreement (TJ8 Bid Section) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Construction Works Agreement (TJ8 Bid Section) were set out in the circular of the Company dated 19 November 2024.

Events After The Reporting Year

(1) Structural Steel Fabrication Agreements (G1 and G2 Bid Sections)

After certain open tendering and bidding processes conducted through Guangzhou Public Resources Trading Center, on 17 January 2025, GSZ Company entered into the following Structural Steel Fabrication Agreements (G1 and G2 Bid Sections) with the respective contractors for the structural steel fabrication for bridges in connection with the Approved Road Section R&E Project:

1. the Structural Steel Fabrication Agreement (G1 Bid Section) entered into with Jiangsu Huning Steel Structure & Machinery Co., Ltd. ("Jiangsu Huning") with a contract price of RMB553,021,303. Jiangsu Huning should undertake the structural steel fabrication for bridges (including ramp bridges, excluding upper-level viaduct from Taiping to Wudianmei) on road section starting from K2+270 and ending at K71+130.658 of the Approved Road Section with an estimated weight of 48,000 tonnes; and

2. the Structural Steel Fabrication Agreement (G2 Bid Section) entered into with China Railway Shanhaiguan Bridge Group Co., Ltd. ("China Railway Shanhaiguan Bridge") with a contract price of RMB874,792,356. China Railway Shanhaiguan Bridge should undertake the structural steel fabrication for bridges of upper-level viaduct from Taiping to Wudianmei on road section starting from KSK59+958 and ending at KSK63+731 of the Approved Road Section with an estimated weight of 72,000 tonnes.

The entering into of the Structural Steel Fabrication Agreements (G1 and G2 Bid Sections) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

(i) Structural Steel Fabrication Agreement (G1 Bid Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under Structural Steel Fabrication Agreement (G1 Bid Section) exceeded 5% but all of them were less than 25%, the entering into of and the transactions contemplated under the Structural Steel Fabrication Agreement (G1 Bid Section) constituted a discloseable transaction of the Company and were therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) Structural Steel Fabrication Agreement (G2 Bid Section)

Reference is made to the announcement of the Company dated 8 October 2024 in relation to the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) and the transactions contemplated thereunder. GSZ Company entered into the Construction Works Agreement (TJ7 Bid Section) ("Previous Agreement") with China Railway No. 4 Engineering (a wholly owned subsidiary of China Railway Group Limited ("CREC")) at a contract price of approximately RMB824,580,835.

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all entered into within a 12-month period or were otherwise related.

Given that the Structural Steel Fabrication Agreement (G2 Bid Section) was entered into with China Railway Shanhaiguan Bridge which was 49% owned by CREC and China Railway No. 4 Engineering (the counterparty of the Previous Agreement) was a wholly owned subsidiary of CREC, the Previous Agreement and Structural Steel Fabrication Agreement (G2 Bid Section) were entered into with parties connected or otherwise associated with each other and were similar in nature. Accordingly, such two transactions should be aggregated.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under the Structural Steel Fabrication Agreement (G2 Bid Section) exceeded 5% but was less than 25% on a standalone basis, the highest applicable percentage ratio in respect of the transactions contemplated under the Previous Agreement and Structural Steel Fabrication Agreement (G2 Bid Section), on an aggregated basis, exceeded 25% but was less than 100%. As such, the entering into of and the transactions contemplated under the Structural Steel Fabrication Agreement (G2 Bid Section) constituted a major transaction of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of the Structural Steel Fabrication Agreement (G2 Bid Section) pursuant to Rule 14.44 of the Listing Rules on 17 January 2025. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve the Structural Steel Fabrication Agreement (G2 Bid Section) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Structural Steel Fabrication Agreements (G1 and G2 Bid Sections) were set out in the announcement of the Company dated 17 January 2025 and circular of the Company dated 25 February 2025.

(2) 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement

On 23 January 2025, the Coastal Company entered into the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement with the Engineering Development Company, pursuant to which the Engineering Development Company should provide the maintenance services to the Coastal Company for a term of six months commencing from 1 January 2025. The Company expected that the maximum amount to be paid by the Coastal Company to the Engineering Development Company for the maintenance services provided per year ("Annual Cap") for the transactions contemplated under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement for the year ended 31 December 2025 should be in the amount not more than RMB22.96 million.

The Engineering Development Company had been providing the daily maintenance, electrical and mechanical maintenance and towing services to the Coastal Company before the completion of the Subscription in 2022 and possesses the relevant expertise and experience. By entering into the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, the Coastal Company would continue to enjoy the maintenance services provided by the Engineering Development Company and could ensure the smooth and stable maintenance of the Coastal Expressway (Shenzhen Section).

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Engineering Development Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding 71.83% of the total issued share capital of the Company) and therefore a connected person of the Company, the transactions contemplated under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Cap exceeds 0.1% but all applicable percentage ratios are less than 5%, the transactions contemplated under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and were only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) considered that the entering into the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement provides the Coastal Company with secured and reliable maintenance services, and were of the view that (i) the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and no less favourable than those available to or from independent third parties, and (ii) the terms of the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details of the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were set out in the announcement of the Company dated 23 January 2025.

(3) Capital Increase Agreement

On 24 January 2025, Hopewell China Development (a non wholly-owned subsidiary of the Company) and Guangdong Highway Construction entered into the Capital Increase Agreement, pursuant to which, Hopewell China Development and Guangdong Highway Construction agreed to contribute, by way of registered capital, RMB3,285 million and RMB4,015 million, respectively, to GSZ Company (a deemed subsidiary of the Company). Upon Completion of the Capital Contribution Matters, Hopewell China Development and Guangdong Highway Construction will hold 45% and 55% equity interests in GSZ Company respectively.

The investment, construction, operation and maintenance of expressways is the Group's principal businesses. The entering into of the Capital Increase Agreement provides necessary funding sources of implementing the Approved Road Section R&E Project. The implementation of the Approved Road Section R&E Project will help enhance the traffic capacity and service level of the Approved Road Section, and strengthen the Group's core competitiveness in the toll road industry, which is in line with its development strategy.

As Guangdong Highway Construction, being a substantial shareholder of GSZ Company, is a connected person of the Company at the subsidiary level, the Capital Increase Agreement and the transactions contemplated thereunder constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. However, as (i) the Board had approved the Capital Increase Agreement; and (ii) the independent non-executive Directors had confirmed that the terms of the Capital Increase Agreement were fair and reasonable, the transactions were entered into on normal commercial terms, and in the interests of the Company and its Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Capital Increase Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratio(s) under the Listing Rules exceed 25% but are less than 100%, the Capital Increase Agreement and the transactions contemplated thereunder constituted a major transaction for the Company. Accordingly, the Company was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of the Capital Increase Agreement pursuant to Rule 14.44 of the Listing Rules on 24 January 2025. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve the Capital Increase Agreement and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Capital Increase Agreement were set out in the circular of the Company dated 28 February 2025.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is sufficient public float of more than 25% of the Company's total number of issued Shares as required under the Listing Rules.

Report of the Directors

Auditor

At the annual general meeting of the Company held on 19 May 2023, Messrs. Deloitte Touche Tohmatsu retired as the auditor of the Company and Messrs. KPMG was appointed as the new auditor of the Company. KPMG shall retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint Messrs. KPMG as auditor of the Company will be proposed at the 2025 Annual General Meeting.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yu Lung CHING (chairman), Mr. Tony Chung Nin KAN and Mr. Peng XUE*. This annual report has been reviewed by the Audit Committee.

Corporate Governance

The Group is committed to maintaining a high level of corporate governance practices. A detailed Corporate Governance Report is set out on pages 47 to 70 of this annual report.

On behalf of the Board

Xiangwen LIAO*
Chairman

Hong Kong, 20 March 2025

* *For identification purpose only*

Independent Auditor's Report

To the shareholders of Shenzhen Investment Holdings Bay Area Development Company Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Shenzhen Investment Holdings Bay Area Development Company Limited (the "Company") and its subsidiaries ("the Group") set out on pages 103 to 173, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters (continued)

Amortisation of concession intangible assets of the Group

Refer to note 16 to the consolidated financial statements and the accounting policies in note 3(g).

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the carrying amounts of the Groups' concession intangible assets are RMB5,694,782,000. Amortisation of the intangible assets are calculated based on units-of-usage basis, whereby amortisation is provided based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the period (the "operating period") for which the Group has been granted the right to operate the toll road (the "Traffic Flow Amortisation Method"). The management has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The management also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist. Based on these studies, the management will make the appropriate accounting adjustments, if necessary. We identified the amortisation of concession intangible assets of the Group as a key audit matter because significant judgements are required in the estimation of total projected traffic volume which has an impact on the carrying value of the concession intangible assets as at year end and amortisation charges for the current and future years.	Our audit procedures to the amortisation of concession intangible assets included the following: • understanding and assessing the design and implementation of key internal controls related to the amortisation of concession intangible assets; • evaluating management's estimated unit amortisation charged derived from the Traffic Flow Amortisation Method, which included evaluating the reliability of the traffic volume forecast by comparing the projected traffic volume in the prior year with the actual traffic volume during the period and evaluating the appropriateness of the assumptions including the annual growth rate of the traffic volume, the change of the transportation network of the region and government policies relating to the toll roads operation in Chinese Mainland; • validating the accuracy of the data on the traffic volume employed by the management in calculating the amortisation of the concession intangible assets of the Group and recalculating the amortisation of the concession intangible assets of the Group to verify the amount for accuracy; and • assessing the disclosures of amortisation of the concession intangible assets of the Group with reference to the requirements of the prevailing accounting standards.

Key audit matters (continued)

Amortisation of concession intangible assets of the joint ventures ("JVs")

Refer to note 18 to the consolidated financial statements and the accounting policies in note 3(g).

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the interest in JVs was RMB5,274,669,000 and the share of results of JVs for the year then ended 31 December 2024 amounted to RMB585,260,000. Included in the share of results of JVs, there was an amortisation of concession intangible assets of the JVs shared by the Group amounting to RMB677,674,000 for the year ended 31 December 2024. Amortisation of the intangible assets are calculated based on units-of-usage basis, whereby amortisation is provided based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the period (the "operating period") for which the Group has been granted the right to operate the toll road (the "Traffic Flow Amortisation Method"). The management has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The management also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist. Based on these studies, the management will make the appropriate accounting adjustments, if necessary. We identified the amortisation of concession intangible assets of the JVs as a key audit matter because significant judgements are required in the estimation of total projected traffic volume which has an impact on the carrying value of the concession intangible assets as at year end and amortisation charges for the current and future years.	Our audit procedures to the amortisation of concession intangible assets of the JVs included the following: • understanding and assessing the design and implementation of key internal controls related to the amortisation of concession intangible assets; • evaluating management's estimated unit amortisation charged derived from the Traffic Flow Amortisation Method, which included evaluating the reliability of the traffic volume forecast by comparing the projected traffic volume in the prior year with the actual traffic volume during the period and evaluating the appropriateness of the assumptions including the annual growth rate of the traffic volume, the change of the transportation network of the region and government policies relating to the toll roads operation in Chinese Mainland; • validating the accuracy of the data on the traffic volume employed by the management in calculating the amortisation of the concession intangible assets of the JVs and recalculating the amortisation of the concession intangible assets of the JVs to verify the amount for accuracy; and • assessing the disclosures of amortisation of the concession intangible assets of the JVs 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 IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors 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, 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.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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, related safeguards.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Chun Pong.

KPMG
Certified Public Accountants

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

20 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024
(Expressed in RMB)

	Notes	2024 RMB'000	2023 RMB'000
Revenue	6	879,489	944,777
Cost of sales		(534,508)	(643,957)
Gross profit		344,981	300,820
Other income	7	29,880	37,825
Other net loss		(11,419)	(15,260)
Administrative expenses		(57,767)	(72,487)
Finance costs	8(b)	(175,019)	(171,923)
Share of results of joint ventures	18	585,260	691,297
Profit before tax	8	715,916	770,272
Income tax	9	(118,057)	(132,043)
Profit for the year		597,859	638,229
Attributable to:			
Equity shareholders of the Company		460,915	528,483
Non-controlling interests		136,944	109,746
Profit for the year		597,859	638,229
Earnings per share	11		
Basic		RMB14.96 cents	RMB17.15 cents

The notes on pages 110 to 173 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 27.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024
(Expressed in RMB)

	2024 RMB'000	2023 RMB'000
Profit for the year	**597,859**	638,229
Other comprehensive income for the year (after tax):		
Item that will not be reclassified to profit or loss:		
Fair value gain/(loss) on investment in equity instrument at FVOCI, net of tax	**2,348**	(1,371)
Item that may be reclassified subsequently to profit or loss:		
Exchange loss arising on translation of non-Chinese Mainland operations	**(67,791)**	(40,771)
Other comprehensive income for the year	**(65,443)**	(42,142)
Total comprehensive income for the year	**532,416**	596,087
Attributable to:		
Equity shareholders of the Company	**395,472**	486,341
Non-controlling interests	**136,944**	109,746
Total comprehensive income for the year	**532,416**	596,087

The notes on pages 110 to 173 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024
(Expressed in RMB)

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	13	254,585	271,599
Right-of-use assets	14	4,726	12,984
Construction in progress	15	14,199	23,987
Concession intangible assets	16	5,694,782	5,795,148
Other intangible assets	17	20,213	2,545
Interests in joint ventures	18	5,274,669	4,990,898
Equity instrument at FVOCI	19	21,086	18,477
Deferred tax assets	26	54,448	116,979
Other non-current assets		3,169	–
		11,341,877	11,232,617
Current assets			
Inventories		228	212
Trade and other receivables	20	290,253	168,538
Structured deposits		–	320,372
Time deposits	21	374,276	204,393
Restricted bank deposits	22(a)	62,415	3,434
Cash and cash equivalents	22(a)	733,286	483,617
		1,460,458	1,180,566
Total assets		12,802,335	12,413,183
Non-current liabilities			
Lease liabilities	24	79	4,682
Bank loans	25	1,427,900	2,214,075
Deferred tax liabilities	26	180,626	158,537
		1,608,605	2,377,294
Current liabilities			
Trade and other payables	23	421,943	505,933
Lease liabilities	24	5,037	9,081
Bank loans	25	3,104,230	1,817,816
Tax payables		23,352	–
		3,554,562	2,332,830
Total liabilities		5,163,167	4,710,124

Consolidated Statement of Financial Position

As at 31 December 2024
(Expressed in RMB)

	Notes	2024 RMB'000	2023 RMB'000
Capital and reserves			
Share capital	27(a)	**270,603**	270,603
Reserves		**4,279,776**	4,480,611
Total equity attributable to equity shareholders of the Company		**4,550,379**	4,751,214
Non-controlling interests		**3,088,789**	2,951,845
Total equity		**7,639,168**	7,703,059
Total equity and liabilities		**12,802,335**	12,413,183

Xiangwen Liao
Chairman

Jianming Wu
Director

The notes on pages 110 to 173 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in RMB)

		Attributable to equity shareholders of the Company									
	Note	*Share capital RMB'000*	*Share premium RMB'000*	*Statutory reserves RMB'000*	*Investment revaluation reserves RMB'000*	*Translation reserves RMB'000*	*Capital reserves RMB'000*	*Retained profits RMB'000*	*Total RMB'000*	*Non-controlling interests RMB'000*	*Total equity RMB'000*
Balance at 1 January 2024		270,603	2,337,689	110,090	11,912	(479,079)	1,029,980	1,470,019	4,751,214	2,951,845	7,703,059
Changes in equity for the year ended 31 December 2024:											
Fair value gain on investment in equity instrument at FVOCI, net of tax		–	–	–	2,348	–	–	–	2,348	–	2,348
Exchange loss on translation of non-Chinese Mainland operations		–	–	–	–	(67,791)	–	–	(67,791)	–	(67,791)
Profit for the year		–	–	–	–	–	–	460,915	460,915	136,944	597,859
Total comprehensive income		–	–	–	2,348	(67,791)	–	460,915	395,472	136,944	532,416
Transfer between reserves		–	–	500	–	–	–	(500)	–	–	–
Dividends declared	27(b)	–	–	–	–	–	–	(596,307)	(596,307)	–	(596,307)
Balance at 31 December 2024		270,603	2,337,689	110,590	14,260	(546,870)	1,029,980	1,334,127	4,550,379	3,088,789	7,639,168

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in RMB)

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Investment revaluation reserves RMB'000	Translation reserves RMB'000	Capital reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023		270,603	2,337,689	109,590	13,283	(438,308)	1,029,980	1,213,225	4,536,062	2,849,725	7,385,787
Changes in equity for the year ended 31 December 2023:											
Fair value loss on investment in equity instrument at FVOCI, net of tax		–	–	–	(1,371)	–	–	–	(1,371)	–	(1,371)
Exchange loss on translation of non-Chinese Mainland operations		–	–	–	–	(40,771)	–	–	(40,771)	–	(40,771)
Profit for the year		–	–	–	–	–	–	528,483	528,483	109,746	638,229
Total comprehensive income		–	–	–	(1,371)	(40,771)	–	528,483	486,341	109,746	596,087
Transfer between reserves		–	–	500	–	–	–	(500)	–	–	–
Dividends declared	27(b)	–	–	–	–	–	–	(271,189)	(271,189)	–	(271,189)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(7,626)	(7,626)
Balance at 31 December 2023		270,603	2,337,689	110,090	11,912	(479,079)	1,029,980	1,470,019	4,751,214	2,951,845	7,703,059

The notes on pages 110 to 173 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024
(Expressed in RMB)

	Notes	2024 RMB'000	2023 RMB'000
Operating activities			
Cash generated from operations	22(b)	570,909	470,453
Tax paid		(1,969)	(2,599)
Net cash generated from operating activities		568,940	467,854
Investing activities			
Withdrawal of structured deposits		670,000	1,420,000
Additions in structured deposits		(350,000)	(1,290,000)
Additions in time deposits		(160,000)	(200,000)
Dividends received (net of PRC withholding tax)		158,640	390,946
Investment income received from structured deposits		3,893	7,932
Repayment of loan from a joint venture		–	210,000
Proceeds from interest received		–	4,433
Payment for purchases of property, plant and equipment, construction in progress and intangible assets		(274,900)	(308,777)
Proceeds from disposal of property, plant and equipment		13	–
Net cash generated from investing activities		47,646	234,534
Financing activities			
Proceeds from new bank loans	22(c)	1,908,043	1,203,879
Repayment of bank loans	22(c)	(1,481,241)	(1,175,888)
Interest paid on bank loans	22(c)	(168,521)	(167,702)
Dividends paid to:			
— equity shareholders of the Company	22(c)	(608,020)	(279,756)
— non-controlling interests of a subsidiary	22(c)	–	(7,626)
Capital element of lease rentals paid	22(c)	(15,594)	(2,950)
Interest element of lease rentals paid	22(c)	(1,018)	(201)
Repayment of other financing fees		(543)	–
Repayments of capital reduction to Shenzhen Expressway Corporation Limited ("Shenzhen Expressway")	22(c)	–	(265,942)
Net cash used in financing activities		(366,894)	(696,186)
Net increase in cash and cash equivalents		249,692	6,202
Cash and cash equivalents at 1 January	22(a)	483,617	474,015
Effect of foreign exchanges rates changes		(23)	3,400
Cash and cash equivalents at 31 December	22(a)	733,286	483,617

The notes on pages 110 to 173 form part of these financial statements.

1 General Information

Shenzhen Investment Holdings Bay Area Development Company Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As at 31 December 2024, the Company's immediate holding company and ultimate holding company are Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (深圳投控國際資本控股基建有限公司) ("SIICHIC"), a company incorporated in the British Virgin Islands with limited liability, and Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) ("SIHC"), a company established in the People's Republic of China ("PRC") with limited liability, respectively.

The addresses of the registered office and principal place of business of the Company are disclosed in the section of corporate information in the annual report.

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries and the joint ventures are set out in notes 30 and 18, respectively.

The Company's functional currency and presentation currency are Renminbi ("RMB").

2 Basis of preparation of the consolidated financial statements

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs") and Interpretations (hereinafter collectively referred to as the "IFRS Accounting Standards") issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed in note 3.

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

(b) Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources (including but not limited to future operating cash flow and unused and estimated amount of bank facilities to be obtained) to continue in operational existence for the foreseeable future. Thus the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2 Basis of preparation of the consolidated financial statements (continued)

(c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with IFRS 16 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. Details are set out in note 29.

3 Material accounting policies

(a) New and amended IFRS Accounting Standards adopted during the year

The Group has applied the following new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current ("2020 amendments")*

- Amendments to IAS 1, *Presentation of financial statements — Non-current liabilities with covenants ("2022 amendments")*

- Amendments to IFRS 16, *Leases — Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

The new and amended IFRS Accounting Standards applied for the year has had no material impact on the Group's consolidated financial statements for the current and prior periods.

3 Material accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

3 Material accounting policies (continued)

(c) Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

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

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

(d) Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the joint venture's accounting policies to those of the Group. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3 Material accounting policies (continued)

(d) Interests in joint ventures (continued)

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of IFRS 9 "Financial Instruments", the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon partial disposal of the relevant joint venture.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group has incurred additional development expenditure for the construction and development of the toll expressways operated by the joint ventures, which were not accounted for by those entities. Such cost are included in additional cost of investments in joint ventures and are amortised over the joint venture period on the same basis as that adopted by the relevant joint ventures in respect of amortisation of its project cost, commencing from the date of operation of the project undertaken. On disposal of a joint venture, the attributable amount of the unamortised additional cost of investments is included in the determination of the profit or loss on disposal.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3 Material accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(f) Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that should be capitalised before the construction is ready for its intended use and other relevant expenses. The amount is carried at cost, less any recognised impairment loss. Construction in progress is transferred to property, plant and equipment or intangible assets when the asset is ready for its intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(g) Concession intangible assets

Concession intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Concession intangible assets refer to the rights granted by the respective concession grantors, which entitle the Group to receive the toll fees from users.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognises an intangible asset at fair value upon initial recognition. The concession intangible assets of the toll road that the Group has delivered but not yet completed the final settlement account are temporarily estimated based on the tentative value of the toll road project. When the final account is completed, the tentative value will be adjusted to the actual value.

When toll roads are ready for their intended use, amortisation of the intangible assets is calculated based on the traffic volume amortisation method. Amortisation is provided on projected units-of-usage, which is calculated based on the total projected traffic volume during the operating period of the concessions and the book value of the concession intangible assets combined with the actual traffic volume during each accounting period.

Subsequent expenditures incurred for the toll roads are included in the cost of the concession intangible assets when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

3 Material accounting policies (continued)

(h) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the goods or services before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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

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

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

Toll revenue is from operating toll roads, and is recognised in accordance with the amount collected and receivable when a vehicle is passing through.

During the construction period, the construction service provided by the Group shall be regarded as the performance obligations performed over time using the input method. Under the input method, revenue generated by construction services rendered by the Group is measured at the fair value of the consideration received or receivable, where total income and expenses associated with the construction contract and the stage of completion can be determined reliably. The consideration may be rights to attain an intangible asset.

3 Material accounting policies (continued)

(i) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(i) The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of car parks and staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use asset

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any initial direct costs incurred by the Group.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use asset in which the Group is reasonably certain to obtain ownership of the underlying leased asset at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use asset as a separate line item on the consolidated statement of financial position.

3 Material accounting policies (continued)

(j) Leases (continued)

Definition of a lease (continued)

(i) The Group as a lessee (continued)

Lease liability

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liability is adjusted by interest accretion and lease payments.

The Group presents lease liability as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liability by making corresponding adjustments to the relevant right-of-use asset.

(ii) The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

3 Material accounting policies (continued)

(k) Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(i) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(ii) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

(m) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

3 Material accounting policies (continued)

(n) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a non-Chinese Mainland operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the non-Chinese Mainland operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in joint ventures.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's non-Chinese Mainland operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a non-Chinese Mainland operation (that is, a disposal of the Group's entire interest in a non-Chinese Mainland operation, or a disposal involving loss of control over a subsidiary that includes a non-Chinese Mainland operation, or a partial disposal of an interest in a joint arrangement that includes a non-Chinese Mainland operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity shareholders of the Company are reclassified to profit or loss.

(o) Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

(p) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees after deducting any amount already paid.

3 Material accounting policies (continued)

(q) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The current tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3 Material accounting policies (continued)

(r) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Equity instruments designated as at FVOCI

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income" line item.

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, amount due from the joint venture, restricted bank deposits and bank deposits and cash) and other item (financial guarantee contract) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually.

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

Significant increase in credit risk

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

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

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

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

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

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

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

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

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

For financial guarantee contract, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

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

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

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

Financial liabilities and equity classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

All financial liabilities including trade and other payables, bank overdrafts, bank loans and dividend payables are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

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

3 Material accounting policies (continued)

(s) Impairment on property, plant and equipment, right-of-use assets and concession intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and concession intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and concession intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment is recognised immediately in profit or loss.

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

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting periods that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

(a) Interests in joint ventures/share of results of joint ventures

(i) Amortisation of concession intangible assets of the joint ventures

When toll roads are ready for their intended use, amortisation of the concession intangible assets is calculated based on the traffic volume amortisation method. Amortisation is provided on projected units-of-usage, which is calculated based on the total projected traffic volume during the operating period of the concessions and the book value of the concession intangible assets combined with the actual traffic volume during each accounting period. The total expected traffic volume over the remaining concession period was estimated by the management annually, taking into consideration of various factors such as the annual growth rate of the traffic volume, the actual traffic volume in the recent periods, the change of the transportation network of the region and government policies relating to the toll expressway operation in Chinese Mainland. When material differences between actual traffic volume and projected traffic volume exist, the Group will appoint an independent professional traffic consultant to perform a study on the future traffic volume, and then adjust the amortisation based on unit usage according to the revised total projected traffic volume, to ensure that the respective concession intangible assets would be fully amortised in the operating period.

The management has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The management also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist. Based on these studies, the management will make the appropriate accounting adjustments, if necessary.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

(a) Interests in joint ventures/share of results of joint ventures (continued)

(ii) Resurfacing obligations of a joint venture

A joint venture of the Group has contractual obligations under the contractual service arrangements to maintain the toll expressways to a specified level of serviceability over the respective concession periods. These obligations to maintain or restore the toll expressways, except for upgrade services, are to be recognised and measured as resurfacing obligations. Resurfacing obligations had been made at the present value of expenditures expected to be incurred by the joint venture to settle the obligations.

The provision at the end of the reporting period is determined based on the number of major resurfacing works to be undertaken over the concession periods under the service concession agreements and the expected costs to be incurred for each event. The costs are then discounted to the present value based on a pre-tax discount rate to derive the provision amount.

The expected costs for maintenance and resurfacing and the timing of such events to take place involve estimates made by the management, which were based on the resurfacing plans of the joint venture, historical costs incurred for similar activities and the latest quotations from the service provider.

If the expected expenditures, resurfacing plans and discount rate were different from the management's current estimates, the change in resurfacing obligations is required to be accounted for prospectively.

The management is of the view that the discount rate currently used in the current estimate should reflect the time value of money and the risks specific to the obligations.

(iii) Construction revenue of a joint venture

As explained in the accounting policies set out in note 3(h) to the financial statements for "Revenue from contracts with customer", revenue and profit recognition on an incomplete project is dependent on estimating the final outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached, the "Concession intangible assets" as disclosed in note 18 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of revenue or costs may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(b) Amortisation of concession intangible assets of the Group

Same as amortisation of concession intangible assets of the joint ventures, amortisation of concession intangible assets of the Coastal Company, the only concession intangible assets held by the subsidiaries of the Group, is calculated based on units-of-usage basis. Details are set out in note 4(a)(i) above.

5 Segment information

The Group's reportable and operating segments are determined based on information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment.

Information reported to the CODM, including segment revenue, the Group's share of joint ventures' earnings before interest, tax, depreciation and amortisation and net exchange gain/loss ("EBITDA"), the Group's share of joint ventures' depreciation and amortisation including amortisation of additional cost of investments in joint ventures ("Depreciation and Amortisation"), the Group's share of joint ventures' interest and tax excluding tax on exchange gain/loss and including withholding tax on earnings distributed by joint ventures ("Interest and Tax"), and segment results. The CODM is more specifically focused on individual toll expressway projects and land development and utilisation project jointly operated and managed by the Group and the relevant joint venture partners. After the acquisition of the Coastal Company in 2022, the Group also operates and manages the toll expressway project individually. Accordingly, the Group's reporting and operating segments under IFRS 8 "Operating Segments" are therefore as follows:

— Coastal Expressway (Shenzhen Section) ("Coastal Expressway")

— GS Superhighway

— GZ West Superhighway

— Xintang interchange

5 Segment information (continued)

Information regarding the above segments is reported below:

Segment revenue and results

	2024					2023				
	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and Amortisation RMB'000	Interest and Tax RMB'000	Segment results RMB'000	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and Amortisation RMB'000	Interest and Tax RMB'000	Segment results RMB'000
Toll expressway projects										
Subsidiary										
— Coastal Expressway	736,287	619,765	(268,925)	(88,513)	262,327	629,309	530,310	(227,200)	(97,897)	205,213
Joint ventures										
— GS Superhighway	1,298,335	1,202,319	(464,979)	(270,885)	466,455	1,301,491	1,338,774	(536,077)	(307,447)	495,250
— GZ West Superhighway	634,339	510,250	(279,933)	(112,681)	117,636	651,934	524,868	(268,854)	(126,060)	129,954
	2,668,961	2,332,334	(1,013,837)	(472,079)	846,418	2,582,734	2,393,952	(1,032,131)	(531,404)	830,417
Land development and utilisation project										
Joint venture										
— Xintang Interchange	140,793	(16,371)	(776)	77	(17,070)	369,096	61,022	(143)	(18,960)	41,919
Total	2,809,754	2,315,963	(1,014,613)	(472,002)	829,348	2,951,830	2,454,974	(1,032,274)	(550,364)	872,336
Corporate interest income from bank deposits					13,049					10,092
Corporate investment income from structured deposits					3,521					6,864
Corporate interest income from loans made by the Group to a joint venture					–					3,818
Other income and other gain					7,421					14,984
Corporate administrative expenses, depreciation and amortisation					(57,765)					(78,820)
Corporate finance costs					(174,269)					(168,067)
Corporate income tax					3,594					(846)
Net exchange loss (net of related income tax) (Note)					(27,040)					(22,132)
Profit for the year					597,859					638,229
Profit for the year attributable to non-controlling interests					(136,944)					(109,746)
Profit for the year attributable to equity shareholders of the Company					460,915					528,483

Note: Net exchange loss (net of related income tax) is composed of the Group's share of exchange loss (net of related income tax) of a joint venture of RMB15,648,000 (2023: RMB12,981,000) and the net exchange loss of the Group of RMB11,392,000 (2023: RMB9,151,000).

The segment revenue includes the Group's toll revenue from the operation of Coastal Expressway and the Group's share of joint ventures' toll revenue from the operations of toll expressways in the Chinese Mainland and revenue from sales of properties from land development and utilisation project in the Chinese Mainland based on the profit-sharing ratios specified in the relevant joint venture agreements, but excludes construction revenue. All of the segment revenue reported above is earned from external customers.

5 Segment information (continued)

Segment revenue and results (continued)

The reconciliation between the total revenue of reportable segment and the revenue of the Group is as follows:

	2024 RMB'000	2023 RMB'000
Total reportable segment revenue	**2,809,754**	2,951,830
Exclusion of joint ventures' revenue	**(2,073,467)**	(2,322,521)
Construction revenue	**143,202**	315,468
The Group's revenue	**879,489**	944,777

The segment results represent (i) the Group's results from the operation of Coastal Expressway; (ii) the Group's share of joint ventures' results from the operations of toll expressways and land development and utilisation project in Chinese Mainland before net exchange gain/loss (net of related income tax) respectively based on the profit-sharing ratios or shareholding percentage specified in the relevant joint venture agreements; (iii) net of the withholding tax attributed to the dividend received from the joint ventures and deferred tax expenses recognised in respect of the undistributed earnings of the joint ventures; and (iv) amortisation of additional cost of investments in joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographical information

The main operations of the Group and its joint ventures are located in Chinese Mainland. All of the Group and its joint ventures' revenue from external customers was generated from the services provided in Chinese Mainland. The non-current assets amounting to RMB5,346,000 (2023: RMB8,680,000) are located in Hong Kong and the remaining balances are located in Chinese Mainland.

Segment assets and liabilities

Segment assets and liabilities are not disclosed as they are not regularly provided to the CODM for the purpose of resource allocation and performance assessment.

Information about major customers

No individual customer of the Group had contributed sales of over 10% of the total revenue of the Group for both years.

6 Revenue

	2024 RMB'000	2023 RMB'000
Toll revenue	**736,287**	629,309
Construction revenue	**143,202**	315,468
	879,489	944,777

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its contracts with customers, hence no information required by paragraph 120 of IFRS 15 was disclosed.

7 Other income

	2024 RMB'000	2023 RMB'000
Interest income on:		
— Bank deposits	**14,590**	11,330
— Amount due from a joint venture	**–**	3,818
Investment income from structured deposits	**3,521**	6,864
Government grants	**26**	200
Dividend income from equity instrument at FVOCI	**528**	920
Other services income	**8,027**	13,848
Others	**3,188**	845
	29,880	37,825

8 Profit before tax

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

		2024 RMB'000	2023 RMB'000
(a)	**Staff costs**		
	Directors' emoluments (Note 10)	**6,594**	7,941
	Other staff costs	**76,838**	80,611
		83,432	88,552
(b)	**Finance costs**		
	Interest on bank loans	**174,563**	167,289
	Interest arising from capital reduction to Shenzhen Expressway	**–**	3,856
	Interest on lease liabilities (Note 14)	**456**	778
		175,019	171,923
(c)	**Other items**		
	Auditor's remuneration	**1,380**	1,330
	Depreciation of right-of-use assets	**8,959**	8,636
	Depreciation of property, plant and equipment	**21,732**	22,479
	Amortisation of concession intangible assets	**243,568**	205,524
	Amortisation of other intangible assets	**5,375**	1,009
	Gain on disposal of property, plant and equipment	**(16)**	–
	Short-term lease expense	**1,190**	956
	Net exchange loss	**11,392**	9,151

9 Income tax

Taxation in the consolidated statement of profit or loss represents:

	2024 **RMB'000**	2023 RMB'000
Current tax		
— Corporate Income Tax	**25,374**	1,701
— Withholding tax	**8,324**	11,081
Deferred tax	**84,359**	119,261
	118,057	132,043

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong for both years.

The current tax of the Group made amount of withholding tax of RMB8,324,000 (2023: RMB11,081,000) imposed on dividends actually paid during the year deducted by joint ventures of the Group of which the corresponding amount had already been recognised as deferred tax liabilities in prior years in respect of undistributed earnings of a joint venture. The applicable withholding tax rate of the Group is 5%.

The reconciliation between income tax expense for the year and profit before tax in consolidated statement of profit or loss is set out below:

	2024 **RMB'000**	2023 RMB'000
Profit before tax	**715,916**	770,272
Tax calculated at PRC statutory income tax rate of 25% (2023:25%)	**178,979**	192,568
Effect of different tax rates on income tax expense	**(25,226)**	(20,740)
Tax effect of income not taxable for tax purposes	**(34)**	(268)
Tax effect of non-deductible expenses	**14,051**	18,178
Tax effect of share of results of joint ventures	**(146,315)**	(172,824)
Tax effect of tax losses	**66,450**	78,767
Withholding tax	**30,152**	36,362
Income tax expense	**118,057**	132,043

10 Directors' and five highest paid individuals' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 December 2024				
	Directors' fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses (Note (k)) RMB'000	Contribution to retirement benefits plans RMB'000	Total RMB'000
Executive directors					
Xiangwen LIAO (Note (a))	–	–	–	–	–
Jianming WU (Note (h))	92	628	891	170	1,781
Cheng WU (Note (i))	92	528	726	149	1,495
Ji LIU (Note (j))	92	528	726	149	1,495
Non-executive directors					
Siyan CHEN (Note (f))	324	–	–	–	324
Xuan WANG	324	–	–	–	324
Independent non-executive directors					
Yu Lung CHING	407	–	–	–	407
Tony Chung Nin KAN	407	–	–	–	407
Peng XUE	361	–	–	–	361
	2,099	1,684	2,343	468	6,594

10 Directors' and five highest paid individuals' emoluments (continued)

	Year ended 31 December 2023				
	Directors' fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Contribution to retirement benefits plans RMB'000	Total RMB'000
Executive directors					
Xiangwen LIAO (Note (a))	–	–	–	–	–
Wei HU (Note (b))	4	47	76	1	128
Tianliang ZHANG (Note (c))	45	135	731	26	937
Jianming WU	181	540	831	151	1,703
Cheng WU	181	440	864	151	1,636
Ji LIU	181	440	854	151	1,626
Non-executive directors					
Junye CAI (Note (d))	30	–	–	–	30
Weiguo ZONG (Note (e))	158	–	–	–	158
Siyan CHEN (Note (f))	287	–	–	–	287
Xuan WANG	158	–	–	–	158
Independent non-executive directors					
Brian David Man Bun LI (Note (g))	153	–	–	–	153
Yu Lung CHING	398	–	–	–	398
Tony Chung Nin KAN	388	–	–	–	388
Peng XUE	339	–	–	–	339
	2,503	1,602	3,356	480	7,941

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were paid for their services as directors of the Company.

10 Directors' and five highest paid individuals' emoluments (continued)

Notes:

(a) Mr. Xiangwen LIAO was appointed as an executive director and the chairman of the board of directors of the Company on 6 January 2023. During the year, Mr LIAO has waived his 2024 emoluments of RMB231,000 (2023: RMB222,000).

(b) Mr. Wei HU was ceased to act as an executive director and the chairman of the board of directors of the Company on 6 January 2023.

(c) Mr. Tianliang ZHANG ceased to act as an executive director of the Company on 31 March 2023.

(d) Mr. Junye CAI ceased to act as a non-executive director of the Company on 3 February 2023.

(e) Mr. Weiguo ZONG ceased to act as a non-executive director of the Company on 30 June 2023.

(f) Ms. Siyan CHEN was appointed as a non-executive director of the Company on 3 February 2023.

(g) Mr. Brian David Man Bun LI ceased to act as an independent non-executive director of the Company on 19 May 2023.

(h) Mr. Jianming WU was appointed as an executive director of the Company on 4 February 2022. During the year, Mr. WU has waived his emoluments from 1 July 2024 to 31 December 2024 of RMB92,000 (2023:Nil).

(i) Mr. Cheng WU was appointed as an executive director of the Company on 11 April 2018. During the year, Mr. WU has waived his emoluments from 1 July 2024 to 31 December 2024 of RMB92,000 (2023:Nil).

(j) Mr. Ji LIU was appointed as an executive director of the Company on 11 April 2018. During the year, Mr. LIU has waived his emoluments from 1 July 2024 to 31 December 2024 of RMB92,000 (2023:Nil).

(k) The amounts of discretionary bonuses for the year ended 31 December 2024 include the accrued but not yet paid component.

10 Directors' and five highest paid individuals' emoluments (continued)

Five highest paid individuals' emoluments

Of the five individuals with the highest emoluments in the Group, 3 (2023: 3) were directors whose details of their emoluments are disclosed above.

The emoluments of the remaining 2 (2023: 2) highest paid employees were as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries,allowances and other benefits	**2,389**	2,593
Discretionary bonuses	**260**	258
Contribution to retirement benefits plans	**33**	36
	2,682	2,887

The number of the highest paid employees who are not directors whose remuneration fell within the following band is as follow:

	2024 **Number of individuals**	2023 Number of individuals
HK$1,000,001–HK$1,500,000	**2**	–
HK$1,500,001–HK$2,000,000	**–**	2

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to any of the persons who are directors or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

11 Earnings per share

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

	2024 **RMB'000**	2023 RMB'000
Earnings for the purposes of basic earnings per share	**460,915**	528,483

	2024	2023
Number of ordinary shares for the purpose of basic earnings per share	**3,081,690,283**	3,081,690,283

There was no potential dilutive ordinary shares in issue during both years and therefore no diluted earnings per share were presented.

12 Retirement benefits plans

The Group has established the Mandatory Provident Fund Scheme (the "MPF Scheme") for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the Hong Kong employees' monthly relevant income capped at HK$30,000. In addition, Chinese Mainland employees employed by the Group are members of the state-managed retirement benefit schemes operated by the PRC Government. The Group is required to contribute the proportion specified by the local government of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year ended 31 December 2024 are RMB8,280,000 (2023: RMB7,231,000).

13 Property, plant and equipment

	Buildings RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Transportation equipment RMB'000	Total RMB'000
Cost					
At 1 January 2023	288,067	4,471	14,307	206,058	512,903
Additions	–	–	507	204	711
Transfer from construction in progress	–	–	–	4,117	4,117
Disposals	–	–	(407)	–	(407)
Adjustments	–	–	(627)	(99)	(726)
At 31 December 2023	288,067	4,471	13,780	210,280	516,598
At 1 January 2024	**288,067**	**4,471**	**13,780**	**210,280**	**516,598**
Additions	**–**	**336**	**1,069**	**704**	**2,109**
Transfer from construction in progress	**–**	**–**	**–**	**2,647**	**2,647**
Disposals	**–**	**(283)**	**(228)**	**(5)**	**(516)**
At 31 December 2024	**288,067**	**4,524**	**14,621**	**213,626**	**520,838**
Accumulated depreciation					
At 1 January 2023	63,364	3,528	6,262	149,773	222,927
Charge for the year	12,773	363	1,676	7,667	22,479
Write back on disposals	–	–	(407)	–	(407)
At 31 December 2023	76,137	3,891	7,531	157,440	244,999
At 1 January 2024	**76,137**	**3,891**	**7,531**	**157,440**	**244,999**
Charge for the year	**12,773**	**282**	**1,744**	**6,933**	**21,732**
Write back on disposals	**–**	**(269)**	**(206)**	**(3)**	**(478)**
At 31 December 2024	**88,910**	**3,904**	**9,069**	**164,370**	**266,253**
Net book value					
At 31 December 2024	**199,157**	**620**	**5,552**	**49,256**	**254,585**
At 31 December 2023	211,930	580	6,249	52,840	271,599

14 Right-of-use assets

	RMB'000
Cost	
As at 1 January 2023	26,307
Decrease	(252)
As at 31 December 2023	26,055
As at 1 January 2024	**26,055**
Additions	**701**
As at 31 December 2024	**26,756**
Accumulated depreciation	
As at 1 January 2023	4,435
Charge for the year	8,636
As at 31 December 2023	13,071
As at 1 January 2024	**13,071**
Charge for the year	**8,959**
As at 31 December 2024	**22,030**
Carrying amounts	
As at 31 December 2024	**4,726**
As at 31 December 2023	12,984

	2024	*2023*
	RMB'000	*RMB'000*
Interest on lease liabilities (Note 8)	**456**	778
Expense relating to short-term leases	**1,190**	956

The Group leases office premises for its operations. Lease contracts are entered into for fixed term of 3 years (2023: 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31 December 2024, the Group added right-of-use assets and lease liabilities amounted to RMB701,000 and RMB701,000 respectively (2023: Nil). The total cash outflow for leases during the year amounted to RMB16,612,000 (2023: RMB3,151,000).

14 Right-of-use assets (continued)

Restrictions or covenants on leases

In addition, lease liabilities of RMB5,116,000 (2023: RMB13,763,000) are recognised with related right-of-use assets of RMB4,726,000 (2023: RMB12,984,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

In addition, the Group regularly entered into short-term leases for car parks and staff quarters, of which the Group applies the short-term lease recognition exemption to leases of such properties. For the year ended 31 December 2024, the Group incurred expense relating to short-term leases amounting to RMB1,190,000 (2023: RMB956,000). As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

15 Construction in progress

	RMB'000
Cost	
As at 1 January 2023	6,956
Additions	21,148
Transfer to property, plant and equipment	(4,117)
As at 31 December 2023	23,987
As at 1 January 2024	**23,987**
Additions	**9,863**
Transfer to property, plant and equipment	**(2,647)**
Transfer to other intangible assets	**(17,004)**
As at 31 December 2024	**14,199**

16 Concession intangible assets

	RMB'000
Cost	
As at 1 January 2023	9,617,461
Additions	325,615
As at 31 December 2023	9,943,076
As at 1 January 2024	**9,943,076**
Additions	**143,202**
As at 31 December 2024	**10,086,278**
Accumulated amortisation and impairment losses	
As at 1 January 2023	3,942,404
Charge for the year	205,524
As at 31 December 2023	4,147,928
As at 1 January 2024	**4,147,928**
Charge for the year	**243,568**
As at 31 December 2024	**4,391,496**
Carrying amounts	
As at 31 December 2024	**5,694,782**
As at 31 December 2023	5,795,148

As at 31 December 2024 and 2023, the concession intangible assets of Coastal Expressway are pledged to a bank to secure the bank facilities granted to Coastal Expressway.

Concession intangible assets represent the rights to operate Coastal Expressway granted by the relevant local government authorities in the PRC to the Coastal Company.

The period of rights to operate the toll is up to year 2038. According to the relevant governments' approval documents and the relevant regulations, the Coastal Company is responsible for the construction of the toll roads and the acquisition of the related facilities and equipments. The Coastal Company is also responsible for the operations and management, maintenance and overhaul of the toll roads during the approved operating period. The toll fees collected and collectible during the operating period are attributable to the Coastal Company. The relevant toll roads assets are required to be returned to the local government authorities when the operating rights period expires without any consideration payable to the Coastal Company. According to the relevant regulations, the operating right is generally not renewable and the Coastal Company does not have any termination options.

The Coastal Company has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The Coastal Company also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist and then adjust the amortisation based on unit usage according to the revised total projected traffic volume, to ensure that the respective concession intangible assets would be fully amortised in the operating period.

Carrying amounts of concession intangible assets as at 31 December 2024 and 2023 are net of impairment loss of RMB2,638,235,000 recognised in 2017.

17 Other intangible assets

	Software *RMB'000*
Cost	
As at 1 January 2023	3,033
Additions	1,777
As at 31 December 2023	4,810
As at 1 January 2024	**4,810**
Additions	**6,039**
Transfer from construction in progress	**17,004**
As at 31 December 2024	**27,853**
Accumulated amortisation	
As at 1 January 2023	1,256
Charge for the year	1,009
As at 31 December 2023	2,265
As at 1 January 2024	**2,265**
Charge for the year	**5,375**
As at 31 December 2024	**7,640**
Carrying amounts	
As at 31 December 2024	**20,213**
As at 31 December 2023	2,545

18 Interests in joint ventures

	2024 RMB'000	2023 RMB'000
At 1 January	**4,990,898**	4,519,423
Share of results of joint ventures	**585,260**	691,297
Share of dividends distributed by joint ventures	**(301,489)**	(219,822)
At 31 December	**5,274,669**	4,990,898

As at 31 December 2024 and 2023, particulars of the Group's joint ventures are as follows:

Name of company	Place of establishment and principal place of operation	Fully paid registered capital		Principal activity	Proportion of registered capital contribution		Proportion of voting rights held	
		2024	2023		2024	2023	2024	2023
Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS JV", 廣深珠高速公路有限公司) (Note (a)(b))	Chinese Mainland	Nil (Note i)	Nil (Note i)	Development, operation and management of GS Superhighway	Not applicable	Not applicable	50%	50%
Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("GZ West JV", 廣東廣珠西綫高速公路有限公司) (Note (a)(b))	Chinese Mainland	RMB 4,899,000,000 (Note ii)	RMB 4,899,000,000 (Note ii)	Development, operation and management of GZ West Superhighway	50%	50%	50%	50%
Guangzhou Zhentong Development Company Limited ("Xintan JV", 廣州臻通實業發展有限公司) (Note (a)(c))	Chinese Mainland	RMB 3,040,000,000 (Note iii)	RMB 3,040,000,000 (Note iii)	Land development and utilisation	15%	15%	15%	15%

(a) These entities are limited liability companies established in the PRC.

(b) Both GS JV and GZ West JV are sino-foreign co-operative joint venture enterprises established to invest in toll expressway projects in Chinese Mainland.

(c) Xintang JV is a joint venture enterprise established to invest in the Xintang Overpass Residential Project in Chinese Mainland.

18 Interests in joint ventures (continued)

The principal terms of the joint venture agreements entered into between the relevant subsidiaries and the corresponding joint venture partners under which the joint ventures operate are as follows:

(i) GS JV

GS JV is established to undertake the development, operation and management of the GS Superhighway, an expressway in Guangdong Province of the PRC running between Shenzhen and Guangzhou. The operating period is 30 years from the official opening date of 1 July 1997.

The Group's entitlement to the profit of the toll operations of GS JV is 50% for the initial 10 years of operating period, 48% for the next 10 years and 45% for the last 10 years of the operating period.

The registered capital previously injected by the Group to GS JV had been repaid to the Group by GS JV during the financial year ended 30 June 2008.

With the economic development and the increase in car ownership in Guangdong Province, the traffic flow on GS Superhighway has been nearly saturated and the reconstruction and expansion of GS Superhighway ("the project") are required. The project will be divided into two sections, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission during 2023 and expansion work has been commenced by end of 2023. To meet the funding needs of the this section's reconstruction and expansion project, the Group intends to contribute, by way of registered capital, RMB3.285 billion to GS JV, upon completion of the capital contribution matters, the Group will still hold 45% equity interests in GS JV. The reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway has obtained the funding arrangement advice of the Ministry of Transport of the PRC as at the date of the financial statements.

18 Interests in joint ventures (continued)

(ii) GZ West JV

GZ West JV is established to undertake the development, operation and management of GZ West Superhighway, an expressway linking Guangzhou, Foshan, Zhongshan and Zhuhai and was built in three phases.

Phase I of the GZ West Superhighway ("Phase I West")

The total investment for the Phase I West is RMB1,680,000,000, of which was funded by the registered capital of GZ West JV amounting to RMB588,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB294,000,000). The operating period for Phase I West is 30 years commencing from 17 September 2003.

Phase II of the GZ West Superhighway ("Phase II West")

The total investment for the Phase II West is RMB6,715,000,000, of which was funded by the registered capital of GZ West JV amounting to RMB2,351,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB1,175,500,000). The operating period for Phase II West is 25 years commencing from 25 June 2010.

Phase III of the GZ West Superhighway ("Phase III West")

The total investment for the Phase III West is RMB5,400,000,000, of which was funded by the registered capital of GZ West JV amounting to RMB1,960,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB980,000,000). The operating period for Phase III West is 25 years commencing from 25 January 2013.

The Group is entitled to 50% of the distributable profits from operation of GZ West JV. At the end of the respective operating periods of Phase I West, Phase II West and Phase III West, all the immovable assets and facilities of each phase will be reverted to relevant PRC governmental authority which regulates transportation without compensation. The registered capital contributions are required to be repaid to both the Group and the PRC joint venture partner. The repayments are required to be approved by the Board of Directors of GZ West JV.

18 Interests in joint ventures (continued)

(iii) Xintang JV

Xintang JV is established to engage in the development of residential project on the Xintang Interchange.

On 10 September 2020, the Group entered into an agreement to dispose of 22.5% equity interest of Xintang JV, together with the transfer of its rights in the corresponding portion of its shareholders' loans advanced to Xintang JV and the outstanding interests accrued thereon, through a public tender process (the "Partial Disposal"). The Group held 15% equity interest in the Xintang JV upon completion of the Partial Disposal.

A gain on Partial Disposal of RMB545,181,000 was recognised during the year ended 31 December 2020, which was the difference between the consideration received from the Partial Disposal of RMB1,090,432,000 less corresponding portion of its shareholders' loans advanced to Xintang JV of RMB532,534,000 less related fees of RMB12,717,000 and the carrying value of the Group's 22.5% equity interest of Xintang JV on the completion date amounted to zero.

As at 31 December 2020, the fully paid registered capital of Xintang JV was RMB10,000,000. During the year ended 31 December 2021, the fully paid registered capital was increased from RMB10,000,000 to RMB3,040,000,000 and the Group had capitalised an amount due from a joint venture of RMB454,500,000 into capital contribution of the joint venture on a dollar-to-dollar basis.

As at 31 December 2024 and 2023, the Group held 15% equity interest in the Xintang JV. The Group is able to exercise joint control over Xintang JV which the decisions about the relevant activities require the unanimous consent of the Group and the other shareholders. Accordingly, Xintang JV is regarded as a joint venture of the Group.

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures

Summarised financial information in respect of the Group's joint ventures and reconciliation of the summarised financial information to the carrying amount of the interests in the respective joint ventures recognised in the consolidated financial statements are set out below:

In respect of the years ended 31 December 2024 and 2023:

	At 31 December 2024			
	GS JV RMB'000	GZ JV West RMB'000	Xintang JV RMB'000	Total RMB'000
Current assets	2,167,666	466,736	5,089,745	
Non-current assets	6,157,203	9,591,987	193,114	
Current liabilities	(1,911,328)	(942,350)	(890,572)	
Non-current liabilities	(2,760,187)	(5,818,972)	(1,621,891)	
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	1,856,104	441,839	478,935	
Concession intangible assets	5,082,200	9,324,996	–	
Bank and other loans in current liabilities	(754,131)	(562,936)	(1,443)	
Bank and other loans in non-current liabilities	(2,089,712)	(2,963,906)	(1,621,891)	
Net assets of joint ventures	3,653,354	3,297,401	2,770,396	
Proportion of the Group's interests	45%	50%	15%	
Group's share of joint ventures' net assets	1,644,009	1,648,701	415,559	
Elimination of unrealised profit on disposal of land (Note i and ii)	(61,302)	–	–	
Effect of change in profit sharing ratio of a joint venture over the operating period in prior year	988	–	–	
Interest-free registered capital contributions made by the Group	–	1,228,806	–	
Net assets contributable to the Group	1,583,695	2,877,507	415,559	4,876,761
Carrying amount of additional cost of investment	366,925	30,983	–	397,908
Carrying amount of the Group's interest in joint ventures	1,950,620	2,908,490	415,559	5,274,669

	For the year ended 31 December 2024			
	GS JV RMB'000	GZ JV West RMB'000	Xintang JV RMB'000	Total RMB'000
Profit and total comprehensive income for the year	1,242,549	250,149	(113,799)	
Group's share of dividends distributed by the joint ventures	135,000	166,489	–	
The above profit for the year includes the following:				
Toll revenue	2,885,189	1,268,679	–	
Revenue from sales of properties	–	–	938,623	
Construction revenue	766,195	124,673	–	
Depreciation and amortisation	(849,470)	(557,500)	(5,170)	
Toll expressway operation expenses	(423,613)	(228,670)	–	
Income tax	(406,680)	(95,280)	416	
Proportion of the Group's interest	45%	50%	15%	
Profit/(loss) shared by the Group	559,147	125,075	(17,070)	667,152
The impact of additional development borne by the Group costs on the joint ventures	(82,717)	(1,183)	–	(83,900)
Elimination of unrealised profit on disposal of land (Note ii)	2,008	–	–	2,008
Share of results of joint ventures by the Group	478,438	123,892	(17,070)	585,260

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures (continued)

	At 31 December 2023			
	GS JV RMB'000	*GZ JV West RMB'000*	*Xintang JV RMB'000*	*Total RMB'000*
Current assets	1,272,157	489,479	5,625,698	
Non-current assets	5,510,192	10,064,985	200,325	
Current liabilities	(1,579,391)	(953,296)	(1,065,681)	
Non-current liabilities	(2,492,153)	(6,137,633)	(1,876,147)	
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	776,265	457,810	197,823	
Concession intangible assets	5,125,565	9,757,640	–	
Bank and other loans in current liabilities	(607,510)	(618,904)	(98,745)	
Bank and other loans in non-current liabilities	(2,059,454)	(3,293,968)	(1,876,147)	
Net assets of joint ventures	2,710,805	3,463,535	2,884,195	
Proportion of the Group's interests	45%	50%	15%	
Group's share of joint ventures' net assets	1,219,862	1,731,768	432,629	
Elimination of unrealised profit on disposal of land (Note i and ii)	(63,310)	–	–	
Effect of change in profit sharing ratio of a joint venture over the operating period in prior year	988	–	–	
Interest-free registered capital contributions made by the Group	–	1,187,153	–	
Net assets contributable to the Group	1,157,540	2,918,921	432,629	4,509,090
Carrying amount of additional cost of investment	449,642	32,166	–	481,808
Carrying amount of the Group's interest in joint ventures	1,607,182	2,951,087	432,629	4,990,898

	For the year ended 31 December 2023			
	GS JV RMB'000	*GZ JV West RMB'000*	*Xintang JV RMB'000*	*Total RMB'000*
Profit and total comprehensive income for the year	1,360,192	275,758	279,458	
Group's share of dividends distributed by the joint ventures	108,000	111,822	–	
The above profit for the year includes the following:				
Toll revenue	2,892,203	1,303,868	–	
Revenue from sales of properties	–	–	2,460,640	
Construction revenue	1,048,476	38,392	–	
Depreciation and amortisation	(964,313)	(535,644)	(956)	
Toll expressway operation expenses	(417,059)	(232,432)	–	
Income tax	(457,090)	(94,302)	(93,011)	
Proportion of the Group's interest	45%	50%	15%	
Profit shared by the Group	612,086	137,879	41,919	791,884
The impact of additional development borne by the Group costs on the joint ventures	(102,136)	(1,032)	–	(103,168)
Elimination of unrealised profit on disposal of land (Note ii)	2,581	–	–	2,581
Share of results of joint ventures by the Group	512,531	136,847	41,919	691,297

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures (continued)

Notes:

(i) GS JV disposed of certain land with a carrying amount of RMB3,990,000 to the local government at a total consideration of RMB179,022,000 in November 2019. Subsequently, Xintang JV won the bid for the land use rights with the local government to acquire part of the aforesaid disposed land at a total consideration of RMB4,124,000,000 in December 2019. As at 31 December 2019, a sale and purchase agreement was entered into by Xintang JV and the local government while the land was handed over in 2020. GS JV is regarded as disposing of certain land with a carrying amount of RMB2,643,000 to Xintang JV. An unrealised profit on disposal of such land amounting to RMB32,611,000 was eliminated in the consolidated financial statements of the Group during the year ended 31 December 2019. For the year ended 31 December 2020, after completing a partial sale of the Xintang joint venture, unrealised profits of RMB19,567,000 was released.

For the year ended 31 December 2024, upon recognition of sales of properties of Xintang JV, unrealised profit of RMB2,008,000 (2023: RMB2,581,000) was released.

(ii) During the year ended 31 December 2022, a sale and purchase agreement of land was entered into by GS JV and the local government. GS JV disposed of certain land with a carrying amount RMB5,566,000 to the local government at a total consideration of RMB319,346,000 and the legal title of the land was transferred to local government in December 2022, resulting in a gain on disposal of RMB235,335,000 (net of tax). In addition, the local government has published an auction plan for certain portion of the land being disposed. As this is the intention of the management to establish a new project company with other company and acquire the land for property development project, this is considered to be a single transaction. For the portion of land which will not be auctioned, the 45% share of gain on disposal of that piece of land amounted to RMB53,054,000 was recognised as share of results of joint ventures during the year ended 31 December 2022. For the portion of land which will be auctioned, share of the gain amounted to RMB52,847,000 was considered as unrealised profit and eliminated in the consolidated financial statements of the Group as at 31 December 2022.

For the year ended 31 December 2024, no further unrealised profit was released.

19 Equity instrument at FVOCI

The Group holds certain interest in an unlisted limited company established in Chinese Mainland, which directors have elected to designate the investment in equity instrument as at FVOCI as they believe that the investment is not held for trading and not expected to be sold in the foreseeable future.

20 Trade and other receivables

	2024	*2023*
	RMB'000	*RMB'000*
Trade receivables	**144,558**	141,933
Dividend receivable from a joint venture	**135,000**	–
Deposits and prepayment	**2,200**	20,944
Amounts due from related parties	**4,082**	2,321
Others	**4,413**	3,340
	145,695	26,605
	290,253	168,538

As at 31 December 2024 and 2023, entire balances of trade receivables are pledged to a bank to secure bank facilities granted by the bank to a subsidiary.

The following is the ageing analysis of trade receivables presented based on the revenue recognition date:

	2024	*2023*
	RMB'000	*RMB'000*
0–60 days	**28,342**	31,808
61–90 days	**15,787**	11,195
91–180 days	**49,082**	34,693
181–365 days	**51,347**	64,237
	144,558	141,933

As at 31 December 2024 and 2023, no trade receivable balance is past due. Included in the balance is an amount of RMB137,602,000 (2023: RMB134,814,000) relating to subsidies on toll fee from the government. The balances are to be settled within 60 days after the end of the fiscal year in which the balances are recognised.

21 Time deposits

Time deposits are deposit certificates issued by bank in Chinese Mainland and bear fixed interest rate.

22 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	2024 RMB'000	2023 RMB'000
Cash at bank and in hand	**795,701**	487,051
Less: restricted bank deposits	**(62,415)**	(3,434)
	733,286	483,617

(b) Reconciliation of profit before tax to cash generated from operations:

	2024 RMB'000	2023 RMB'000
Profit before tax	**715,916**	770,272
Adjustments for:		
Dividend income from equity instrument at FVOCI	**(528)**	(920)
Interest income	**(9,883)**	(8,211)
Investment income from structured deposits	**(3,521)**	(6,864)
Interest expense	**175,019**	171,923
Exchange loss	**11,392**	9,151
Depreciation of property, plant and equipment	**21,732**	22,479
Depreciation of right-of-use assets	**8,959**	8,636
Amortisation of concession intangible assets and other intangible assets	**248,943**	206,533
Gain on disposal of property, plant and equipment	**(16)**	–
Share of results of joint ventures	**(585,260)**	(691,297)
Changes in working capital:		
(Increase)/decrease in inventories	**(16)**	215
Increase in trade and other receivables	**(6,024)**	(10,474)
Decrease in trade and other payables	**(5,804)**	(990)
Cash generated from operation	**570,909**	470,453

22 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities

	Bank loans RMB'000	Lease liabilities RMB'000	Dividend payable RMB'000	Total RMB'000
At 1 January 2024	4,031,891	13,763	–	4,045,654
Changes from financing cash flows:				
Proceeds from new bank loans	1,908,043	–	–	1,908,043
Repayment of bank loans	(1,481,241)	–	–	(1,481,241)
Interest paid on bank loans	(168,521)	–	–	(168,521)
Dividend paid	–	–	(608,020)	(608,020)
Capital element of lease rentals paid	–	(15,594)	–	(15,594)
Interest element of lease rentals paid	–	(1,018)	–	(1,018)
Total changes from financing cash flows	258,281	(16,612)	(608,020)	(366,351)
Other changes:				
Interest expenses (Note 8)	174,563	456	–	175,019
Dividends declared	–	–	596,307	596,307
New lease entered	–	701	–	701
Other	–	6,720	–	6,720
Exchange differences	67,395	88	11,713	79,196
Total other changes	241,958	7,965	608,020	857,943
At 31 December 2024	4,532,130	5,116	–	4,537,246

	Bank loans RMB'000	Lease liabilities RMB'000	Dividend payable RMB'000	Capital reduction payable to Shenzhen Expressway RMB'000	Total RMB'000
At 1 January 2023	3,960,331	22,757	–	265,942	4,249,030
Changes from financing cash flows:					
Proceeds from new bank loans	1,203,879	–	–	–	1,203,879
Repayment of bank loans	(1,175,888)	–	–	–	(1,175,888)
Interest paid on bank loans	(167,702)	–	–	–	(167,702)
Dividend paid	–	–	(287,381)	–	(287,381)
Repayment of capital reduction	–	–	–	(265,942)	(265,942)
Capital element of lease rentals paid	–	(2,950)	–	–	(2,950)
Interest element of lease rentals paid	–	(201)	–	–	(201)
Total changes from financing cash flows	(139,711)	(3,151)	(287,381)	(265,942)	(696,185)
Other changes:					
Interest expenses (Note 8)	171,145	778	–	–	171,923
Dividends declared	–	–	278,814	–	278,814
Rent payable	–	(6,720)	–	–	(6,720)
Exchange differences	40,126	99	8,567	–	48,792
Total other changes	211,271	(5,843)	287,381	–	492,809
At 31 December 2023	4,031,891	13,763	–	–	4,045,654

22 Cash and cash equivalents (continued)

(d) Total cash outflow for leases

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

	2024 RMB'000	2023 RMB'000
Within financing cash flows	**(16,612)**	(3,151)

23 Trade and other payables

	2024 RMB'000	2023 RMB'000
Trade payables		
— third parties	**153,680**	163,545
Amount due to Shenzhen Expressway		
— trade	**49,707**	36,129
— non-trade (Note (i))	**5,325**	2,954
Amounts due to other related parties (Note (i))	**82,060**	75,815
Subsidies received from government (Note (ii))	**60,113**	143,289
Deposits and retention payables	**4,702**	4,942
Accruals on maintenance expenses	**28,106**	35,358
Payroll payables	**21,851**	29,767
Others	**16,399**	14,134
	421,943	505,933

Notes:

(i) The amounts are unsecured and repayable on demand.

(ii) The amount represents unutilised portion of government subsidies received from Shenzhen Finance Bureau for the purpose of construction of phase two of the Coastal Expressway.

The following is the ageing analysis of trade payables, including trade amount due to Shenzhen Expressway, presented based on the recognition dates:

	2024 RMB'000	2023 RMB'000
Within 1 year	**32,534**	46,344
Over 1 year	**170,853**	153,330
	203,387	199,674

24 Lease liabilities

	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
Within one year	5,037	9,081
Within a period of more than one year but not exceeding two years	79	4,682
	5,116	13,763
Less: Amount due for settlement within one year (shown under current liabilities)	(5,037)	(9,081)
Amounts due for settlement after one year	79	4,682

No extension options are included in any of the lease agreements entered by the Group. The weighted average incremental borrowing rates applied by the relevant group entity are ranging from 3.02% to 3.70% per annum (2023: 3.02% to 3.70%). The lease liabilities are measured at the present value of the lease payments that are not yet paid, and the lease obligations are denominated in the currency that is same as the functional currency of the relevant group entity.

25 Bank loans

	2024 RMB'000	2023 RMB'000
Unpledged (Note (a))	4,502,130	4,001,891
Pledged (Note (b))	30,000	30,000
	4,532,130	4,031,891

Notes:

(a) As at 31 December 2024 and 2023, the amount of the bank loans are guaranteed by the Company is RMB3,694,779,000 (2023：RMB3,801,213,000).

(b) As at 31 December 2024 and 2023, the bank loan is pledged by the toll collection rights and the concession intangible assets of the Coastal Expressway of the Coastal Company.

Included in bank loans are amounts denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
HKD	2,093,655	2,100,707
RMB	2,438,475	1,931,184

25 Bank loans (continued)

	2024 *RMB'000*	*2023* *RMB'000*
The borrowings are repayable as follows:		
Within one year	**3,104,230**	1,817,816
After 1 year but within 2 years	**202,100**	786,175
After 2 years but within 5 years	**1,206,300**	906,300
After 5 years	**19,500**	521,600
	4,532,130	4,031,891
Less: Amounts due for settlement within one year (shown under current liabilities)	**(3,104,230)**	(1,817,816)
Amounts due for settlement after 1 year	**1,427,900**	2,214,075

As at 31 December 2024, variable rate HKD denominated bank loans carried interests are not higher than Hong Kong Interbank Offered Rate ("HIBOR") plus 1.30% (2023: not higher than HIBOR plus 1.30%) per annum, and variable rate RMB denominated bank loans carried interests are not higher than Loan Prime Rate minus 0.85% (2023: not higher than Loan Prime Rate minus 1.30%) per annum.

26 Deferred tax

	2024 *RMB'000*	*2023* *RMB'000*
Net deferred tax asset	**54,448**	116,979
Net deferred tax liability	**(180,626)**	(158,537)
	(126,178)	(41,558)

26 Deferred tax (continued)

The movement of deferred tax assets (liabilities) is as follows:

Deferred tax arising from:	*Excess of tax amortisation over accounting amortisation and impairment of intangible assets*	*Fair value change on investment in equity instrument at FVOCI*	*Tax on undistributed earnings of subsidiary and joint ventures*	*Tax on dividends from a joint venture reinvested*	*Tax losses*	*Others*	*Total*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	133,563	(1,932)	(80,744)	(50,732)	77,297	99	77,551
(Charged)/credited to profit or loss	(40,126)	–	(36,362)	–	(53,975)	121	(130,342)
Credit to other comprehensive income	–	152	–	–	–	–	152
Release to profit or loss upon declaration of dividends	–	–	11,081	–	–	–	11,081
At 31 December 2023 and 1 January 2024	**93,437**	**(1,780)**	**(106,025)**	**(50,732)**	**23,322**	**220**	**(41,558)**
Charged to profit or loss	**(39,184)**	**–**	**(30,152)**	**–**	**(23,322)**	**(25)**	**(92,683)**
Charged to other comprehensive income	**–**	**(261)**	**–**	**–**	**–**	**–**	**(261)**
Release to profit or loss upon declaration of dividends	**–**	**–**	**8,324**	**–**	**–**	**–**	**8,324**
31 December 2024	**54,253**	**(2,041)**	**(127,853)**	**(50,732)**	**–**	**195**	**(126,178)**

27 Capital, reserves and dividends

(a) Share capital

	Number of shares	Nominal amount HKD'000
Ordinary shares of HKD0.1 each		
Authorised:		
As at 31 December 2024 and 2023	10,000,000,000	1,000,000

	Number of shares	Nominal amount HKD'000	Nominal amount Equivalent to RMB'000
Issued and fully paid:			
As at 31 December 2024 and 2023	3,081,690,283	308,169	270,603

(b) Dividends

(i) Dividends recognised as a distribution during the year:

	2024 RMB'000	2023 RMB'000
Final dividend for the year ended 31 December 2023 paid of RMB11.55 cents (equivalent to HK12.724173 cents) (2023: for the year ended 31 December 2022 paid of RMB3.25 cents (equivalent to HK3.688685 cents)) per share	355,935	100,155
Interim dividend for the year ended 31 December 2024 paid of RMB7.80 cents (equivalent to HK8.522358 cents) (2023: for the year ended 31 December 2023 paid of RMB5.55 cents (equivalent to HK6.043062 cents)) per share	240,372	171,034
	596,307	271,189

(ii) Proposed dividends:

	2024 RMB'000	2023 RMB'000
Final dividend for the year ended 31 December 2024 proposed of RMB7.15 cents (equivalent to HK7.74202 cents) (2023: for the year ended 31 December 2023 proposed of RMB11.55 cents (equivalent to HK12.724173 cents)) per share	220,341	355,935

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.

27 Capital, reserves and dividends (continued)

(c) Share premium

It represents the excess of the net proceeds from issuance of the Company's shares over its par value.

(d) Statutory reserve

Pursuant to applicable PRC regulations, PRC companies are required to appropriate 10% of their profit after taxation (after offsetting prior years' losses) to the reserve until such reserve reaches 50% of the registered capital.

(e) Investment revaluation reserve

Investment revaluation reserve has been set up and is dealt with in accordance with the accounting policy set out in note 3(r).

(f) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements for the entity's functional currency which is not RMB. The reserve is dealt with in accordance with the accounting policies set out in note 3(n).

(g) Capital reserve

Capital reserve represented the 51% share of registered capital and capital reserve of the Coastal Company amounting to RMB4,437,000,000 less the difference between (a) the capital reduction of the Coastal Company of RMB3,800,000,000 and add (b) the 49% share by non-controlling interests in the net movement in registered capital and capital reserve (being the capital reduction of RMB3,800,000,000 net of the Subscription of RMB2,998,000,000) amounting to RMB392,980,000.

28 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from that of the prior years.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities respectively, net of cash and cash equivalents and equity attributable to equity shareholders of the Company, comprising share capital, share premium, retained profits and other reserves.

The directors review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the issue of new debt or the repayment of existing debt.

The directors monitor the utilisation of bank loans and ensures full compliance with loan covenants during the year.

29 Financial risk management and fair values of financial instruments

The directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The directors monitor and manage the financial risks relating to the operations of the Group to ensure appropriate measures are implemented on a timely and effective manner. Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

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.

(a) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables,restricted bank deposits and bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables

The Group has a significant concentration credit risk as all trade receivables are from two debtors as at 31 December 2024 and 2023. The credit risk on trade receivables is limited because the debtors are governmental organisations and state-owned enterprises with good reputation and repayment records.

The management of the Group regularly follows up the subsequent settlement from the counterparties. In this regard, the management of the Group considers that this credit concentration risk has been significantly mitigated. In order to minimise the credit risk on trade receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group applies simplified approach and always recognises lifetime ECL for trade receivables on an individual basis. Taking into account the financial condition of the customers and historical settlement pattern with no history of default in the past and the forward-looking information, the management of the Group considers the trade receivables are at lower risk under internal credit rating assessment and the probability of default of the counterparties was low. The ECL arising from the trade receivables was insignificant and no loss allowance provision was recognised as at 31 December 2024 and 2023. There were no credit-impaired trade receivables as at 31 December 2024 and 2023.

Restricted deposits and bank deposits

The credit risks of the Group on liquid funds are limited because the counterparties are banks with good reputation.

29 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. Historically, the Group has relied principally on both operational sources of cash and non-operational sources of equity and debt financing to fund its operations and business development.

Considered historical cash requirements, working capital and capital expenditures plans, estimated cash flows provided by operations, existing cash on hand, ability to renew or refinance banking and other financing facilities upon maturity as well as other key factors, including utilisation of credit facilities granted by financial institutions and ability to adjust the scheduled capital commitments. Management believes the assumptions used in the cash forecast are reasonable.

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

	2024					
	Contractual undiscounted cash outflow					
	Within 1 year RMB'000	*More than 1 year but less than 2 years RMB'000*	*More than 2 years but less than 5 years RMB'000*	*More than 5 years RMB'000*	*Total undiscounted cash flows RMB'000*	*Carrying amount at 31 December RMB'000*
Trade and other payables	**421,943**	**–**	**–**	**–**	**421,943**	**421,943**
Lease liabilities	**5,110**	**79**	**–**	**–**	**5,189**	**5,116**
Bank loans	**3,167,839**	**233,613**	**1,261,188**	**22,458**	**4,685,098**	**4,532,130**
	3,594,892	**233,692**	**1,261,188**	**22,458**	**5,112,230**	**4,959,189**

	2023					
	Contractual undiscounted cash outflow					
	Within 1 year RMB'000	*More than 1 year but less than 2 years RMB'000*	*More than 2 years but less than 5 years RMB'000*	*More than 5 years RMB'000*	*Total undiscounted cash flows RMB'000*	*Carrying amount at 31 December RMB'000*
Trade and other payables	505,933	–	–	–	505,933	505,933
Lease liabilities	9,520	4,746	–	–	14,266	13,763
Bank loans	1,919,696	854,540	1,004,108	638,071	4,416,415	4,031,891
	2,435,149	859,286	1,004,108	638,071	4,936,614	4,551,587

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

29 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk

(i) Interest rate risk

The cash flows interest rate risk of the Group relates primarily to variable rate bank loans with details as set out in note 25 respectively and the variable rate bank loans of its joint ventures.

The Group is exposed to fair value interest risk in relation to certain lease liabilities (see note 24). The management continues to monitor the fair value interest rate exposure of the Group.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of certain interbank offered rates ("IBORs") with alternative nearly risk-free rates. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

For the floating rate loans that are linked to HIBOR, the management expects the HIBOR will continue to maturity. Accordingly, the management does not expect there is significant uncertainty or risks arising from the interest rate benchmark reform.

(ii) Sensitivity analysis

The sensitivity analysis includes only variable financial instruments outstanding at the end of the reporting period were outstanding for the whole period. A 100 basis points is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As at 31 December 2024, the Group (excluding its joint ventures) are exposed to cash flow interest rate in relation to the variable rate bank loans. If interest rate had been 100 basis points higher/lower, the profit for the year of equity shareholders would decrease/increase by RMB27,916,000 (2023: RMB28,710,000).

As at 31 December 2024, the joint ventures of the Group are exposed to cash flow interest rate risk in relation to the variable rate bank loans. If interest rate had been 100 basis points higher/lower, the profit for the year of equity shareholders would decrease/increase by RMB24,625,000 (2023: RMB25,865,000).

29 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk

(i) Exposure to currency risk

The Group undertake certain transactions denominated in foreign currencies, hence exposure to exchange fluctuation arises. Certain of the financial assets and financial liabilities of the Group are denominated in HKD or USD which are currencies other than their respective functional currencies of the respective group entities. The Group manages its foreign currency risk by constantly monitoring the movement of the foreign exchange rates.

The carrying amounts of financial assets and financial liabilities of the entities comprising the Group (not including joint ventures) denominated in currencies other than their respective functional currencies at the end of the reporting period are as follows:

	2024	2023
	RMB'000	*RMB'000*
Assets		
— HKD	**16,824**	7,445
— USD	**–**	38
Liabilities		
— HKD	**2,809**	4,496
— RMB	**30**	30
— USD	**6**	742

In addition, the carrying amounts of monetary assets and monetary liabilities of the Group's joint ventures denominated in currencies other than their respective functional currencies at the end of the reporting period are as follows:

	2024	2023
	RMB'000	*RMB'000*
Asset		
— HKD	**9**	9
Liabilities		
— HKD	**1,541,825**	2,019,756

The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure.

29 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The foreign currency risk of the Group and a joint venture is mainly concentrated on the fluctuation of RMB, the functional currency of the Company, its subsidiaries and a joint venture as at 31 December 2024, against HKD and USD. The following sensitivity analysis includes currency risk related to HKD and USD denominated monetary items of respective group entities and the joint venture.

3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 3% change in foreign currency rate and all other variables are held constant.

As at 31 December 2024, the entities comprising the Group (excluding the joint ventures) had monetary assets and monetary liabilities denominated in HKD and USD that is not the functional currency of the relevant group entities (i.e. RMB). If exchange rate of RMB against HKD and USD had been strengthened/weakened by 3%, the profit for the year attributable to equity shareholders of the Company for the current year would decrease/increase by RMB315,000 (2023: RMB50,000).

As at 31 December 2024, a joint venture of the Group had outstanding bank loans and bank deposits denominated in HKD that are not the functional currency of a joint venture (i.e. RMB). The foreign currency risk associated with foreign currency borrowings and bank deposits exposed by a joint venture is reflected in the share of results of joint ventures. If exchange rate of RMB against HKD had been strengthened/weakened by 3%, the profit for the year attributable to equity shareholders of the Company for the current year would increase/decrease by RMB15,611,000 (2023: RMB20,045,000).

(Expressed in RMB unless otherwise indicated)

29 Financial risk management and fair values of financial instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

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

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Financial assets	*2024*	*2023*	*Fair value hierarchy*	*Valuation technique and key inputs*	*Significant unobservable inputs*	*Relationship of unobservable inputs to fair value(Note)*
Equity instrument at fair value through other comprehensive income	Unlisted equity investment: RMB21,086,000	Unlisted equity investment: RMB18,477,000	Level 3	Market Approach	Price-to-book multiples of several comparable companies with average at 2.02 (2023: 1.98)	The higher the multiples, the higher the fair value
					Risk adjustment for a discount on lack of marketability at 32.32% (2023: 32%)	The higher the discount, the lower the fair value
Structured deposits	Nil	RMB320,372,000	Level 3	Discounted cash flow	Potential return rate of 2.56% to 3.65% (2023: 2.80% to 3.50%) per annum	The higher the potential return rate, the higher the fair value

Note: If the price-to-book multiples to the valuation model is 5% higher/lower, while all the other variables were held constant, the fair value would increase/decrease by approximately RMB1,054,000 (2023: RMB923,000). If the risk adjustment for a discount on lack of marketability to the valuation model is 5% higher/lower, while all the other variables were held constant, the fair value would decrease/increase by approximately RMB503,000 (2023: RMB441,000).

29 Financial risk management and fair values of financial instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements

	Equity instrument at FVOCI *RMB'000*	*Structured deposits* *RMB'000*
At 1 January 2023	20,000	451,440
Total gains (losses):		
— in profit or loss	–	6,864
— in other comprehensive income	(1,371)	–
Purchase	–	1,290,000
Withdrawal	–	(1,420,000)
Interest received	–	(7,932)
Deferred taxes	(152)	–
At 31 December 2023	18,477	320,372
At 1 January 2024	**18,477**	**320,372**
Total gains:		
— in profit or loss	**–**	**3,521**
— in other comprehensive income	**2,348**	**–**
Purchase	**–**	**350,000**
Withdrawal	**–**	**(670,000)**
Interest received	**–**	**(3,893)**
Deferred taxes	**261**	**–**
At 31 December 2024	**21,086**	**–**

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of the financial assets and financial liabilities recognised at amortised cost approximate their fair values.

(Expressed in RMB unless otherwise indicated)

30 Particulars of principal subsidiaries

The following list contains the particulars of the subsidiaries of the Company at 31 December 2024 and 2023 which principally affect the results, assets or liabilities of the Group as the directors are of the opinion that a full list of all the subsidiaries would be of excessive length.

Name of subsidiary	*Place and date of incorporation/ establishment*	*Issued and fully paid share*		*Attributable equity interest held by the Company*		*Proportion of voting power held by the Company*		*Principal activity*
		2024	*2023*	*2024*	*2023*	*2024*	*2023*	
Kingnice (BVI) Limited	British Virgin Islands 24 May 2017	Ordinary shares US$20,000	Ordinary shares US$20,000	97.5%	97.5%	97.5%	97.5%	Investment holding
Hopewell China Development (Superhighway) Limited	Hong Kong, China 30 October 1981	Ordinary shares HK$2 Non-voting deferred shares HK$Nil	Ordinary shares HK$2 Non-voting deferred shares HK$Nil	97.5% of issued ordinary shares	97.5% of issued ordinary shares	97.5%	97.5%	Investment in expressway project
Hopewell Guangzhou-Zhuhai Superhighway Development Limited	Hong Kong, China 3 September 1992	Ordinary shares HK$2 Non-voting deferred shares HK$Nil	Ordinary shares HK$2 Non-voting deferred shares HK$Nil	100% of issued ordinary shares	100% of issued ordinary shares	100.0%	100.0%	Investment in expressway project
SIH Bay Area Finance Limited	Hong Kong, China 9 July 2005	Ordinary share HK$1	Ordinary share HK$1	100.0%	100.0%	100.0%	100.0%	Loan finance
Shenwan Bay Area Infrastructure (Shenzhen) Company Limited (a)	Chinese Mainland 16 October 2019	Paid-in capital RMB1,894,785,997	Paid-in capital RMB1,894,785,997	97.5%	97.5%	97.5%	97.5%	Investment holding
The Coastal Company (a)	Chinese Mainland 1 December 2008	Paid-in capital RMB5,714,285,714	Paid-in capital RMB5,714,285,714	51.0%	51.0%	51.0%	51.0%	Investment, construction and operation of an expressway

(a) These entities are limited liability companies established in the PRC.

(b) Except SIH Bay Area Finance Limited, all the above subsidiaries are indirectly held by the Company.

None of the subsidiaries had issued any debt securities at the end of the year.

30 Particulars of principal subsidiaries (continued)

Details of non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	*Place of incorporation/ establishment*	*Proportion of ownership interest held by non-controlling interests*		*Profit allocated to non-controlling interests*		*Accumulated non-controlling interests*	
		2024	2023	**2024**	2023	**2024**	2023
				RMB'000	RMB'000	**RMB'000**	RMB'000
The Coastal Company	Chinese Mainland	**49%**	49%	**128,540**	100,554	**3,054,974**	2,926,434

Summarised financial information in respect of the Coastal Company is set out below. The summarised financial information below represents amounts before intragroup eliminations.

The Coastal Company

	2024	*2023*
	RMB'000	*RMB'000*
Current assets	**652,429**	267,476
Non-current assets	**6,036,298**	6,204,400
Current liabilities	**(426,186)**	(469,561)
Non-current liabilities	**(27,900)**	(30,000)
Total equity	**6,234,641**	5,972,315

	2024	*2023*
	RMB'000	*RMB'000*
Revenue	**879,489**	944,777
Profit and total comprehensive income for the year	**262,327**	205,212
Net cash inflow from operating activities	**616,541**	515,756
Net cash outflow from investing activities	**(274,447)**	(305,674)
Net cash outflow from financing activities	**(749)**	(265,975)

31 Capital commitments

Other than those disclosed in note 18, commitments outstanding at 31 December 2024 and 2023 contracted but not provided for in these consolidated financial statements:

	2024	*2023*
	RMB'000	*RMB'000*
Construction of expressway	**7,603**	294,839

32 Related party transactions

(a) Transactions with related parties

Other than as disclosed elsewhere in these consolidated financial statements, the Group also entered into the following transactions with Shenzhen Expressway and its subsidiaries, as well as joint ventures of the Group during the years ended 31 December 2024 and 2023:

	2024 **RMB'000**	2023 RMB'000
Maintenance expenses	**43,591**	37,128
Construction costs	**19,143**	14,143
Rental and services income	**6,889**	13,796
Management fee expenses	**3,651**	3,042
Acceptance of research and development services	**–**	17,004
Interest income	**–**	3,818
Guarantee income	**–**	531

(b) Balances with related parties

The balances with related parties are set out in note 20 and 23.

(c) Compensation of key management personnel

The remuneration of key management personnel who are all directors is disclosed in note 10.

33 Company-level statement of financial position

	2024 **RMB'000**	2023 RMB'000
Non-current assets		
Investments in subsidiaries	**1,149,322**	1,143,665
Amount due from a subsidiary	**1,905,258**	1,843,014
Others	**534**	–
	3,055,114	2,986,679
Current assets		
Trade and other receivables	**1,032**	652
Amounts due from subsidiaries	**1,983,031**	2,032,619
Cash and cash equivalents	**36,574**	11,174
	2,020,637	2,044,445
Total Assets	**5,075,751**	5,031,124
Current liabilities		
Bank loans	**807,351**	200,678
Trade and other payables	**12,072**	21,347
Amounts due to subsidiaries	**2,018,449**	2,027,370
Total Liabilities	**2,837,872**	2,249,395
Capital and reserves		
Share capital	**270,603**	270,603
Share premium and reserves	**1,967,276**	2,511,126
Total equity	**2,237,879**	2,781,729

33 Company-level statement of financial position (continued)

The Company's share premium and reserves

The Company's reserves available for distribution represent the share premium and retained profits. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of a dividend, the Company is able to pay its debt as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits and share premium of the Company. As at 31 December 2024, the Company's reserves available for distribution to its shareholders amounting to RMB2,337,876,000 (2023: RMB2,881,726,000), comprising retained profits of RMB187,000 (2023: RMB544,037,000) and share premium of RMB2,337,689,000 (2023: RMB2,337,689,000).

	Share premium RMB'000	*Translation reserve* RMB'000	*Retained profits* RMB'000	*Total* RMB'000
Balance at 31 December 2022	2,337,689	(370,600)	165,256	2,132,345
Changes in equity for 2023:				
Profit for the year and total comprehensive income	–	–	649,970	649,970
Dividends declared	–	–	(271,189)	(271,189)
Total comprehensive income	–	–	378,781	378,781
Balance at 31 December 2023	2,337,689	(370,600)	544,037	2,511,126
Changes in equity for 2024:				
Profit for the year and total comprehensive income	**–**	**–**	**52,457**	**52,457**
Dividends declared	**–**	**–**	**(596,307)**	**(596,307)**
Total comprehensive income	**–**	**–**	**(543,850)**	**(543,850)**
Balance at 31 December 2024	**2,337,689**	**(370,600)**	**187**	**1,967,276**

(Expressed in RMB unless otherwise indicated)

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

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

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

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them will have no significant impact on these consolidated financial statements.

35 Approval of financial statements

The consolidated financial statements on pages 103 to 173 were approved and authorised for issue by the Board of Directors on 20 March 2025.

Glossary

"2015/16"	the year ended 30 June 2016
"2016/17"	the year ended 30 June 2017
"2017/18"	the year ended 30 June 2018
"2H 2018"	the six months ended 31 December 2018
"2019"	the year ended 31 December 2019
"2020"	the year ended 31 December 2020
"2021"	the year ended 31 December 2021
"2022"	the year ended 31 December 2022
"2023"	the year ended 31 December 2023
"2024"	the year ended 31 December 2024
"2024 Annual General Meeting"	the annual general meeting convened on 21 May 2024 by the Company
"2025 Annual General Meeting"	the annual general meeting to be held on 21 May 2025 by the Company
"2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement"	the agreement dated 23 January 2025 entered into between the Coastal Company and Shenzhen Expressway Engineering Development Limited* (深圳高速工程發展有限公司) in relation to the provision of daily maintenance, electrical maintenance and towing services for the Coastal Expressway (Shenzhen Section) in 2025, as disclosed in the Company's announcement dated 23 January 2025
"Approved Road Section"	The Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway* (京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段), starting from Huangcun Interchange of Guangzhou-Foshan Expressway connected with the Northern Ring Section of Guangzhou Ring Road and ending on the Dongbao River Bridge located at the junction of Dongguan and Shenzhen of the Beijing-Hong Kong-Macao Expressway, with a total length of approximately 71.13 km
"Approved Road Section R&E Project"	the reconstruction and expansion project of the Approved Road Section approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023
"Audit Committee"	the audit committee of the Company
"Attached Buildings"	buildings constructed on the Resumed Land with an aggregated gross floor area of 13,785.70 square metres, as disclosed in the Company's announcement dated 30 September 2022

Glossary

"Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project"	the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway* (京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段) and the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway
"Board"	the board of Directors
"Capital Contribution"	Hopewell China Development and Guangdong Highway Construction agreed to contribute, by way of registered capital, RMB3,285 million and RMB4,015 million, respectively, to GSZ Company under the Capital Increase Agreement
"Capital Increase Agreement"	the capital increase agreement regarding the Capital Contribution to GSZ Company entered into between Hopewell China Development and Guangdong Highway Construction on 24 January 2025
"CCCC Constructions Works Agreements"	Construction Works Agreement (TJ3 Bid Section) and Construction Works Agreement (TJ5 Bid Section), as disclosed in the Company's announcement dated 3 April 2024 and the circular dated 25 April 2024
"CG Code"	Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Chinese Mainland"	the PRC, excluding Hong Kong and Macao
"Coastal Company"	Shenzhen Guangshen Coastal Expressway Investment Company Limited* (深圳市廣深沿江高速公路投資有限公司), a company incorporated in the PRC with limited liability, the equity interest of which is currently held as to 51% and 49% by the Company and Shenzhen Expressway respectively
"Coastal Expressway (Shenzhen Section)"	the Shenzhen section of Guangshen Coastal Expressway, which comprises of Coastal Phase I and Coastal Phase II
"Coastal Phase I"	Phase I of Coastal Expressway (Shenzhen Section), on the main line of Coastal Expressway (Shenzhen Section), the toll mileage is approximately 30.9 km and was opened to traffic on 28 December 2013
"Coastal Phase II"	Phase II of Coastal Expressway (Shenzhen Section) which includes two parts, being the construction of the interchange of the International Convention and Exhibition Center which was completed and opened to traffic in 2019 and the construction of the connection lane on the Shenzhen side of Shenzhen-Zhongshan Channel which has total length of approximately 5.7 km and was opened to traffic on 30 June 2024

Glossary

"Company"	Shenzhen Investment Holdings Bay Area Development Company Limited (深圳投控灣區發展有限公司), a subsidiary of Shenzhen Expressway held as approximately 71.83% and a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock codes: 00737 (HKD Counter) and 80737 (RMB Counter))
"Completion of the Capital Contribution Matters"	(i) the Capital Increase Agreement become effective; and (ii) in accordance with the provisions of the prevailing Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) and the Company Law of the People's Republic of China (《中華人民共和國公司法》), GSZ Company amends its organisational forms and structures, and GSZ Company's New Articles of Association obtains all necessary consents from relevant government or regulatory agencies, and completes the registration or filing of amendment to GSZ Company's registered capital, shareholder structure and other relevant registration procedures with relevant government agencies in China (if applicable), as disclosed in the Company's announcement dated 24 January 2025 and the circular dated 28 February 2025
"Construction Supervision Agreement (JL2 Bid Section)"	the supervision of the construction works agreement (JL2 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工監理(JL2 標段)》) dated 25 March 2024 and entered into between GSZ Company and Guangdong Hualu Transportation Technology Company Limited*(廣東華路交通科技有限公司), as disclosed in the Company's announcement dated 25 March 2024
"Construction Works Agreement (LM Bid Section)"	the civil engineering construction works agreement (LM Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第LM標段)》) dated 8 October 2024 and entered into between GSZ Company and Poly Changda Engineering Company Limited* (保利長大工程有限公司), as disclosed in the Company's announcement dated 8 October 2024 and the circular dated 19 November 2024
"Construction Works Agreement (TJ2 Bid Section)"	the civil engineering construction works agreement (TJ2 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第 TJ2 標段)》) dated 3 April 2024 and entered into between GSZ Company and China Railway 12th Bureau Group Co., Ltd.* (中鐵十二局集團有限公司), as disclosed in the Company's announcement dated 3 April 2024 and the circular dated 25 April 2024

Glossary

"Construction Works Agreement (TJ3 Bid Section)"	the civil engineering construction works agreement (TJ3 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第 TJ3 標段)》) dated 3 April 2024 and entered into between GSZ Company and CCCC Second Highway Engineering Co., Ltd.* (中交第二公路工程局有限公司), as disclosed in the Company's announcement dated 3 April 2024 and the circular dated 25 April 2024
"Construction Works Agreement (TJ4 Bid Section)"	the civil engineering construction works agreement (TJ4 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第 TJ4 標段)》) dated 3 April 2024 and entered into between GSZ Company and China Railway Major Bridge Engineering Group Co., Ltd.* (中鐵大橋局集團有限公司), as disclosed in the Company's announcement dated 3 April 2024 and the circular dated 25 April 2024
"Construction Works Agreement (TJ5 Bid Section)"	the civil engineering construction works agreement (TJ5 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第 TJ5 標段)》) dated 3 April 2024 and entered into between GSZ Company and CCCC Road and Bridge International Co., Ltd.* (中交路橋建設有限公司), as disclosed in the Company's announcement dated 3 April 2024 and the circular dated 25 April 2024
"Construction Works Agreement (TJ6 Bid Section)"	the civil engineering construction works agreement (TJ6 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第TJ6標段)》) dated 8 October 2024 and entered into between GSZ Company and China Railway 11th Bureau Group Co., Ltd.* (中鐵十一局集團有限公司), as disclosed in the Company's announcement dated 8 October 2024 and the circular dated 19 November 2024
"Construction Works Agreement (TJ7 Bid Section)"	the civil engineering construction works agreement (TJ7 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目土建工程施工合同(第TJ7標段)》) dated 8 October 2024 entered into between GSZ Company and China Railway No. 4 Engineering Group Co., Ltd.* (中鐵四局集團有限公司), as disclosed in the Company's announcement dated 8 October 2024

Glossary

"Construction Works Agreement (TJ8 Bid Section)"	the civil engineering construction works agreement (TJ8 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同(第TJ8標段)》) dated 8 October 2024 and entered into between GSZ Company and CCCC Second Harbour Engineering Co., Ltd.* (中交第二航務工程局有限公司), as disclosed in the Company's announcement dated 8 October 2024 and the circular dated 19 November 2024
"Construction Works Agreement (TJ9 Bid Section)"	the civil engineering construction works agreement (TJ9 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同(第TJ9標段)》) dated 8 October 2024 and entered into between GSZ Company and China Railway 14th Bureau Group Co., Ltd.* (中鐵十四局集團有限公司), as disclosed in the Company's announcement dated 8 October 2024 and the circular dated 19 November 2024
"Construction Works Agreement (TJ2–TJ5 Bid Sections)"	CCCC Construction Works Agreements, Construction Works Agreement (TJ2 Bid Section) and Construction Works Agreement (TJ4 Bid Section), as disclosed in the Company's announcement dated 3 April 2024 and the circular dated 25 April 2024
"Construction Works Agreements (TJ6–TJ9 and LM Bid Sections)"	Construction Works Agreement (TJ6 Bid Section), Construction Works Agreement (TJ7 Bid Section), Construction Works Agreement (TJ8 Bid Section), Construction Works Agreement (TJ9 Bid Section) and Construction Works Agreement (LM Bid Section), as disclosed in the Company's announcement dated 8 October 2024 and the circular dated 19 November 2024
"Compensation Agreement"	The Compensation Agreement for Resumption of State owned Land Use Rights* (收回國有土地使用權補償合同) entered into among Land Reserve Centre, GS JV and the Representatives on 30 September 2022 in relation to the Land Resumption, as disclosed in the Company's announcement dated 30 September 2022
"Director(s)"	director(s) of the Company
"EBITDA"	earnings before interest, tax, depreciation and amortisation (before net exchange gain/loss)
"EIT"	enterprise income tax
"Entrusted Coastal Expressway Daily Maintenance, Electrical and Mechanical Maintenance and Towing Services Agreement"	the agreement dated 11 August 2022 entered into between the Coastal Company and the Engineering Development Company in relation to the provision of daily maintenance, electrical maintenance and towing services for the Coastal Expressway (Shenzhen Section), as disclosed in the Company's announcement dated 18 August 2022

Glossary

"Executive Committee"	the committee of Executive Directors of the Company
"Extended Toll Station"	a new toll station to be built on the right of the exit plaza of the Hezhou Toll Station with a total of 6 lanes, including 4 newly built lanes and the 2 transformed direct channels and will be wholly owned by Shenzhen Expressway, as disclosed in the Company's announcement dated 18 September 2023
"GDP"	gross domestic product
"GPCG"	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司) and its subsidiaries collectively (including Guangdong Highway Construction)
"Greater Bay Area"	Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
"Group"	the Company and its subsidiaries
"GS JV" or "GSZ Company"	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture established for the GS Superhighway
"GS Superhighway"	Guangzhou-Shenzhen Superhighway
"Guangdong Highway Construction"	Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), the PRC joint venture partner of GS Superhighway JV and a company established in the PRC with limited liability and a non wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC
"GZ West JV"	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the GZ West Superhighway
"GZ West Superhighway"	Guangzhou-Zhuhai West Superhighway, also known as the Western Delta Route
"Hezhou Toll Station"	the toll station of GS Superhighway at the Hezhou Interchange, which is divided into north and south toll plazas, and has a total 20 lanes, as disclosed in the Company's announcement dated 18 September 2023
"Huanghe Toll Station"	the toll station of Jihe Expressway at the Huanghe Interchange and has a total 10 lanes, as disclosed in the Company's announcement dated 18 September 2023
"HK$", "HKD" or "HK Dollar(s)"	Hong Kong Dollars, the lawful currency of Hong Kong

Glossary

"Hopewell China Development"	Hopewell China Development (Superhighway) Limited (合和中國發展(高速公路)有限公司), a company established in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of the Company
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"HZM Bridge"	the Hong Kong-Zhuhai-Macao Bridge
"JV(s)"	joint venture(s)
"km"	kilometre(s)
"Land Reserve Centre"	Guangzhou Development District Land Development Reserve Exchange Centre* (廣州開發區土地開發儲備交易中心), a public institution in Guangzhou City, Guangdong Province, the PRC entrusted by Huangpu District Government to execute the Land Resumption, as disclosed in the Company's announcement dated 30 September 2022
"Land Resumption"	the resumption of the land use rights of the Resumed Land and the Attached Buildings by Land Reserve Centre under the Compensation Agreement, as disclosed in the Company's announcement dated 30 September 2022
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macao" or "Macao SAR"	the Macao Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"net toll revenue"	toll revenue after related tax
"New Hezhou Toll Station"	the combined toll station of Hezhou Toll Station and Extended Toll Station, and has 26 lanes, as disclosed in the Company's announcement dated 18 September 2023
"Nomination Committee"	the nomination committee of the Company
"PRC"	the People's Republic of China
"PRD"	Pearl River Delta
"Project Land"	the land (plot number: 83101203A19206) located at the Xintang interchange on both sides of the GS Superhighway, as disclosed in the Company's announcement dated 29 November 2019
"Remuneration Committee"	the remuneration committee of the Company

Glossary

"Representatives"	Guangzhou Huangpu District People's Government Yunpu Street Office* (廣州市黃埔區人民政府雲埔街道辦事處) and Guangzhou Dongjin New District Development Co. Ltd.* (廣州東進新區開發有限公司), a limited company established in the PRC, as disclosed in the Company's announcement dated 30 September 2022
"Resumed Land"	two land parcels located at the Luogang Interchange of Huangpu District of Guangzhou City, the PRC (i.e. in the Guangzhou section of the GS Superhighway) with an aggregated ascertained site area of 294,540.09 sq.m., as disclosed in the Company's announcement dated 30 September 2022
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Shenwan Infrastructure"	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited* (深灣基建(深圳)有限公司), a company established in the PRC with limited liability established by the Company for the purpose of investing into the Xintang JV
"Shenzhen Expressway"	Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
"SZ Expressway Group"	Shenzhen Expressway and its subsidiaries
"Shenzhen International"	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00152)
"SIHC"	Shenzhen Investment Holdings Co., Ltd* (深圳市投資控股有限公司), incorporated in the PRC with limited liability, the ultimate controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structural Steel Fabrication Agreement (G1 Bid Section)"	the structural steel fabrication agreement (G1 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目鋼結構製造合同(第 G1 標段)》) dated 17 January 2025 and entered into between GSZ Company and Jiangsu Huning Steel Structure & Machinery Co., Ltd.* (江蘇滬寧鋼機股份有限公司), as disclosed in the Company's announcement dated 17 January 2025

Glossary

"Structural Steel Fabrication Agreement (G2 Bid Section)"	the structural steel fabrication agreement (G2 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黄村至火村段改擴建項目鋼結構製造合同(第 G2 標段)》) dated 17 January 2025 and entered into between GSZ Company and China Railway Shanhaiguan Bridge Group Co., Ltd.* (中鐵山橋集團有限公司), as disclosed in the Company's announcement dated 17 January 2025 and the circular dated 25 February 2025
"Structural Steel Fabrication Agreements (G1 and G2 Bid Sections)"	Structural Steel Fabrication Agreement (G1 Bid Section) and Structural Steel Fabrication Agreement (G2 Bid Section)
"Subscription"	the capital injection to obtain 51% enlarged equity interest in the Coastal Company upon completion by Shenwan Infrastructure pursuant to the Subscription Agreement, as disclosed in the Company's circular dated 23 September 2022
"Subscription Agreement"	a conditional subscription agreement entered into between Shenwan Infrastructure, Shenzhen Expressway and the Coastal Company on 18 August 2022 in respect of the capital injection to the Coastal Company by Shenwan Infrastructure, as disclosed in the Company's circular dated 23 September 2022
"Total Upper Limit"	The maximum total amount of contribution (whether by way of registered capital, shareholders' loans, or in any other nature) by all shareholders to Xintang JV shall not exceed RMB6.8 billion
"US"	the United States of America
"USD" or "US Dollar(s)"	United States Dollars, the lawful currency of the US
"Xintang Interchange Project"	the land development and utilisation project of Xintang JV, mainly Grand Park City residential project
"Xintang JV"	Guangzhou Zhentong Development Company Limited* (廣州臻通實業發展有限公司), a joint venture established in the PRC for the development of the Project Land. Shenwan Infrastructure currently holds 15% of equity interest in the Xintang JV
"YoY"	year-on-year

* For identification purpose only

Corporate Information

Board of Directors
Mr. Xiangwen LIAO*
(Executive Director and Chairman)
Mr. Jianming WU*
(Executive Director and General Manager)#
Mr. Cheng WU*
(Executive Director and Deputy General Manager)
Mr. Ji LIU* *(Executive Director, Deputy General Manager and secretary to the Board)*
Ms. Siyan CHEN* *(Non-executive Director)*
Mr. Xuan WANG* *(Non-executive Director)*
Mr. Yu Lung CHING
(Independent Non-executive Director)
Mr. Tony Chung Nin KAN SBS, JP
(Independent Non-executive Director)
Mr. Peng XUE* *(Independent Non-executive Director)*

Audit Committee
Mr. Yu Lung CHING *(Chairman)*
Mr. Tony Chung Nin KAN SBS, JP
Mr. Peng XUE*

Remuneration Committee
Mr. Tony Chung Nin KAN SBS, JP *(Chairman)*
Mr. Yu Lung CHING
Mr. Peng XUE*

Nomination Committee
Mr. Xiangwen LIAO* *(Chairman)*
Mr. Yu Lung CHING
Mr. Tony Chung Nin KAN SBS, JP

Company Secretary
Ms. Ching Fan KOO

Solicitors
Loong & Yeung, Solicitors

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

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

Principal Place of Business
Rooms 4902–4916, 49th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong
Fax: (852) 2861 0177
Email: info@sihbay.com

* *For identification purpose only*
\# *Mr. Jianming WU* has been promoted from Executive General Manager to General Manager on 11 April 2025*

Listing Information
The Stock Exchange of Hong Kong Limited
HKD-traded Ordinary Shares (Stock Code: 737)
RMB-traded Ordinary Shares (Stock Code: 80737)

Principal Bankers+
Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited
Chong Hing Bank Limited
CMB Wing Lung Bank Limited
Industrial Bank Co., Ltd. Hong Kong Branch
Ping An Bank Co., Ltd., Hong Kong Branch
Shanghai Pudong Development Bank Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited

\+ *names are in alphabetical order*

Cayman Islands Share Registrar and Transfer Office
Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

Hong Kong Share Registrar and Transfer Office
Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2529 6087

American Depositary Receipt

CUSIP No.	823219100
Trading Symbol	SIHBY
ADR to share ratio	1:10
Depositary Bank	Citibank, N.A., U.S.A.

International Securities Identification Number

ISIN code (HKD counter)	KYG8088A1168
ISIN code (RMB counter)	KYG8088A1085

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Financial Calendar

Interim dividend announcement	23 August 2024
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	23 August 2024
Closure of register of members	25 September 2024
Deadline for submission of dividend election form	16 October 2024
Interim dividend payable ***RMB7.80 or HK8.522358 cents per Share***	8 November 2024
Final results announcement for the year ended 31 December 2024 and proposed final dividend payable	20 March 2025
Closure of Register of Members for eligibility to attend the 2025 Annual General Meeting	16 May 2025 to 21 May 2025 *(both days inclusive)*
2025 Annual General Meeting	21 May 2025
Ex-dividend date	23 May 2025
Closure of Register of Members for entitlement of proposed final dividend	27 May 2025
Deadline for submission of dividend election form	19 June 2025
Proposed final dividend payable[#] ***Final dividend: RMB7.15 cents or HK7.74202 cents per Share***	15 July 2025

[#] Subject to approval by shareholders at the 2025 Annual General Meeting to be held on 21 May 2025.

SHENZHEN INVESTMENT HOLDINGS
BAY AREA DEVELOPMENT COMPANY LIMITED

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