INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE SHAREHOLDERS OF SHENZHEN INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Shenzhen International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 124 to 228, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the 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 HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTER *(continued)*

Key audit matter	*How our audit addressed the key audit matter*
Amortisation of concession intangible assets for the operating rights of the toll road business	***Audit response***
As shown in note 10(i), as at 31 December 2024, the carrying amounts of the toll road operating rights of the Group was HKD21,503,125,000, and related amortisation for the year ended 31 December 2024 was HKD1,639,055,000. The toll road operating rights of the Group are amortised on a units-of-usage basis, whereby amortisation is provided to write off the cost of the toll road operating rights based on the proportion of actual traffic volume for each reporting period over the total projected traffic volume for the operating period of each toll road, with reference to traffic volume forecast reports (the "TVF Reports") issued by independent professional traffic consultant. Further as shown in note 4.1(a), during the year ended 31 December 2024, the total projected traffic volume in the remaining operating period of certain expressways was reassessed with independent professional traffic consultant. Thus, the Group has adjusted the amortisation units-of-usage, resulting in increase in profit of HKD2,256,000. The total projected traffic volume over the remaining operating period are significant accounting estimates of the management. These estimates and judgements may be affected by unexpected changes in future market and economic conditions. Therefore, we identify the amortisation accuracy of the toll road operating rights of the Group as a key audit matter.	We have performed the following audit procedures in response to the aforementioned key audit matter: • Understanding and evaluating the design, implementation and operating effectiveness of the relevant internal controls related to the amortisation of toll road operation rights; • Assessing the independence and professional capability of the traffic consultants engaged by the Group to issue the TVF Reports; • Assessing the reasonableness of the actual traffic volume units applied in the calculation of amortisation; • Comparing the actual traffic volume in the current year with the traffic volume forecasted in the TVF Reports, to evaluate the accuracy and reliability of the forecasted traffic volume and understanding the causes of any significant variances; and • Re-calculating the amortisation of the toll road operating rights to verify the accuracy of its amount in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chu Yim Yan, Sonia.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong

26 March 2025

CONSOLIDATED BALANCE SHEET

At 31 December 2024

(For reference only) 31.12.2024 RMB'000		NOTES	*2024 HKD'000*	*2023 HKD'000*
	ASSETS			
	Non-current assets			
17,408,456	Investment properties	6	**18,519,634**	15,080,718
19,168,367	Property, plant and equipment	7	**20,391,880**	19,780,766
3,813,067	Land use rights	8	**4,056,454**	4,231,866
3,205,976	Construction in progress	9	**3,410,613**	3,104,279
24,616,610	Intangible assets	10	**26,187,883**	29,280,325
484,191	Goodwill	11	**515,097**	543,515
17,901,084	Interests in associates	12	**19,043,706**	17,493,560
9,866,932	Interests in joint ventures	13	**10,496,736**	10,870,097
1,136,830	Other investments	14	**1,209,394**	1,155,711
562,309	Deferred tax assets	23	**598,201**	638,506
7,352,534	Other non-current assets	15	**7,821,845**	7,871,665
105,516,356			**112,251,443**	110,051,008
	Current assets			
4,312,549	Inventories and other contract costs	16	**4,587,818**	4,815,542
370,628	Contract assets	17	**394,285**	434,637
599,679	Other investments	14	**637,956**	1,065,663
4,496,579	Trade and other receivables	18	**4,783,595**	4,159,636
3,322,550	Other asset	29(a)	**3,534,628**	–
129,824	Derivative financial instruments		**138,110**	163,350
836,597	Restricted bank deposits	19	**329,644**	1,088,617
583,500	Deposits in banks with original maturities over three months	19	**620,745**	1,118,292
7,669,444	Cash and cash equivalents	19	**8,719,336**	7,597,796
22,321,350			**23,746,117**	20,443,533
127,837,706	**Total assets**		**135,997,560**	130,494,541

At 31 December 2024

(For reference only) *31.12.2024* ***RMB'000***		NOTES	*2024* ***HKD'000***	*2023* *HKD'000*
	EQUITY AND LIABILITIES			
	Equity attributable to ordinary shareholders of the Company			
12,586,583	Share capital and share premium	20	**13,389,982**	13,257,983
17,963,171	Other reserves and retained earnings	21	**19,109,757**	18,324,223
	Equity attributable to ordinary shareholders			
30,549,754	**of the Company**		**32,499,739**	31,582,206
20,702,014	**Non-controlling interests**		**22,023,419**	23,393,455
51,251,768	**Total equity**		**54,523,158**	54,975,661
	Non-current liabilities			
38,594,295	Borrowings	22	**41,057,761**	28,360,733
819,901	Lease liabilities	27	**872,235**	947,532
2,293,127	Deferred tax liabilities	23	**2,439,497**	2,647,398
1,528,811	Other non-current liabilities	24	**1,626,394**	1,554,144
43,236,134			**45,995,887**	33,509,807
	Current liabilities			
12,906,459	Trade and other payables	25	**13,730,276**	12,722,051
235,389	Contract liabilities	26	**250,414**	165,640
1,925,035	Income tax payable		**2,047,910**	2,078,714
18,227,658	Borrowings	22	**19,391,125**	26,977,953
55,263	Lease liabilities	27	**58,790**	64,715
33,349,804			**35,478,515**	42,009,073
76,585,938	**Total liabilities**		**81,474,402**	75,518,880
127,837,706	**Total equity and liabilities**		**135,997,560**	130,494,541

The consolidated financial statements on pages 124 to 228 were approved and authorised for issue by the board of directors on 26 March 2025 and are signed on its behalf by:

Li Haitao
DIRECTOR

Liu Zhengyu
DIRECTOR

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

(For reference only) *2024* *RMB'000*		NOTES	*2024* *HKD'000*	*2023* *HKD'000*
14,352,993	**Revenue**	28	15,570,615	20,523,798
(11,073,268)	Cost of sales and services		(12,012,658)	(12,978,497)
3,279,725	**Gross profit**		3,557,957	7,545,301
157,878	Other income		171,271	187,527
2,952,079	Other gains – net	29	3,202,516	283,047
(111,200)	Distribution costs		(120,633)	(155,244)
(1,244,405)	Administrative expenses		(1,349,973)	(1,269,717)
(221,090)	Impairment loss on trade and other receivables and contract assets	36(a)(iv)	(239,846)	(116,996)
4,812,987	**Operating profit**		5,221,292	6,473,918
331,907	Share of results of joint ventures	13	360,064	418,457
1,035,766	Share of results of associates	12	1,123,634	678,271
6,180,660	**Profit before finance costs and income tax**		6,704,990	7,570,646
160,021	Finance income	32	173,596	241,296
(1,625,614)	Finance cost	32	(1,763,521)	(2,617,813)
(1,465,593)	Finance costs – net		(1,589,925)	(2,376,517)
4,715,067	**Profit before income tax**		5,115,065	5,194,129
(1,316,387)	Income tax expense	33	(1,428,061)	(2,289,221)
3,398,680	**Profit for the year**	30	3,687,004	2,904,908
	Attributable to:			
2,647,822	Ordinary shareholders of the Company		2,872,448	1,901,643
750,858	Non-controlling interests		814,556	1,003,265
3,398,680			3,687,004	2,904,908
	Earnings per share attributable to ordinary shareholders of the Company (expressed in HK dollars per share)			
	Basic	34(a)	1.20	0.80
	Diluted	34(b)	1.19	0.79

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTE	2024 HKD'000	2023 HKD'000
Profit for the year		**3,687,004**	2,904,908
Other comprehensive income (expense):			
Items that may be reclassified to profit or loss:			
Share of other comprehensive income of associates and joint ventures	12 & 13	**40,173**	31,933
Exchange difference arising on translation of foreign operations		**(299,439)**	(149,181)
		(259,266)	(117,248)
Items that will not be reclassified to profit or loss:			
Exchange difference arising from translation of functional currency to presentation currency		**(1,915,575)**	(1,328,862)
Gain on revaluation of properties previously occupied by the Group		**240,523**	–
Deferred taxation relating to revaluation of properties		**(60,131)**	–
Fair value loss on equity security designated at fair value through other comprehensive income		**(348)**	(417)
Deferred taxation relating to revaluation of equity security		**87**	(139)
		(1,735,444)	(1,329,418)
Other comprehensive expense for the year		**(1,994,710)**	(1,446,666)
Total comprehensive income for the year		**1,692,294**	1,458,242
Total comprehensive income (expense) attributable to:			
Ordinary shareholders of the Company		**1,741,094**	902,706
Non-controlling interests		**(48,800)**	555,536
		1,692,294	1,458,242

SHENZHEN INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to ordinary shareholders of the Company					
	Share capital and share premium HKD'000 (note 20)	***Other reserves HKD'000 (note 21)***	***Retained earnings HKD'000 (note 21)***	***Sub-total HKD'000***	***Non-controlling interests HKD'000***	***Total HKD'000***
At 1 January 2024	13,257,983	767,241	17,556,982	31,582,206	23,393,455	54,975,661
Profit for the year	–	–	2,872,448	2,872,448	814,556	3,687,004
Other comprehensive income (expense)						
Share of other comprehensive income of associates and joint ventures	–	20,898	–	20,898	19,275	40,173
Fair value loss on equity securities designated at fair value through other comprehensive income	–	(348)	–	(348)	–	(348)
Deferred taxation relating to revaluation of equity securities	–	87	–	87	–	87
Fair value gain on properties previously occupied by the Group	–	228,406	–	228,406	12,117	240,523
Deferred taxation relating to revaluation of properties	–	(57,102)	–	(57,102)	(3,029)	(60,131)
Exchange difference arising on translation of foreign operations	–	(143,712)	–	(143,712)	(155,727)	(299,439)
Exchange difference arising from translation of functional currency to presentation currency	–	(1,179,583)	–	(1,179,583)	(735,992)	(1,915,575)
Total other comprehensive expense	–	(1,131,354)	–	(1,131,354)	(863,356)	(1,994,710)
Total comprehensive (expense) income for the year	–	(1,131,354)	2,872,448	1,741,094	(48,800)	1,692,294
Transactions with owners in their capacity as owners						
Transfer to reserve	–	161,504	(161,504)	–	–	–
Dividend relating to 2023 (note 35)	–	–	(957,260)	(957,260)	–	(957,260)
Issue of scrip shares as dividend (note 35)	109,033	–	–	109,033	–	109,033
Share of associates' reserves movement	–	3,910	–	3,910	(256)	3,654
Employee share option – recognition share-based payments (note 20)	22,966	–	–	22,966	–	22,966
Dividend paid to non-controlling interests by subsidiaries	–	–	–	–	(1,299,657)	(1,299,657)
Capital injections by non-controlling interests	–	–	–	–	24,409	24,409
Capital reductions by non-controlling interests	–	–	–	–	(43,417)	(43,417)
Others	–	(2,210)	–	(2,210)	(2,315)	(4,525)
Total transactions with owners in their capacity as owners	131,999	163,204	(1,118,764)	(823,561)	(1,321,236)	(2,144,797)
At 31 December 2024	13,389,982	(200,909)	19,310,666	32,499,739	22,023,419	54,523,158

	Attributable to ordinary shareholders of the Company					
	Share capital and share premium HKD'000 (note 20)	*Other reserves HKD'000 (note 21)*	*Retained earnings HKD'000 (note 21)*	*Sub-total HKD'000*	*Non-controlling interests HKD'000*	*Total HKD'000*
At 1 January 2023	13,218,304	1,694,949	16,334,611	31,247,864	23,951,310	55,199,174
Profit for the year	–	–	1,901,643	1,901,643	1,003,265	2,904,908
Other comprehensive income (expense)						
Share of other comprehensive income of associates and joint ventures	–	31,933	–	31,933	–	31,933
Fair value loss on equity securities designated at fair value through other comprehensive income	–	(417)	–	(417)	–	(417)
Deferred taxation relating to revaluation of equity securities	–	(139)	–	(139)	–	(139)
Exchange difference arising on translation of foreign operations	–	(76,919)	–	(76,919)	(72,262)	(149,181)
Exchange difference arising from translation of functional currency to presentation currency	–	(953,395)	–	(953,395)	(375,467)	(1,328,862)
Total other comprehensive expense	–	(998,937)	–	(998,937)	(447,729)	(1,446,666)
Total comprehensive (expense) income for the year	–	(998,937)	1,901,643	902,706	555,536	1,458,242
Transactions with owners in their capacity as owners						
Transfer to reserve	–	65,605	(65,605)	–	–	–
Dividend relating to 2022 (note 35)	–	–	(613,667)	(613,667)	–	(613,667)
Issue of scrip shares as dividend (note 35)	35,851	–	–	35,851	–	35,851
Share of associates' reserves movement	–	5,624	–	5,624	–	5,624
Employee share option						
– recognition share-based payments (note 20)	3,828	–	–	3,828	–	3,828
Dividend paid to non-controlling interests by subsidiaries	–	–	–	–	(1,117,637)	(1,117,637)
Acquisition of a subsidiary	–	–	–	–	47,989	47,989
Others	–	–	–	–	(43,743)	(43,743)
Total transactions with owners in their capacity as owners	39,679	71,229	(679,272)	(568,364)	(1,113,391)	(1,681,755)
At 31 December 2023	13,257,983	767,241	17,556,982	31,582,206	23,393,455	54,975,661

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	NOTES	2024 HKD'000	2023 HKD'000
Cash flows from operating activities			
Cash generated from operations	37	5,598,942	6,516,091
Income tax paid		(1,219,074)	(963,729)
Net cash generated from operating activities		4,379,868	5,552,362
Cash flows from investing activities			
Acquisition of subsidiaries		5,785	(703,606)
Settlement of advances to subsidiaries disposed		401,118	–
Disposal of subsidiaries and debt receivables		3,256,802	56,588
Purchases of investment properties, property, plant and equipment, land use rights, construction in progress, intangible assets and other non-current assets		(9,792,780)	(10,038,786)
Repayments from associates and a joint venture		–	1,146,328
Advances and loan to associates and a joint venture		(4,427)	–
Increase in interests in associates and joint ventures		(1,397,230)	(43,866)
Proceeds from disposal of property, plant and equipment, land use rights, construction in progress, intangible assets and other non-current assets		146,233	973,613
Purchase of other investments		(50,285)	(24,725)
Proceeds from disposal of other investments		–	29,199
Proceeds from disposal of an associate		–	29,451
Purchase of structured deposits		(1,638,099)	(2,766,052)
Redemption of structured deposits		2,046,341	4,491,035
Withdrawal of deposits in banks with original maturities over three months		626,036	402,299
Placement of deposits in banks with original maturities over three months		(156,759)	(1,146,058)
Interest received		131,415	221,882
Dividends received		783,430	899,992
Net cash used in investing activities		(5,642,420)	(6,472,706)
Cash flows from financing activities			
Interest paid		(1,939,666)	(2,570,457)
Proceeds from borrowings	37(b)	45,378,686	36,856,971
Repayments of borrowings	37(b)	(38,282,545)	(34,161,677)
Capital element of lease rentals paid	37(b)	(58,136)	(59,312)
Interest element of lease rentals paid	37(b)	(26,195)	(47,356)
Advance from an associate	37(b)	164,625	2,021,524
Repayment to an associate	37(b)	(454,399)	–
Repayment of loan to a related company	37(b)	–	(2,338,416)
Dividends paid to the Company's and subsidiaries' shareholders		(2,051,993)	(1,755,685)
Capital reductions by non-controlling interests		(43,417)	–
Capital contributions by non-controlling interests		24,409	–
Net cash generated from (used in) financing activities		2,711,369	(2,054,408)
Net increase (decrease) in cash and cash equivalents		1,448,817	(2,974,752)
Cash and cash equivalents at the beginning of the year		7,597,796	10,829,873
Effect of foreign exchange rate changes		(327,277)	(257,325)
Cash and cash equivalents at the end of the year	19	8,719,336	7,597,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL

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

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

The Group's operations are mainly in the People's Republic of China ("PRC").

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

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

As at 31 December 2024, Ultrarich International Limited ("Ultrarich") directly owned 1,058,717,983 ordinary shares of the Company, representing approximately 43.94% of the issued share capital of the Company. As Shenzhen Investment Holdings Company Limited ("SIHCL") held the 100% equity interest in Ultrarich, it had an indirect interest in 43.94% of the Company's equity held by Ultrarich. SIHCL directly owned 364,500 ordinary shares of the Company, representing approximately 0.01% of the issued share capital of the Company. SIHCL effectively held 43.95% of the issued share capital of the Company and is the largest shareholder of the Company. SIHCL is supervised and managed by Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission ("Shenzhen SASAC"). The directors of the Company regard Shenzhen SASAC as having control of the Company's relevant activities and is the de facto controller of the Company due to the voting power it held in the Company.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the Group's consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Company's current liabilities exceeded its current assets by approximately HKD11,732,398,000 as at 31 December 2024.

In order to improve the financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the Group has been implementing a number of measures. These measures include but not limited to considering usage of existing banking facilities, in which unutilised banking facilities amounted to approximately HKD 110,731,356,000 as at 31 December 2024.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Application of amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or 1 January 2025.
3 Effective for annual periods beginning on or 1 January 2026.
4 Effective for annual periods beginning on or 1 January 2027.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.1 Application of amendments to HKFRSs *(continued)*

HKFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

3.2 Subsidiaries

3.2.1 Consolidation

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Subsidiaries *(continued)*

3.2.1 Consolidation *(continued)*

(a) Business combinations or asset acquisitions

Asset acquisition

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

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

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

(b) Disposal of subsidiaries

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.3 Associates and joint ventures

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.4 Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

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

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

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

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

3.5 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.5 Foreign currency translation *(continued)*

(c) Group companies

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

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;

(ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised directly in other comprehensive income and accumulated in currency translation reserve. Such exchange differences accumulated in the currency translation reserve are not reclassified to profit or loss subsequently.

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

3.6 Property, plant and equipment

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

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

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.7 Construction in progress

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

3.8 Investment properties

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

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

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

3.9 Land use rights

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

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

3.10 Leases

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

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

(a) As a lessee

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.10 Leases *(continued)*

(a) As a lessee *(continued)*

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

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.10 Leases *(continued)*

(b) As a lessor

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

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

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

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

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

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

3.11 Concession intangible assets

(a) Toll Road

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.11 Concession intangible assets *(continued)*

(b) Kitchen waste disposal project

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

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

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

3.12 Impairment of non-financial assets

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

An impairment loss is recognised in the consolidated income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.13 Financial assets

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. The instruments are initially stated at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate on initial recognition except for those measured at fair value through profit or loss ("FVTPL"). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 36(c). The financial assets are subsequently accounted for as follows, depending on their classification.

(a) Financial assets other than equity investments

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

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

(b) Equity investments

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.14 Credit loss and impairment of assets

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

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

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

Measurement of ECL

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

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

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

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

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

ECL are measured on either of the following bases:

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

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

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

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

Credit-impaired financial assets

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

Write-off policy

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

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

Measurement and recognition of ECL

Except for credit-impaired debtors that are assessed individually, the Group uses a practical expedient in estimating ECL on not credit-impaired trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Derecognition of financial assets

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.15 Financial liabilities and equity

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

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

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

3.16 Derivative financial instruments

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

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

3.17 Inventories and other contract costs

(a) Inventories

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.17 Inventories and other contract costs *(continued)*

(a) Inventories *(continued)*

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

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

(b) Other contract costs

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

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

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

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

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

3.18 Contract assets and contract liabilities

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

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 3.26). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 3.19).

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.19 Trade and other receivables

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

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

3.20 Cash and cash equivalents

Bank balances for which its utilisation is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 19.

3.21 Borrowings

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

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

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

3.22 Borrowing costs

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.23 Current and deferred tax

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

(a) Current income tax

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

(b) Deferred tax

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.23 Current and deferred tax *(continued)*

(b) Deferred tax *(continued)*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

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

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

(c) Offsetting

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

3.24 Short-term and other long-term employee benefits

(a) Pension obligations

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

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

(b) Share-based payments

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

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

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

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

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

(c) Bonus plans

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

3.25 Provisions

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.26 Revenue and other income

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

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

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

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

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

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

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

(a) Toll revenues

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

(b) Construction service revenue under service concessions

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

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

(c) Rental income from operating leases

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.26 Revenue and other income *(continued)*

(d) Logistic related service revenues

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

(e) Sales of goods

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

(f) Sales of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when the property is delivered to customer, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet under contract liabilities (see note 3.18).

(g) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 3.14).

(h) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex dividend.

3.27 Government grants

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

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.28 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be reliably measured.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

3.29 Dividend distribution

Dividend distribution to the Company's ordinary shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, when appropriate.

3.30 Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

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

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in note 3.30(a); or
- (vii) A person identified in note 3.30(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. As the future is inherently uncertain, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Amortisation of concession intangible assets

The Group applied HK(IFRIC) - Interpretation 12 "Service Concession Arrangements" and recognised concession intangible assets under the Service Concessions and provides amortisation thereon.

Amortisation of concession intangible assets is provided under the Traffic Flow Amortisation Method. Adjustments may need to be made to the carrying amounts of concession intangible assets should there be a material difference between total projected traffic volume and the actual results.

The directors of the Company performed a periodic assessment of the total projected traffic volume. The Group engages independent professional traffic consultant to perform independent professional traffic studies and make appropriate adjustment if there is a material difference between projected traffic volume and actual traffic volume.

During the year ended 31 December 2024, the Group engaged independent professional traffic consultants to reassess the aggregate future traffic volume of certain expressways. The Group has adjusted the amortisation units-of-usage for the related concession intangible assets according to the revised total projected traffic volume of Qinglian Expressway, Changsha Outer Ring Expressway and Jihe Expressway since 1 July 2024, on a prospective basis. Such change in accounting estimate will affect the amortisation amount and has resulted in increase in profit after tax of HKD2,256,000 (2023: HKD121,677,000) for the year ended 31 December 2024. This adjustment will also affect the amortisation charges in the future.

(b) Impairment of concession intangible assets

The estimated recoverable amount is taken into account when considering the impairment of concession intangible assets. When conducting impairment test of concession intangible assets, management forecasts future cash flows to determine the recoverable amount. Key assumptions used include the growth rate of traffic flows, toll rate, operating period, maintenance costs, and required rate of return. Given these assumptions, the Group's management believes the recoverable amount will exceed the carrying amount after a thorough review, then no impairment is provided for concession intangible assets for the current year. The Group will continue to closely review the impairment of concession intangible assets, and make adjustments in the periods where there are indications that the relevant accounting estimates need to be adjusted.

(c) Impairment test of interest in associates

The Group determines at each balance sheet date whether there is any objective evidence that the interest in associates is impaired. When conducting impairment test of interest in associates, the Group determines value in use based on the present value of the future cash flows expected to arise from the associates based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies. Key assumptions used include the multiples and discount for lack of marketability. The Group's believes the recoverable amount will exceed the carrying amount, and no impairment is provided for the current year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.2 Critical judgements in applying accounting policies

Significant influence over associates

For certain associates of which the Group holds less than 20% ownership, significant judgements are required in assessing whether the Group has significant influence over these entities. The Group considers it exercises significant influence over these entities by its participation in the financial and operating activities in these entities through its representation on their respective board of directors.

5. SEGMENT INFORMATION

The Group's operations are organised in two main business segments:

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

Head office functions include corporate management functions and investment and financial activities of the Group. It also includes one-off and non-recurring activities of the Group.

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

Toll roads and general-environmental protection business includes: (i) development, operation and management of toll highway; and (ii) sales of wind turbine equipment, kitchen waste disposal projects construction, operation and equipment sales, and operations of wind power stations.

Logistics business includes: (i) logistics parks which mainly include the construction, operation and management of logistics centres and integrated logistics hubs; (ii) logistics services which include the provision of third party logistics services, logistics information services and financial services to customers; (iii) port and related services (including sales of material); and (iv) logistics park transformation and upgrading business (including sales of properties).

The Board assesses the performance of the operating segments based on a measure of profit for the year.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Board for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 are set out below.

5. SEGMENT INFORMATION *(continued)*

For the year ended 31 December 2024

	Toll roads and general-environmental protection business HKD'000	Logistics business: Logistics parks HKD'000	Logistics business: Logistics services HKD'000	Logistics business: Port and related services HKD'000	Logistics business: Logistics park transformation and upgrading business HKD'000	Logistics business: Sub-total HKD'000	Head office functions and others HKD'000	Total HKD'000
Revenue from contracts with customers within the scope of HKFRS 15								
– Point in time	7,283,124	464	332,587	3,585,793	–	3,918,844	–	11,201,968
– Overtime	2,746,087	228,571	–	–	28,970	257,541	–	3,003,628
Sub-total	10,029,211	229,035	332,587	3,585,793	28,970	4,176,385	–	14,205,596
Revenue from leases	–	1,275,399	–	–	89,620	1,365,019	–	1,365,019
Revenue	10,029,211	1,504,434	332,587	3,585,793	118,590	5,541,404	–	15,570,615
Operating profit (loss)	2,069,512	609,200	(19,959)	142,097	2,865,201	3,596,539	(444,759)	5,221,292
Share of results of joint ventures	367,568	26,144	–	(817)	–	25,327	(32,831)	360,064
Share of results of associates	641,358	894	2,017	(1,085)	242,906	244,732	237,544	1,123,634
Finance income	81,161	6,086	1	1,460	9,225	16,772	75,663	173,596
Finance costs	(1,183,363)	(98,972)	2,733	(14,709)	(85,819)	(196,767)	(383,391)	(1,763,521)
Profit (loss) before income tax	1,976,236	543,352	(15,208)	126,946	3,031,513	3,686,603	(547,774)	5,115,065
Income tax expense	(613,056)	(18,586)	(4,046)	(37,574)	(680,733)	(740,939)	(74,066)	(1,428,061)
Profit (loss) for the year	1,363,180	524,766	(19,254)	89,372	2,350,780	2,945,664	(621,840)	3,687,004
(Profit) loss attributable to non-controlling interests	(803,392)	12,789	(2,177)	(28,973)	7,629	(10,732)	(432)	(814,556)
Profit (loss) attributable to ordinary shareholders of the Company	559,788	537,555	(21,431)	60,399	2,358,409	2,934,932	(622,272)	2,872,448
Depreciation and amortisation	2,472,071	518,190	31,138	69,596	33,752	652,676	174,971	3,299,718
Capital expenditure								
– Additions in investment properties, property, plant and equipment, construction in progress, land use rights and intangible assets	2,358,819	4,540,729	112,379	314,770	72,969	5,040,847	2,380,630	9,780,296
– Additions in investment properties, property, plant and equipment, and land use rights arising from acquisition of subsidiaries	7,808	–	–	–	–	–	–	7,808
– Additions in interests in associates	888,479	–	759	1,086	–	1,845	519,446	1,409,770

5. SEGMENT INFORMATION *(continued)*

For the year ended 31 December 2023

	Toll roads and general-environmental protection business HKD'000	Logistics business: Logistics parks HKD'000	Logistics business: Logistics services HKD'000	Logistics business: Port and related services HKD'000	Logistics business: Logistics park transformation and upgrading business HKD'000	Logistics business: Sub-total HKD'000	Head office functions and others HKD'000	Total HKD'000
Revenue from contracts with customers within the scope of HKFRS 15								
– Point in time	8,043,071	492	319,109	2,804,772	5,502,349	8,626,722	–	16,669,793
– Overtime	2,281,910	215,214	–	–	–	215,214	–	2,497,124
Sub-total	10,324,981	215,706	319,109	2,804,772	5,502,349	8,841,936	–	19,166,917
Revenue from leases	–	1,302,904	–	–	53,977	1,356,881	–	1,356,881
Revenue	10,324,981	1,518,610	319,109	2,804,772	5,556,326	10,198,817	–	20,523,798
Operating profit (loss)	2,932,324	629,258	22,749	167,284	3,276,831	4,096,122	(554,528)	6,473,918
Share of results of joint ventures	401,719	23,902	–	–	–	23,902	(7,164)	418,457
Share of results of associates	406,732	667	8,024	–	61,173	69,864	201,675	678,271
Finance income	78,495	8,224	853	3,019	15,371	27,467	135,334	241,296
Finance costs	(1,426,489)	(52,346)	(670)	(11,557)	(213,815)	(278,388)	(912,936)	(2,617,813)
Profit (loss) before income tax	2,392,781	609,705	30,956	158,746	3,139,560	3,938,967	(1,137,619)	5,194,129
Income tax expense	(378,564)	(130,206)	(5,184)	(40,090)	(1,402,804)	(1,578,284)	(332,373)	(2,289,221)
Profit (loss) for the year	2,014,217	479,499	25,772	118,656	1,736,756	2,360,683	(1,469,992)	2,904,908
(Profit) loss attributable to non-controlling interests	(1,009,658)	44,125	(17,155)	(30,905)	9,008	5,073	1,320	(1,003,265)
Profit (loss) attributable to ordinary shareholders of the Company	1,004,559	523,624	8,617	87,751	1,745,764	2,365,756	(1,468,672)	1,901,643
Depreciation and amortisation	2,524,180	473,810	26,615	43,943	24,761	569,129	164,697	3,258,006
Capital expenditure								
– Additions in investment properties, property, plant and equipment, construction in progress, land use rights and intangible assets	2,666,262	3,854,671	271,910	972,288	417,552	5,516,421	2,669,746	10,852,429
– Additions in investment properties, property, plant and equipment, and land use rights arising from acquisition of subsidiaries	229,315	–	–	161,414	860,572	1,021,986	–	1,251,301

5. SEGMENT INFORMATION *(continued)*

Notes:

(a) The revenue from toll roads included construction service revenue under Service Concessions amounted to HKD2,130,496,000 for the year (2023: HKD1,496,173,000).

(b) The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

(c) All revenues are derived from external customers located in the PRC. The Group's non-current assets, other than financial instruments and deferred tax assets are mainly located in the PRC, revenues derived from non-current assets located in other countries and regions are not material.

(d) No analysis of the Group's assets and liabilities by reportable and operating segments is disclosed as it is not regularly provided to the chief operation decision maker for review.

6. INVESTMENT PROPERTIES

	2024 HKD'000	*2023 HKD'000*
Beginning of the year	**15,080,718**	10,226,082
Additions	**2,747,783**	4,031,288
Transferred from property, plant and equipment (note 7)	**721,517**	–
Transferred from land use rights (note 8)	**134,584**	–
Transferred from construction in progress (note 9)	**29,948**	–
Transferred from other non-current assets (note 15)	**637,400**	–
Acquisition of subsidiaries (note 40)	**–**	860,213
Disposal	**(40,391)**	–
Transferred to property, plant and equipment (note 7)	**(502)**	(70,309)
Change in fair value recognised in profit or loss (note 29)	**(222,404)**	304,803
Exchange difference	**(569,019)**	(271,359)
End of the year	**18,519,634**	15,080,718
Analysis of the carrying amount is as follows:		
Investment properties	**13,504,272**	9,993,691
Investment properties under construction	**5,015,362**	5,087,027
	18,519,634	15,080,718

The Group leases out premises and warehouses under operating leases. The leases typically run for an initial period of 1 to 20 years, with an option to renew the lease after that date at which time all terms are renegotiated. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term. Lease payments are usually adjusted every year to reflect market rentals. None of the leases includes variable lease payments.

During the year ended 31 December 2024, the Group had reclassified certain property from owner-occupied property to investment property to earn rentals, as evidenced by the end of the Group's owner-occupation of those property. Accordingly, property, plant and equipment of HKD480,994,000 was transferred to investment properties.

Included in investment properties, there are leasehold lands with original lease terms of 50 years for logistic business in the PRC.

6. INVESTMENT PROPERTIES *(continued)*

Fair Value Hierarchy

The Group's investment properties were revalued at each balance sheet date. The valuations were determined by reference to valuations performed by Asset Appraisal Limited, an independent professional qualified property valuer who have, among their staff, Fellow of the Hong Kong Institute of Surveyors with recent experience in valuating properties in similar location and categories of the properties being valued.

None of the Group's investment properties measured at fair value are categorised as Level 1 nor Level 2. The Group's investment properties are at Level 3 valuation.

	Valuation techniques	*Unobservable input*	*Range*
Investment properties	Market comparison approach	Market unit rate	HKD2,017 to HKD34,040 per square metre (2023: HKD1,466 to HKD13,663 per square metre)
Investment properties	Income capitalisation method	Capitalisation rate	3% to 7.10% (2023: 2.75% to 9.35%)
		Expected vacancy rate	15% to 25% (2023: 15% to 25%)
		Expected market rental growth rate	1% to 5% (2023: 1% to 4.35%)
Investment properties under construction	Market comparison approach	Further costs for completing the properties	HKD16,919,390 to HKD271,708,250 (2023: HKD36,807,000 to HKD638,338,000)
		Market unit rate	HKD2,415 to HKD4,998 per square metre (2023: HKD489 to HKD2,333 per square metre)
Investment properties under construction	Replacement costs approach	Current costs of replacement of the properties	HKD54,042,553 to HKD 429,255,319 (2023: HKD41,503,000 to HKD95,875,000)

The fair value of investment properties determined using market comparison approach is determined by reference to recent sales price of comparable properties on a price per square metre basis, adjusted for a premium or a discount specific to the quality of the Group's buildings compared to the recent sales property. Higher premium for higher quality properties will result in a higher fair value measurement.

The fair value of investment properties derived using the income capitalisation method is determined by discounting the projected cash flows associated with the properties using capitalisation rates. The valuation takes into account expected market rental growth and vacancy rate of the respective properties. The capitalisation rates used have been adjusted for the quality and location of the buildings. The fair value measurement is positively correlated to the expected market rental growth, and negatively correlated to the vacancy rate and the capitalisation rates.

The fair value of investment properties under construction determined using market comparison approach is determined by reference to recent sales price of comparable properties on a price per square metre basis, adjusted for estimated further costs for completing the properties. Higher further costs for completion will result in a lower fair value measurement.

The fair value of investment properties under construction determined using replacement costs approach is determined by reference to recent sales price of comparable land plus the current costs of replacement of the properties. Higher replacement costs of replacement will result in a higher fair value measurement.

6. INVESTMENT PROPERTIES *(continued)*

Undiscounted lease payments under non-cancellable operating lease

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

	2024 HKD'000	2023 HKD'000
Within 1 year	**423,337**	398,183
After 1 year but within 2 years	**306,819**	287,364
After 2 years but within 3 years	**230,833**	200,031
After 3 years but within 4 years	**165,140**	150,837
After 4 years but within 5 years	**109,246**	97,717
After 5 years	**499,997**	400,132
	1,735,372	1,534,264

7. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2024

	Buildings HKD'000	Other properties leased for own use HKD'000	Leasehold improvements HKD'000	Motor vehicles HKD'000	Furniture, fixtures and equipment HKD'000	Loading equipment and facilities in port and wind-power equipment HKD'000	Total HKD'000
Net book amount as at 1 January 2024	13,124,217	322,069	11,515	39,264	1,435,024	4,848,677	19,780,766
Acquisition of subsidiaries	–	–	–	–	50	–	50
Disposal of subsidiaries	(760,692)	–	–	(702)	(105,560)	–	(866,954)
Transfer from investment properties (note 6)	502	–	–	–	–	–	502
Transfer from construction in progress (note 9)	3,015,892	–	–	238	104,360	335,347	3,455,837
Transfer from non-current assets (note 15)	371,664	–	–	–	–	–	371,664
Transfer to investment properties	(480,994)	–	–	–	–	–	(480,994)
Additions	29,944	33,845	3,730	51,319	219,223	131,698	469,759
Disposals	(75,205)	(590)	–	(503)	(30,648)	(2,462)	(109,408)
Exchange difference	(470,660)	(10,345)	(411)	(2,021)	(47,788)	(165,044)	(696,269)
Depreciation	(702,976)	(54,628)	(2,395)	(13,736)	(200,123)	(299,708)	(1,273,566)
Impairment (note 29(b))	(243,429)	–	–	–	(10,234)	(5,844)	(259,507)
Closing net book value	13,808,263	290,351	12,439	73,859	1,364,304	4,842,664	20,391,880
At 31 December 2024							
Costs	17,762,698	747,681	31,898	183,356	4,318,500	6,423,707	29,467,840
Accumulated depreciation and impairment	(3,954,435)	(457,330)	(19,459)	(109,497)	(2,954,196)	(1,581,043)	(9,075,960)
Net book value	13,808,263	290,351	12,439	73,859	1,364,304	4,842,664	20,391,880

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Year ended 31 December 2023

	Buildings HKD'000	*Other properties leased for own use HKD'000*	*Leasehold improvements HKD'000*	*Motor vehicles HKD'000*	*Furniture, fixtures and equipment HKD'000*	*Loading equipment and facilities in port and wind-power equipment HKD'000*	*Total HKD'000*
Net book amount as at 1 January 2023	10,813,446	334,242	12,752	30,097	1,591,792	5,092,168	17,874,497
Acquisition of subsidiaries	175,731	–	–	610	54,471	146,532	377,344
Disposal of subsidiaries	(815)	–	–	(12,609)	(1,127)	–	(14,551)
Transfer from construction in progress (note 9)	2,698,165	–	–	–	77,986	33,576	2,809,727
Transfer from investment properties (note 6)	70,309	–	–	–	–	–	70,309
Additions	586,332	104,947	789	37,146	192,930	618	922,762
Disposals	(443,092)	(87,985)	–	(1,584)	(156,456)	(1,672)	(690,789)
Exchange difference	(266,022)	(7,275)	(270)	(993)	(33,750)	(110,048)	(418,358)
Depreciation	(509,837)	(21,860)	(1,756)	(13,403)	(290,822)	(312,497)	(1,150,175)
Closing net book value	13,124,217	322,069	11,515	39,264	1,435,024	4,848,677	19,780,766
At 31 December 2023							
Costs	16,320,191	823,095	29,220	141,142	4,285,428	6,178,929	27,778,005
Accumulated depreciation and impairment	(3,195,974)	(501,026)	(17,705)	(101,878)	(2,850,404)	(1,330,252)	(7,997,239)
Net book value	13,124,217	322,069	11,515	39,264	1,435,024	4,848,677	19,780,766

As at 31 December 2024, property ownership certificates for buildings, used in the operation of toll roads and logistic parks, with net book value of HKD905,535,000 (2023: HKD1,050,255,000) and HKD3,205,172,000 (2023: nil), respectively, has not yet procured. Due to the unique feature of the Group's operation of toll roads, the affiliated buildings and structures should be reverted to the government when the approved operating periods expired. Thus, the Group does not have a plan of procuring the relevant property ownership certificates. For buildings used in the operation of logistic parks, the Group is in the process of procuring the property ownership certificate and expected to complete in 2025.

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

(a) Right-of-use assets

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

	2024 **HKD'000**	2023 HKD'000
Properties and buildings leased and included in "Property, plant and equipment" with initial lease terms of 2 to 20 years	**776,011**	827,307
Land use rights (note 8)	**4,056,454**	4,231,866
	4,832,465	5,059,173

The above right-of use assets are carried at depreciated cost.

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

	2024 **HKD'000**	2023 HKD'000
Depreciation and amortisation charge of right-of-use assets by class of underlying asset		
Property, plant and equipment	**41,893**	41,723
Land use rights (note 8)	**136,390**	141,405
	178,283	183,128
Interest on lease liabilities (note 32)	**42,269**	47,356
Expense relating to short-term leases	**99,680**	68,264
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	**2,062**	3,150

Total cash outflow for leases except for land use rights in the current year amounted to HKD186,073,000 (2023: HKD178,082,000). During the year ended 31 December 2024, cash outflow for acquisition of land use rights is HKD 446,422,000 (2023: HKD1,364,973,000).

8. LAND USE RIGHTS

	2024 HKD'000	2023 HKD'000
Beginning of the year	**4,231,866**	3,181,633
Acquisition of subsidiaries	**–**	13,214
Additions	**446,422**	1,364,973
Disposal	**(26,508)**	(106,414)
Disposal of subsidiaries (note 40)	**(185,086)**	–
Transfer to Investment properties (note 6)	**(134,584)**	–
Amortisation (note 7(a))	**(136,390)**	(141,405)
Exchange difference	**(139,266)**	(80,135)
End of the year	**4,056,454**	4,231,866

The analysis of carrying amount of leasehold land included as land use rights is as follows:

	2024 HKD'000	2023 HKD'000
In the PRC		
Medium-term leases (10-50 years)	**4,056,454**	4,231,866

9. CONSTRUCTION IN PROGRESS

	2024 HKD'000	2023 HKD'000
Beginning of the year	**3,104,279**	3,436,227
Acquisition of a subsidiary (note 40)	**–**	530
Disposal of a subsidiary (note 40)	**(415)**	–
Additions	**3,904,324**	2,550,114
Transfer to property, plant and equipment (note 7)	**(3,455,837)**	(2,809,727)
Transfer to investment property (note 6)	**(29,948)**	–
Impairment (note 29(b))	**(12,981)**	–
Exchange difference	**(98,809)**	(72,865)
End of the year	**3,410,613**	3,104,279

10. INTANGIBLE ASSETS

	2024 **HKD'000**	2023 HKD'000
Cost	**46,496,040**	49,078,415
Accumulated amortisation and impairment	**(20,308,157)**	(19,798,090)
Net book value as at 31 December	**26,187,883**	29,280,325
Net book value as at 1 January	**29,280,325**	29,941,138
Additions	**2,212,008**	1,983,292
Disposals	**(5,253)**	(21,960)
Amortisation	**(1,889,762)**	(1,966,426)
Acquisition of a subsidiary	**7,758**	–
Disposal of subsidiaries (note 40)	**(2,263,403)**	–
Others	**(45,090)**	–
Impairment (note 29(b))	**(175,247)**	–
Exchange difference	**(933,453)**	(655,719)
Net book value as at 31 December	**26,187,883**	29,280,325

The Group's intangible assets include the followings:

(i) Toll roads

Concession intangible assets represent the rights to operate the respective toll roads granted by the relevant local government authorities in the PRC to the Group. The remaining periods of rights to operate the respective toll roads are from 2 to 25 years (2023: 1 to 25 years). According to the service concessions, the Group is responsible for the construction of the toll roads and the acquisition of the related facilities and equipment. It is also responsible for the operations and management, maintenance and overhaul of the toll roads during the approved operating periods. The toll fees collected and collectible during the operating periods are attributable to the Group. The relevant toll roads assets are required to be returned to the local government authorities when the operating rights periods expire without any consideration payable to the Group.

As at 31 December 2024, the carrying amounts of the toll road operating rights of the Group was HKD21,503,125,000 (2023: HKD24,099,719,000). According to the relevant regulations, these operating rights are not renewable and the Group does not have any termination options. Amortisation of concession intangible assets related to toll roads of HKD1,639,055,000 (2023: HKD1,767,199,000) has all been charged to the consolidated income statement under "Cost of sales and services".

The operating rights of certain toll roads were pledged for secured borrowings (see note 22(a)).

(ii) Kitchen waste disposal project

Concession intangible assets related to kitchen waste disposal project allow the Group to charge the government department kitchen waste disposal fee according to negotiated price, to generate electricity by biogas, and to sell the oil and grease extracted from the kitchen waste in the franchise period.

11. GOODWILL

	2024 HKD'000	2023 HKD'000
Carrying amount as at 1 January	**543,515**	551,995
Acquisition of a subsidiary (note 40)	**–**	3,643
Impairment loss recognised in the year	**(10,464)**	–
Exchange difference	**(17,954)**	(12,123)
Carrying amount as at 31 December	**515,097**	543,515

Impairment tests for CGUs containing goodwill

Goodwill is allocated to the Group's CGUs identified according to following business:

	2024 HKD'000	2023 HKD'000
Toll roads	**215,844**	223,303
Logistics parks	**285,213**	305,685
Logistics services	**10,552**	10,917
Port and related services	**3,488**	3,610
	515,097	543,515

As at 31 December 2024 and 2023, the Group determined the recoverable amount of all the CGUs of toll roads, general-environmental protection business, logistics parks, logistics services and port and related services in order to assess the impairment for goodwill.

The recoverable amount of the CGU of toll roads business is determined based on a value in use calculation according to the present value of the estimated future cash flow of the toll roads business. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering the predictive period to expiration of concession rights of relevant toll roads with a pre-tax discount rate ranging from 7.12% to 7.83% (2023: 6.70% to 8.10%). The key assumptions for the value in use calculation include growth rate of traffic flow and gross profit rate. The management of the Group believes that any reasonable change in the above assumptions will not result in the carrying amount of the CGU assets exceeding the recoverable amount of the CGU of toll roads business.

The recoverable amount of the CGU of logistics parks business is determined based on a value in use calculation according to the present value of the estimated future cash flow of the logistics parks business. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering a five-year period with a pre-tax discount rate of 6.20% and projection of terminal value using the perpetuity method at a growth rate of 3.0% (2023: 3.0%). The key assumptions for the value in use calculation include revenue growth rates and gross margin, which are determined based on the Group's past performance and inflation rate. The management of the Group believes that any reasonable change in the above assumptions will not result in the carrying amount of the CGU of logistics parks business exceeding the recoverable amount of the CGU of logistics parks business.

12. INTERESTS IN ASSOCIATES

	2024 HKD'000	2023 HKD'000
Beginning of the year	17,493,560	17,542,041
Additions (Note (a))	1,409,770	43,866
Disposals	(241)	(29,451)
Share of results of associates	1,123,634	678,271
Share of other comprehensive income of associates	41,862	29,495
Share of other reserves movement of associates	3,654	5,624
Dividends	(392,875)	(388,949)
Others	(9,153)	–
Exchange difference	(626,505)	(387,337)
End of the year	19,043,706	17,493,560

The year-end balance comprises the following:

	2024 HKD'000	2023 HKD'000
Share of net assets, other than goodwill	17,437,921	15,832,281
Goodwill on acquisition (Note (b))	1,605,785	1,661,279
	19,043,706	17,493,560

Notes:

(a) The major associates as listed below are held indirectly by the Company, their place of business and country of incorporation is the PRC. They are accounted for using equity method.

Name	% Ownership interest indirectly held by the Company 2024	2023	Business nature
Shenzhen Airlines Company Limited ("Shenzhen Airlines")	49%	49%	Aviation services
Air China Cargo Co., Ltd ("Air China Cargo") (Note (c))	8.76%	10%	Aviation services
Shenzhen International United Land Co., Ltd. ("United Land Company")	34.3%	34.3%	Real estate development
Guangzhou Western Second Ring Expressway Company Limited	25%	25%	Construction, operation and management of highways
Nanjing Yangzi River Third Bridge Company Limited	35%	35%	Construction, operation and management of bridges
Guangdong Yangmao Expressway Company Limited ("Yangmao Company")	25%	25%	Construction, operation and management of highways
Shenzhen International Qianhai Real Estate (Shenzhen) Co., Ltd. ("Qianhai Real Estate")	50%	50%	Real estate development
Shenzhen International Qianhai Business Development (Shenzhen) Co., Ltd ("Qianhai Business")	50%	50%	Real estate development
Chongqing Derun Environment Company Limited ("Derun Company")	20%	20%	Environment management and resources recovery
Foshan Shunde ShengChuang Expressway Environmental Science Industry M&A investment partnership	45%	45%	Investment management
China AMC-Shenzhen International Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (the "AMC REIT")	31.28%*	N/A	Construction, operation and management of urban integrated logistics hubs
E Fund Shenzhen Expressway Closed-end Infrastructure Securities Investment Fund （the "E Fund-Shenzhen REIT")	40%*	N/A	Construction, operation and management of an expressway

12. INTERESTS IN ASSOCIATES *(continued)*

Notes: (continued)

(a) *(continued)*

* During the year, the Group subscribed 31.28% and 40% interest in AMC REIT and E Fund – Shenzhen REIT, amounted to approximately RMB448 million (equivalent to HKD484 million) and RMB819 million (equivalent to HKD891 million), respectively. The investments are accounted for as interests in associates as the directors of the Company assessed that the Group has significant influence over the investments through its involvement in their operations and its interest in them.

(b) This balance mainly represents goodwill arising from the acquisition of equity interests in Yangmao Company and Derun Company.

(c) The Board anticipated the Group has significant influence over this entity by its participation in the financial and operating activities of this entity through its representation on the board of directors.

(d) In the opinion of the Board, Qianhai Business and Derun Company are material associates to the Group. Qianhai Business and Derun Company are private companies with no quoted market prices available for their shares. Set out below are the summarised financial information for the two associates.

Summarised balance sheet

	Qianhai Business		***Derun Company***	
	2024 HKD'000	*2023 HKD'000*	***2024 HKD'000***	*2023 HKD'000*
Current assets	**8,100,088**	8,009,951	**12,315,113**	15,456,528
Current liabilities	**(5,237,969)**	(6,543,601)	**(13,342,632)**	(13,976,692)
Net current assets (liabilities)	**2,862,119**	1,466,350	**(1,027,519)**	1,479,836
Non-current assets	**1,072,296**	1,156,308	**56,003,028**	56,577,176
Non-current liabilities	**–**	–	**(18,716,519)**	(21,250,925)
Net non-current assets	**1,072,296**	1,156,308	**37,286,509**	35,326,251
Non-controlling interests	**–**	–	**(16,826,388)**	(16,911,355)
Equity attributable to the owners of the associate	**3,934,415**	2,622,658	**19,432,602**	19,894,732

Summarised statement of comprehensive income

	Qianhai Business		***Derun Company***	
	2024 HKD'000	*2023 HKD'000*	***2024 HKD'000***	*2023 HKD'000*
Revenue	**3,880,985**	8,452	**14,342,404**	15,014,078
Profit for the year	**1,426,994**	30,012	**742,164**	992,877
Other comprehensive income	**–**	–	**105,555**	56,537
Total comprehensive income	**1,426,994**	30,012	**847,719**	1,049,414
Dividends received from the associate	**–**	–	**130,180**	186,625

12. INTERESTS IN ASSOCIATES *(continued)*

Notes: (continued)

(d) *(continued)*

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in the associates

	Qianhai Business		*Derun Company*	
	2024 HKD'000	*2023 HKD'000*	***2024 HKD'000***	*2023 HKD'000*
Opening net assets	**2,622,658**	1,428,977	**19,894,732**	20,244,443
Profit for the year	**1,426,994**	30,012	**742,164**	992,877
Other comprehensive income	**–**	–	**105,555**	56,537
Dividend paid	**–**	–	**(650,900)**	(933,125)
Currency translation differences	**(115,237)**	1,163,669	**(658,949)**	(466,000)
Closing equity attributable to the owners of the associate	**3,934,415**	2,622,658	**19,432,602**	19,894,732
The Group's share of the associate's net assets attributable to their owners	**1,967,208**	1,311,329	**3,886,520**	3,978,946
Goodwill	**–**	–	**1,556,334**	1,610,119
Add: Fair value adjustments upon acquisition	**925,048**	1,428,977	**–**	–
Carrying value	**2,892,256**	2,740,306	**5,442,854**	5,589,065

Note: The Group shares 50% of equity interests of Qianhai Business and 20% of equity interests of Derun Company.

	2024 HKD'000	*2023 HKD'000*
The unrecognised share of loss of Shenzhen Airlines for the year	**1,208,946**	924,516
Cumulative unrecognised share of loss of Shenzhen Airlines	**6,537,076**	5,328,130

(e) Aggregate financial information of associates that are not individually material is as follows:

	2024 HKD'000	*2023 HKD'000*
Aggregate carrying amount of the Group's interests in associates that are not individually material	**10,708,596**	9,164,189
The Group's share of profit	**261,704**	464,690
The Group's share of other comprehensive income	**20,751**	18,188
	282,455	482,878

13. INTERESTS IN JOINT VENTURES

	2024 HKD'000	2023 HKD'000
Beginning of the year	**10,870,097**	10,947,559
Share of results of joint ventures	**360,064**	418,457
Share of other comprehensive (expense) income of joint ventures	**(1,689)**	2,438
Dividends received	**(368,831)**	(256,967)
Exchange difference	**(362,905)**	(241,390)
End of the year	**10,496,736**	10,870,097

Notes:

(a) The major joint ventures as listed below are held indirectly by the Company. Their place of business and country of incorporation is the PRC. They are accounted for using equity method.

Name	*% Ownership interest indirectly held by the Company*		*Business nature*
	2024	2023	
Shenzhen Airport International Express Supervision Center Co., Ltd.	**50%**	50%	Equipment services for customs monitoring
Shenshi (Shenzhen) Smart Logistics Infrastructure Private Equity Fund Partnership (Limited)	**40%**	40%	Warehouse management
Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway")	**N/A***	N/A*	Development, operation and management of an expressway
Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("GZ West Superhighway")	**50%**	50%	Development, operation and management of an expressway

* According to the joint venture agreements entered into between the relevant subsidiary and the corresponding joint venture partner under which the joint venture operates, GS Superhighway is established to undertake the development, operation and management of the Guangzhou-Shenzhen-Zhuhai Superhighway, an expressway in Guangdong Province of the PRC running between Shenzhen and Guangzhou. The operation period is 30 years from the official opening date, 1 July 1997.

The registered capital of GS Superhighway, amounted to RMB471,000,000, had already been repaid by GS Superhighway to the joint venture partners during the year ended 30 June 2008, and therefore no registered capital remains for the joint venture.

The Group is considered to exercise joint control over GS Superhighway as the decision making on relevant activities of GS Superhighway required unanimous consent of all joint venture partners under contractual arrangement. Therefore, GS Superhighway is considered as a joint venture of the Group.

The Group's entitlement to the profit of the toll operations of Guangzhou-Shenzhen-Zhuhai Superhighway is 50% for the initial 10 years of operation period, 48% for the next 10 years and 45% for the last 10 years of the operation period. At the end of the operation period, all the immovable assets and facilities of GS Superhighway will revert to the PRC joint venture partner without compensation.

13. INTERESTS IN JOINT VENTURES *(continued)*

Notes: (continued)

(b) In the opinion of the Board, GS Superhighway and GZ West Superhighway are material joint ventures to the Group. GS Superhighway and GZ West Superhighway are private companies with no quoted market prices available for their shares. Set out below are the summarised financial information for GS Superhighway and GZ West Superhighway.

Summarised balance sheet

	GS Superhighway		GZ West Superhighway	
	2024 HKD'000	2023 HKD'000	**2024 HKD'000**	2023 HKD'000
Current assets	**2,306,027**	1,400,128	**496,527**	538,718
Current liabilities	**(2,032,159)**	(1,738,269)	**(1,002,501)**	(1,049,192)
Net current assets (liabilities)	**273,868**	(338,141)	**(505,974)**	(510,474)
Non-current assets	**15,194,619**	15,791,393	**11,423,353**	12,409,054
Non-current liabilities	**(2,936,369)**	(2,742,850)	**(3,575,915)**	(4,141,895)
Net non-current assets	**12,258,250**	13,048,543	**7,847,438**	8,267,159
Net assets	**12,532,118**	12,710,402	**7,341,464**	7,756,685

Summarised statement of comprehensive income

	GS Superhighway		GZ West Superhighway	
	2024 HKD'000	2023 HKD'000	**2024 HKD'000**	2023 HKD'000
Revenue	**3,129,951**	3,212,845	**1,376,306**	1,448,420
Profit for the year and total comprehensive income	**581,454**	483,847	**202,029**	236,033

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures.

	GS Superhighway		GZ West Superhighway	
	2024 HKD'000	2023 HKD'000	**2024 HKD'000**	2023 HKD'000
Dividends received from the joint venture	**146,453**	119,973	**180,613**	124,219

13. INTERESTS IN JOINT VENTURES

Notes: (continued)

(b) *(continued)*

Reconciliation of the summarised financial information presented to the carrying amount of the groups interests in the joint ventures

Summarised financial information

	GS Superhighway		GZ West Superhighway	
	2024 HKD'000	2023 HKD'000	**2024 HKD'000**	2023 HKD'000
Opening net assets	**12,710,402**	12,781,418	**7,756,685**	7,942,940
Profit for the year	**581,454**	483,847	**202,029**	236,033
Dividend paid	**(325,451)**	(266,607)	**(361,226)**	(248,438)
Currency translation differences	**(434,287)**	(288,256)	**(256,024)**	(173,850)
Closing net assets	**12,532,118**	12,710,402	**7,341,464**	7,756,685
Share of net assets	**5,639,453**	5,719,681	**3,670,732**	3,878,342
Adjustments for unrealised profit	**(64,165)**	(69,233)	**–**	–
Interest in the joint venture	**5,575,288**	5,650,448	**3,670,732**	3,878,342

(c) Aggregate financial information of joint ventures that are not individually material is as follows:

	2024 HKD'000	2023 HKD'000
Aggregate carrying amount of the Group's interests in joint ventures that are not individually material	**1,250,716**	1,341,307
The Group's share of (loss) profit	**(2,605)**	82,709
The Group's share of other comprehensive (expense) income	**(1,689)**	2,438
The Group's share of total comprehensive (expense) income	**(4,294)**	85,147

14. OTHER INVESTMENTS

	2024	2023
	HKD'000	*HKD'000*
Equity securities designated at FVTOCI		
– Unlisted equity securities	**46,939**	48,915
Financial assets measured at FVTPL		
– Listed securities in the PRC (Note (a))	**639,162**	302,367
– Listed securities in HK (Note (b))	**50,838**	10,219
– Unlisted equity securities (Notes (a), (c))	**261,605**	623,319
– Unlisted fund investment (Note (d))	**848,806**	828,924
– Structured deposit	**–**	407,630
	1,847,350	2,221,374
Less: non-current portion	**(1,209,394)**	(1,155,711)
Current portion	**637,956**	1,065,663

Notes:

(a) As at 31 December 2024, listed equity investments in the PRC represent the Group's interest in listed real estate investment trusts ("REITs") and Shenzhen Water Planning and Design Institute Co., Ltd. ("SZ Water"). Prior to 2024, the Group's investment in SZ Water was restricted for trading and thus included in unlisted equity securities, the restriction for trading was released in 2024 and the relevant investment was then grouped as listed securities in the PRC.

(b) As at 31 December 2024, listed equity investments carried at market price represent 58,200,000 shares (2023: 9,000,000 shares) of listed banking shares investments amounting to HKD 50,838,000 (2023: HKD10,219,000).

(c) As at 31 December 2024 and 2023, unlisted equity securities mainly represent the Group's interest in Guangdong United Electronic Services Co., Ltd..

(d) As at 31 December 2024 and 2023, unlisted fund investments mainly represent investments in the Yuanzhi Credit Suisse Smart Airport Logistics Industry Private Equity Fund and investments in Shenzhen SASAC Cooperative Development Private Investment Fund.

15. OTHER NON-CURRENT ASSETS

	2024 **HKD'000**	2023 HKD'000
Contract assets that is expected to be recovered after more than one year	**1,876,143**	2,929,775
Receivables of electricity subsidy	**1,440,330**	1,373,462
Receivables of finance leases (Note 18 (b))	**1,143,805**	1,076,883
Relocation compensation (Note)	**–**	1,208,232
Prepayment for non-current assets	**1,679,001**	493,852
Receivables of construction projects	**755,316**	–
Others	**927,250**	789,461
	7,821,845	7,871,665

Note:

During the year ended 31 December 2018, the Group entered into a supplementary agreement with United Land Company in relation to Meilinguan Urban Renewal Project (Meilinguan Project) of Shenzhen Longhua District Minzhi Office (the "Agreement"). Pursuant to the Agreement, United Land Company will construct and transfer certain units of the office building (the "New Premises") to the Group, the right to receive the New Premises as relocation compensation and was initially recognized based on the fair value of the New Premises at the date of transfer.

The Board assesses the recoverable amount of the relocation compensation by reference to the fair value of the New Premises which was determined based on recent transaction price of similar properties and estimated an impairment loss of the relocation compensation amounted to HKD169,282,000 (2023: HKD209,731,000).

The New Premises is completed and transferred to the Group during the year ended 31 December 2024 and the amount has been transferred to investment properties and property, plant and equipment, respectively according to the intended use of the properties.

16. INVENTORIES AND OTHER CONTRACT COSTS

	2024 HKD'000	2023 HKD'000
Land held for future development	**373,021**	385,890
Land and properties under development for sale	**2,638,760**	2,583,156
Completed properties for sale	**1,032,387**	1,055,653
Wind turbine equipment	**373,334**	457,801
Bunker	**401,986**	370,268
Others	**198,564**	228,889
Write-down	**(430,234)**	(266,115)
	4,587,818	4,815,542

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

	2024 HKD'000	2023 HKD'000
Carrying amount of inventories sold	**3,361,140**	4,701,469
Write-down of inventories	**178,425**	146,885
Total	**3,539,565**	4,848,354

(b) The analysis of carrying amount of leasehold land held for properties development for sale included in above mentioned inventories is as follows:

	2024 HKD'000	2023 HKD'000
In the PRC, with remaining lease term of:		
between 10 and 50 years	**2,193,603**	2,361,149
50 years or more	**506,618**	477,793
	2,700,221	2,838,942

The amount of properties expected to be recovered after more than one year is HKD2,535,651,000 (2023: HKD2,605,193,000). All the other inventories are expected to be recovered within one year.

17. CONTRACT ASSETS

	2024 HKD'000	2023 HKD'000
Arising from performance under construction contracts	**2,291,831**	3,386,555
Less: Loss allowance	**(21,403)**	(22,143)
Contract assets, net of loss allowance	**2,270,428**	3,364,412
Less: Non-current portion	**(1,876,143)**	(2,929,775)
Current portion	**394,285**	434,637

As at 1 January 2023, the amount of contract assets (including current and non-current portion), net of loss allowance, is HKD3,396,042,000.

Pursuant to the terms of the construction contracts, payment of the constructions are scheduled in stages over the construction period upon completion of defined milestones. The respective price of service provided is included in contract assets until the Group's fulfilment of the respective milestone.

The amount of contract assets that is expected to be recovered after more than one year, included in other non-current assets, is HKD1,876,143,000 (2023: HKD2,929,775,000).

18. TRADE AND OTHER RECEIVABLES

	2024 HKD'000	2023 HKD'000
Trade receivables and bill receivables (Note (a))	**2,231,252**	2,012,311
Less: Loss allowance	**(412,766)**	(304,106)
Trade receivable, net of loss allowance	**1,818,486**	1,708,205
Lease receivables (Note (b))	**182,760**	281,050
Dividend receivables from associates	**247,872**	219,018
Amounts due from associates	**148,748**	150,800
Amount due from a joint venture	**3,126**	1,831
Other debtors	**932,687**	850,282
	3,333,679	3,211,186
Deposits and prepayments	**1,449,916**	948,450
	4,783,595	4,159,636

18. TRADE AND OTHER RECEIVABLES *(continued)*

Notes:

(a) The settlement period of the toll revenue from toll road operations is normally within a month due to the implementation of unified toll collection policy on expressways in the PRC. Trade receivables other than toll revenue generally due within 120 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 36(a)(iv).

As at 1 January 2023, the amount of trade receivable, net of loss allowance is HKD2,157,120,000.

As at 31 December 2024, the ageing analysis of trade receivables based on revenue recognition date was as follows:

	2024 HKD'000	*2023 HKD'000*
0-90 days	**706,121**	763,381
91-180 days	**226,068**	154,753
181-365 days	**524,506**	213,531
Over 365 days	**774,557**	880,646
	2,231,252	2,012,311

(b) Receivables from finance lease

	2024 HKD'000	*2023 HKD'000*
Total receivables	**1,326,565**	1,357,933
Less: non-current portion (Note 15)	**(1,143,805)**	(1,076,883)
Current portion	**182,760**	281,050

19. CASH AND CASH EQUIVALENTS

	2024 HKD'000	*2023 HKD'000*
Cash at bank and on hand (Note (a))	**9,669,725**	9,804,705
Less: Restricted bank deposits (Note (b))	**(329,644)**	(1,088,617)
Less: Deposits in banks with original maturities over three months (Note (c))	**(620,745)**	(1,118,292)
Cash and cash equivalents	**8,719,336**	7,597,796

19. CASH AND CASH EQUIVALENTS *(continued)*

Notes:

(a) The cash at bank and on hand were denominated in the following currencies:

	2024 HKD'000	2023 HKD'000
RMB	**9,422,281**	9,534,025
HKD	**234,376**	170,959
United States dollar ("USD")	**12,953**	99,598
Other currencies	**115**	123
	9,669,725	9,804,705

(b) As at 31 December 2024 and 2023, the restricted bank deposits mainly represented restricted project funds.

(c) As at 31 December 2024 and 2023, the deposits in banks with original maturities over 3 months mainly represented time deposits carry interest at respective market rates range from 1.15% to 3.30% (2023: 1.50% to 3.30%).

20. SHARE CAPITAL AND SHARE PREMIUM

	Number of issued shares	Ordinary share capital HKD'000	Share premium HKD'000	Total HKD'000
At 1 January 2023	2,387,809,199	2,387,810	10,830,494	13,218,304
Issue of scrip shares as dividend (note 35)	5,339,689	5,340	30,511	35,851
Employee share options – recognition of share-based payment (note 31)	–	–	3,828	3,828
At 31 December 2023	2,393,148,888	2,393,150	10,864,833	13,257,983
Issue of scrip shares as dividend (note 35)	16,490,162	16,490	92,543	109,033
Employee share options – recognition of share-based payment (note 31)	–	–	22,966	22,966
At 31 December 2024	2,409,639,050	2,409,640	10,980,342	13,389,982

20. SHARE CAPITAL AND SHARE PREMIUM *(continued)*

(a) Authorised and issued shares

As at 31 December 2024, the total authorised number of shares was 3,000 million (2023: 3,000 million) with par value of HKD1.00 per share (2023: HKD1.00 per share). All issued shares are fully paid.

(b) Share options

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Average Exercise price HKD	***Number of share options***	*Average Exercise price HKD*	*Number of share options*
Beginning of the year	**5.37**	**55,454,000**		–
Granted (Note)		**–**	5.37	55,454,000
End of the year	**5.37**	**55,454,000**	5.37	55,454,000

Note:

On 1 November 2023, 55,454,000 share options (the "2023 Share Options") with an exercise price of HKD5.37 per share were granted to certain directors of the Company and selected employees of the Group. The exercise price of the 2023 Share Options represents the average closing price for the five business days immediately preceding the date of grant. 40% of the share options granted is to be vested on 1 November 2025, another 30% of the share options granted will be vested on 1 November 2026, and the remaining 30% of the share options granted will be vested on 1 November 2027. Vesting of the above mentioned share is conditional upon the individual performance of respective grantees and the achievement of certain performance targets of the Group.

21. OTHER RESERVES AND RETAINED EARNINGS

	Fair value reserve HKD'000 (Note (a))	*Reserve funds HKD'000 (Note (b))*	*Capital reserve HKD'000*	*Goodwill reserve HKD'000*	*Merger reserve HKD'000*	*Revaluation surplus HKD'000*	*Other reserves HKD'000 (Note (c))*	*Currency translation reserve HKD'000*	*Contributed surplus HKD'000 (Note (d))*	*Other reserves sub-total HKD'000*	*Retained earnings HKD'000*	*Total HKD'000*
At 1 January 2024	4,973	5,147,599	59,723	(159,583)	(734,447)	542,468	2,293,978	(6,400,475)	13,005	767,241	17,556,982	18,324,223
Profit attributable to ordinary shareholders of the Company	–	–	–	–	–	–	–	–	–	–	2,872,448	2,872,448
Fair value loss on equity securities designated at FVTOCI	(348)	–	–	–	–	–	–	–	–	(348)	–	(348)
Deferred taxation relating to revaluation of equity securities	87	–	–	–	–	–	–	–	–	87	–	87
Gain on revaluation of properties previously occupied by the Group	–	–	–	–	–	228,406	–	–	–	228,406	–	228,406
Deferred taxation relating to revaluation of properties	–	–	–	–	–	(57,102)	–	–	–	(57,102)	–	(57,102)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	–	–	20,898	–	–	20,898	–	20,898
Exchange difference arising on translation of foreign operations	–	–	–	–	–	–	–	(143,712)	–	(143,712)	–	(143,712)
Exchange difference arising from translation of functional currency to presentation currency	–	–	–	–	–	–	–	(1,179,583)	–	(1,179,583)	–	(1,179,583)
Total comprehensive (expense) income	(261)	–	–	–	–	171,304	20,898	(1,323,295)	–	(1,131,354)	2,872,448	1,741,094
Transfer to reserve	–	161,504	–	–	–	–	–	–	–	161,504	(161,504)	–
Share of associates' reserve's movement	–	–	–	–	–	–	3,910	–	–	3,910	–	3,910
Dividend relating to 2023 (note 35)	–	–	–	–	–	–	–	–	–	–	(957,260)	(957,260)
Others	–	–	–	–	–	–	(2,210)	–	–	(2,210)	–	(2,210)
At 31 December 2024	4,712	5,309,103	59,723	(159,583)	(734,447)	713,772	2,316,576	(7,723,770)	13,005	(200,909)	19,310,666	19,109,757

21. OTHER RESERVES AND RETAINED EARNINGS *(continued)*

	Fair value reserve HKD'000 (Note (a))	Reserve funds HKD'000 (Note (b))	Capital reserve HKD'000	Goodwill reserve HKD'000	Merger reserve HKD'000	Revaluation surplus HKD'000	Other reserves HKD'000 (Note (c))	Currency translation reserve HKD'000	Contributed surplus HKD'000 (Note (d))	Other reserves sub-total HKD'000	Retained earnings HKD'000	Total HKD'000
At 1 January 2023	5,529	5,081,994	59,723	(159,583)	(734,447)	542,468	2,256,421	(5,370,161)	13,005	1,694,949	16,334,611	18,029,560
Profit attributable to ordinary shareholders of the Company	–	–	–	–	–	–	–	–	–	–	1,901,643	1,901,643
Fair value loss on equity securities designated at FVTOCI	(417)	–	–	–	–	–	–	–	–	(417)	–	(417)
Deferred taxation relating to revaluation of equity securities	(139)	–	–	–	–	–	–	–	–	(139)	–	(139)
Share of other comprehensive income of associates	–	–	–	–	–	–	31,933	–	–	31,933	–	31,933
Exchange difference arising on translation of foreign operations	–	–	–	–	–	–	–	(76,919)	–	(76,919)	–	(76,919)
Exchange difference arising from translation of functional currency to presentation currency	–	–	–	–	–	–	–	(953,395)	–	(953,395)	–	(953,395)
Total comprehensive (expense) income	(556)	–	–	–	–	–	31,933	(1,030,314)	–	(998,937)	1,901,643	902,706
Transfer to reserve	–	65,605	–	–	–	–	–	–	–	65,605	(65,605)	–
Share of associates' reserve's movement	–	–	–	–	–	–	5,624	–	–	5,624	–	5,624
Dividend relating to 2022 (note 35)	–	–	–	–	–	–	–	–	–	–	(613,667)	(613,667)
At 31 December 2023	4,973	5,147,599	59,723	(159,583)	(734,447)	542,468	2,293,978	(6,400,475)	13,005	767,241	17,556,982	18,324,223

Notes:

(a) The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVTOCI held at the end of the reporting period.

(b) In accordance with the PRC regulations, certain subsidiaries of the Group in the PRC are required to transfer part of their profits after taxation to various reserve funds, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies, in accordance with their joint venture agreements and/or articles of association.

(c) Other reserves mainly represented the differences between the considerations paid or received and the relevant carrying value of net assets of the subsidiaries acquired or disposed of for the transactions with certain non-controlling interests, share of other comprehensive income of associates and the share of associates' reserve's movement.

(d) The contributed surplus of the Group represents the difference between the nominal value of the shares of the former group holding company, acquired pursuant to the Group reorganisation on 9 January 1990, over the nominal value of the Company's shares issued in exchange thereof.

22. BORROWINGS

	Notes	2024 HKD'000	2023 HKD'000
Secured bank borrowings	(a)	**10,930,306**	16,551,325
Unsecured bank borrowings and other borrowings		**24,574,200**	16,530,131
Medium-term notes	(b)	**2,689,343**	2,229,409
Corporate bonds	(c)	**8,299,060**	7,120,242
Panda bonds	(d)	**10,747,177**	11,125,346
Borrowings from finance lease companies		**–**	117,480
Super short-term commercial paper	(e)	**3,208,800**	1,664,753
		60,448,886	55,338,686
Less: Amount due within one year		**(19,391,125)**	(26,977,953)
Amount shown under non-current liabilities		**41,057,761**	28,360,733
Analysis of borrowings due within one year:			
Secured bank borrowings		**3,094,473**	10,312,970
Unsecured bank borrowings		**11,849,927**	9,075,663
Medium-term notes		**31,250**	29,985
Corporate bonds		**112,234**	1,440,396
Panda bonds		**1,094,441**	4,427,704
Borrowings from finance lease companies		**–**	26,482
Super short-term commercial paper		**3,208,800**	1,664,753
		19,391,125	26,977,953

Notes:

(a) The Group's borrowings had been secured by the pledge of the Group's assets and carrying amounts of the respective assets are as follows:

	2024 HKD'000	2023 HKD'000
Other non-current assets	**650,078**	910,674
Intangible assets	**15,735,862**	16,271,226
	16,385,940	17,181,900

In addition to the above, shareholdings in certain subsidiaries owned by the Group, are also pledged to various banks for bank facilities granted to the Group as at 31 December 2024 and 2023.

(b) Details of Group's medium-term-notes are as follows:

	2024 HKD'000	2023 HKD'000
– RMB1,000 million, 2.89% medium-term notes maturing in 2026	**1,081,960**	1,118,975
– RMB1,000 million, 3.05% medium-term notes maturing in 2028	**1,073,555**	1,110,434
– RMB500 million, 2.16% medium-term notes maturing in 2027	**533,828**	–
	2,689,343	2,229,409

22. BORROWINGS *(continued)*

Notes: (continued)

(c) Details of Group's Corporate Bonds are as follows:

	2024 HKD'000	2023 HKD'000
– RMB1,200 million, 3.49% Corporate Bonds maturing in 2024	–	1,351,538
– USD300 million, 1.75% Corporate Bonds maturing in 2026	2,308,306	2,348,816
– RMB1,000 million, 3.35% Corporate Bonds maturing in 2026	1,078,200	1,114,844
– RMB550 million, 2.88% Corporate Bonds maturing in 2026	587,796	607,669
– RMB1,500 million, 3.18% Corporate Bonds maturing in 2029	1,641,287	1,697,375
– RMB550 million, 2.25% Corporate Bonds maturing in 2027	592,518	–
– RMB1,000 million, 2.20% Corporate Bonds maturing in 2029	1,064,957	–
– RMB950 million, 2.7% Corporate Bonds maturing in 2034	1,025,996	–
	8,299,060	7,120,242

(d) Details of Group's Panda Bonds are as follows:

	2024 HKD'000	2023 HKD'000
– RMB4,000 million, 3.29%, 6-years Panda Bonds issued in 2021	–	4,427,704
– RMB1,000 million, 2.95%, 6-years Panda Bonds issued in 2022	1,094,441	1,132,261
– RMB1,500 million, 2.88%, 6-years Panda Bonds issued in 2023	1,617,401	1,673,235
– RMB1,600 million, 2.99%, 5-years Panda Bonds issued in 2023	1,724,298	1,783,825
– RMB1,900 million, 2.95%, 6-years Panda Bonds issued in 2023	2,037,940	2,108,321
– RMB4,000 million, 2.21%, 3-years medium-term notes issued in 2024	4,273,097	–
	10,747,177	11,125,346

At the end of the third year of above bonds' duration, the issuer shall be entitled to adjust the coupon rate of corporate bonds and investors shall be entitled to sell back the bonds to the issuer.

(e) As of 31 December 2024, there are one super short-term commercial papers of RMB1,500 million (equivalent to HKD1,596 million) for a term of 270 days (bearing interest at 1.75% per annum), and one super short-term commercial papers of RMB1,500 million (equivalent to HKD1,596 million) for a term of 80 days (bearing interest at 2.03% per annum).

As at 31 December 2023, there was a super short-term commercial paper of RMB1,500 million (equivalent to HKD1,651 million) issued by Shenzhen Expressway for a term of 270 days bearing interest at 2.25% per annum, the relevant amounts have been settled in current year.

22. BORROWINGS *(continued)*

At 31 December 2024, the borrowings are repayable as follows:

	2024 HKD'000	2023 HKD'000
Within 1 year	**19,391,125**	26,977,953
Between 1 and 2 years	**6,700,504**	2,391,230
Between 2 and 5 years	**25,814,892**	20,649,847
Over 5 years	**8,542,365**	5,319,656
	60,448,886	55,338,686

The carrying amounts of the borrowings are denominated in the following currencies:

	2024 HKD'000	2023 HKD'000
HKD	**2,227,292**	12,464,888
RMB	**55,913,287**	40,524,982
USD	**2,308,307**	2,348,816
	60,448,886	55,338,686

The ranges of interest rates of the borrowings, denominated in respective currencies, at the balance sheet date were as follows:

	2024	2023
HKD	**5.21% to 6.24%**	2.9% to 6.88%
RMB	**2.1% to 3.96%**	2.1% to 4.11%
USD	**1.75%**	1.75%

The Group has unutilised banking facilities as follows:

	2024 HKD'000	2023 HKD'000
Floating rate		
– Expiring within 1 year	**84,011,843**	40,848,272
– Expiring after 1 year	**26,719,513**	50,859,005
	110,731,356	91,707,277

23. DEFERRED TAX

The components of deferred tax assets (liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

	Concession intangible assets HKD'000	Fair value changes of other financial assets HKD'000	Tax losses HKD'000	Payroll and other expenses accrued but not paid HKD'000	New toll station operating subsidies HKD'000	Temporary differences arising from Meilinguan Project HKD'000	Temporary difference of the tax effect on right-of-use assets HKD'000	Temporary difference of the tax effect on lease liabilities HKD'000	Business combinations involving enterprises not under common control HKD'000	Accruals for construction costs and PRC land appreciation tax HKD'000	Fair value changes of other investment HKD'000	Revaluation reserve HKD'000	Others HKD'000	Total HKD'000
At 1 January 2023	(803,072)	(168,078)	131,702	34,147	100,602	20,136	–	–	(794,411)	22,637	(259,788)	(11,162)	(326,497)	(2,053,784)
Change of fair value reserve on other financial assets credited to equity	–	138	–	–	–	–	–	–	–	–	–	–	–	138
Credited (charged) to the profit or loss (note 33)	86,270	7,965	(48,309)	(82)	(16,737)	(7,782)	18,878	(21,450)	44,474	138,305	(76,201)	(8,029)	(117,532)	(230)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Exchange differences	16,791	3,604	(2,438)	(747)	(2,049)	(369)	(175)	198	16,989	(1,775)	10,104	319	4,532	44,984
At 31 December 2023	(700,011)	(156,371)	80,955	33,318	81,816	11,985	18,703	(21,252)	(732,948)	159,167	(325,885)	(18,872)	(439,497)	(2,008,892)
At 1 January 2024	**(700,011)**	**(156,371)**	**80,955**	**33,318**	**81,816**	**11,985**	**18,703**	**(21,252)**	**(732,948)**	**159,167**	**(325,885)**	**(18,872)**	**(439,497)**	**(2,008,892)**
Change of fair value reserve on other financial assets credited to equity	**–**	**87**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**87**
Revaluation of properties credited to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(60,131)**	**–**	**(60,131)**
(Charged) credited to the profit or loss (note 33)	**(4,764)**	**(9,906)**	**(64,229)**	**(307)**	**(16,470)**	**(2,008)**	**14,963**	**(891)**	**50,588**	**(30,142)**	**55,601**	**–**	**(146,803)**	**(154,368)**
Disposal of a subsidiary	**317,748**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**317,748**
Exchange differences	**16,478**	**5,413**	**(1,461)**	**(1,107)**	**(2,414)**	**(361)**	**(914)**	**727**	**23,503**	**(4,732)**	**9,809**	**1,795**	**17,524**	**64,260**
At 31 December 2024	**(370,549)**	**(160,777)**	**15,265**	**31,904**	**62,932**	**9,616**	**32,752**	**(21,416)**	**(658,857)**	**124,293**	**(260,475)**	**(77,208)**	**(568,776)**	**(1,841,296)**

23. DEFERRED TAX *(continued)*

	2024 HKD'000	2023 HKD'000
Deferred tax assets	**598,201**	638,506
Deferred tax liabilities	**(2,439,497)**	(2,647,398)
	(1,841,296)	(2,008,892)

Deferred tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of tax losses amounting to HKD4,326,460,000 (2023: HKD3,202,839,000) due to the unpredictability of future profit streams. Tax losses of approximately HKD4,039,211,000 (2023: HKD2,882,141,000) will expire within the next five (2023: five) years from the end of the reporting period.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding income tax rate will be reduced from 10% to 5%.

Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HKD8,030,930,000 (2023: HKD7,764,552,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

24. OTHER NON-CURRENT LIABILITIES

	2024 HKD'000	2023 HKD'000
Deferred income:		
– Compensations from government regarding operation of toll station (Note (a))	**276,215**	374,053
– Other government grants (Note (b))	**802,334**	655,239
Long-term employee bonus	**123,032**	127,284
Operating costs in the extended period for toll road compensation	**153,643**	166,853
Others	**271,170**	230,715
	1,626,394	1,554,144

Notes:

(a) The amount represents government compensations amounting to HKD276,215,000 (2023: HKD374,053,000) for subsidising the operation of toll stations and ramp.

(b) The amount mainly includes government grants amounting to HKD762,552,000 (2023: HKD601,519,000) which was received from the government for the purpose of subsidising the Group's development, operation and setting up certain integrated logistics hubs.

25. TRADE AND OTHER PAYABLES

	2024 HKD'000	2023 HKD'000
Trade payables (Note (a))	**5,161,218**	4,337,936
Construction payables (Note (b))	**2,480,584**	2,194,845
Dividend payable	**100,029**	6,202
Provision on land premium (note 29(a))	**353,463**	–
Other payables and accrued expenses	**2,291,490**	2,507,807
Amounts due to associates (Note (c))	**3,339,316**	3,670,941
	13,726,100	12,717,731
Current portion of deferred income	**4,176**	4,320
	13,730,276	12,722,051

Notes:

(a) As at 31 December 2024, the ageing analysis of trade payables based on the date of invoices was as follows:

	2024 HKD'000	2023 HKD'000
0 - 90 days	**2,217,907**	1,945,144
91 - 180 days	**571,125**	237,290
181 - 365 days	**217,941**	499,354
Over 365 days	**2,154,245**	1,656,148
	5,161,218	4,337,936

(b) Construction payables mainly includes: (i) advances from government relating to construction projects in an amount of HKD210,304,000 (2023: HKD211,734,000); and (ii) payable for projects of logistics parks and entrusted management and construction of highways in an amount of HKD2,270,280,000 (2023: HKD1,983,111,000).

(c) Amounts due to associates:

	2024 HKD'000	2023 HKD'000
Qianhai Real Estate (Note (i))	**452,748**	456,108
Qianhai Business (Note (ii))	**2,279,660**	2,182,961
United Land Company (Note (iii))	**412,326**	907,546
Other associates	**194,582**	124,326
	3,339,316	3,670,941

Notes:

(i) Amounts are unsecured, interest bearing at 3.5% (2023: 3.5%) per annum and repayable on demand.

(ii) Amounts are unsecured, interest bearing at 2.9% (2023: 2.9%) per annum and repayable on demand.

(iii) Amounts are unsecured, interest-free and expected to be repaid within one year.

26. CONTRACT LIABILITIES

	2024 HKD'000	2023 HKD'000
Sales and maintenance fees received in advance	**5,756**	6,596
Property development pre-sale proceeds	**21,165**	13,892
Other sales and services fee received in advance	**223,493**	145,152
	250,414	165,640

As at 1 January 2023, contract liabilities amounted to HKD5,609,785,000.

Movements in contract liabilities

	2024 HKD'000	2023 HKD'000
Beginning of the year	**165,640**	5,609,785
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(163,268)**	(5,538,120)
Contracts liabilities recognised during the year	**255,358**	167,185
Exchange difference	**(7,316)**	(73,210)
End of the year	**250,414**	165,640

All contract liabilities as at 31 December 2024 are expected to be recognised as revenue within one year.

27. LEASE LIABILITIES

The lease liabilities were repayable as follows:

	2024 HKD'000	2023 HKD'000
Within 1 year	**58,790**	64,715
After 1 year but within 2 years	**41,617**	45,560
After 2 years but within 5 years	**92,930**	109,726
After 5 years	**737,688**	792,246
	931,025	1,012,247
Less: current portion	**(58,790)**	(64,715)
Amount shown under non-current liabilities	**872,235**	947,532

Lease liabilities carry weighted-average interest rate at 4.2% (2023: 4.4%).

28. REVENUE

(i) Disaggregation of revenue

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

	2024 HKD'000	2023 HKD'000
Revenue from contracts with customers within the scope of HKFRS 15		
Toll roads and general-environmental protection business		
– Toll revenue	**5,482,033**	5,970,786
– Entrusted construction management service and construction consulting service revenue	**481,714**	565,558
– Construction service revenue under service concession arrangements	**2,130,496**	1,496,173
– General-environmental protection services	**1,528,572**	1,797,661
– Others	**406,396**	494,803
	10,029,211	10,324,981
Logistics business		
– Logistics parks	**229,035**	215,706
– Logistics services	**332,587**	319,109
– Port and related services (including sales of materials)	**3,585,793**	2,804,772
– Logistics park transformation and upgrading business (including sales of properties)	**28,970**	5,502,349
	4,176,385	8,841,936
	14,205,596	19,166,917
Revenue from other sources		
– Leases	**1,365,019**	1,356,881
	15,570,615	20,523,798

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets are disclosed in note 5.

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

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts for revenue expected to be recognised in the future are as follows:

	2024 HKD'000	2023 HKD'000
Pre-completion sales contracts for properties under development	**21,165**	13,892
Other sales and services contracts	**38,731**	60,837
	59,896	74,729

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date, it is highly probable that the Group will satisfy the conditions for earning those bonuses.

29. OTHER GAINS – NET

	2024 HKD'000	2023 HKD'000
Gain on disposal of subsidiaries	**783,349**	19,243
Change in fair value of derivative financial instruments	**(66,870)**	40,101
Change in fair value of other investments	**46,804**	68,835
Change in fair value of investment properties (note 6)	**(222,404)**	304,803
Gain on Land Preparation Project (Note a)	**3,157,598**	148,671
Gain on disposal of other non-current assets	**54,711**	5,779
Impairment loss recognised on goodwill	**(10,464)**	–
Impairment loss recognised on other non-current assets (Note b)	**(617,017)**	(209,731)
Others	**76,809**	(94,654)
Total	**3,202,516**	283,047

Notes:

(a) On 31 October 2023, a wholly-owned subsidiary of the Group ("the Subsidiary") entered into a land consolidation and preparation supervision agreement (the "Land Preparation Agreement") with Shenzhen Longhua City Renewal and Land Development Bureau*（深圳市龍華區城市更新和土地整備局）, Shenzhen Longhua Administration of Planning and Natural Resources Bureau*（深圳市規劃和自然資源局龍華管理局） and Shenzhen Longhua Minzhi Subdistrict Office* （深圳市龍華區民治街道辦事處）(collectively the "Parties") in relation to the consolidation and preparation of approximately 530,000 square meters of land (the "Existing Land") comprising the Group's logistics park (the "Land Preparation Project"), pursuant to which the Parties agreed to implement the Land Preparation Project via a comprehensive approach which involves monetary compensation and reservation of land.

Pursuant to the Land Preparation Agreement, the Group will be compensated by approximately RMB1,058 million in cash (the "Demolition Compensation") for demolition of property, plant and equipment on the Existing Land and a reservation of land (the "Reserved Land"), amongst which, the final area to be reserved and the allowed usage of the Reserved Land is subject to the approval of the Shenzhen City Planning Board（深圳市城市規劃委員會法定圖則委員會）, and the Shenzhen City Planning Board announced the approved details in October 2024.

In December 2024, the Subsidiary and Parties entered into a supplementary agreement (the "Supplementary Agreement"), pursuant to which, the Subsidiary and the Parties agreed to proceed the Land Preparation Project in three phases. At each phase, the Group will transfer a pre-determined portion of the Existing Land and then will be entitled to obtain the pre-determined portion of the Reserved Land.

During the year ended 31 December 2023, land with a total area of approximately 173,000 square meter, as part of the phase one pre-determined portion of the Existing Land (the "Phase I Transfer Land") had been transferred to the government, resulting in the derecognition of land use rights of RMB23,019,000 (equivalent to HKD25,571,000), which is the relevant carrying amount on the transfer date, and the recognition of other non-current asset with the same amount. During the year ended 31 December 2024, the remaining portion of the Phase I Transfer Land, with carrying amount of RMB24,435,000 (equivalent to HKD26,508,000), has also been transferred to the government. As upon the completion of the transfer of the Phase I Transfer Land, the Board determines that, according to the Supplementary Agreement, the Group is entitled to obtain the phase one pre-determined portion of the Reserved Land (the "Phase I Reserve Land"). The fair value of the Phase I Reserved Land was determined to be RMB3,322,550,000 (equivalent to HKD3,534,628,000) on the date of transfer of the Phase I Transfer Land and is recognised as other assets on the consolidated statement of financial position. A provision on land premium of the Phase I Reserved Land to be paid to the government as part of the consideration for the Phase I Transfer Land is estimated to be RMB332,255,000 (equivalent to HKD353,463,000) and included in other payable. A net gain of RMB2,909,564,000 (equivalent to HKD3,095,281,000) (2023: nil) is recognised as gain on disposal in 2024. In addition, gain from demolition of property, plant and equipment amounted to RMB58,578,000 (equivalent to HKD62,317,000) (2023: RMB133,834,000 (equivalent to HKD148,671,000)) is recognized in the year ended 31 December 2024.

29. OTHER GAINS – NET *(continued)*

Notes: (continued)

(a) *(continued)*

The fair value of the Phase I Reserved Land was determined by reference to a valuation performed by Shenzhen GoFiner Land, Real Estate Assessment & Assets Evaluation Consulting Co., Ltd., an independent professional valuer, which is based on the expected adjusted demarcated land price method and residual method. The adjusted demarcated land price method makes reference to demarcated land prices of similar lands which are adjusted to reflect the conditions and locations of the Phase I Reserved Land. The residual method is based on the expected value of the developed property, taking into account the expected selling price, and then subtracting estimated future costs, taxes, and fees required to complete the development. The fair value measurement is positively correlated to the expected selling price of the properties to be developed and negatively correlated to the estimated future costs, taxes and fees to complete the development.

(b) During the year ended 31 December 2024, as a result of changes in the economic environment where the Group operates, and other facts and circumstances, certain of the Group's assets are not operating at management's expectation, the management of the Group concluded there were indication for impairment and conducted impairment assessment on certain non-current assets, including property, plant and equipment, construction in process, intangible assets and other non-current assets. The recoverable amounts of these identified assets are estimated individually and when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Impairment losses identified in the current year in respective to the non-current assets assessed:

	Impairment loss recognised HKD'000
Individually	295,297
In CGU	321,720
	617,017

Recoverable amounts of assets estimated individually are determined based on its fair value less cost of disposal, which are determined by reference to recent transaction prices for similar assets, adjusted for nature, location and conditions of the Group's assets. Based on the assessment by the Group management, impairment losses of the assets assessed individually have been recognized for the year and summarized below:

	Carrying amount HKD'000	***Recoverable amount HKD'000***	***Impairment loss recognised HKD'000***
Property, plant and equipment	13,593	791	12,802
Construction in progress	12,981	–	12,981
Intangible assets	100,232	–	100,232
Other non-current assets	806,682	637,400	169,282
			295,297

29. OTHER GAINS – NET *(continued)*

Notes: (continued)

(b) *(continued)*

The recoverable amounts of the CGUs are determined based on its value-in-use. For value-in-use assessment, management of the Group prepared cash flow forecasts for a five-year period based on the assumptions including the estimations of growth rates of business volume, unit price and cost of sales. The growth rates are estimated based on past performance and management's expectations of the market development. The cash flow forecasts are discounted by using pre-tax discount rates that reflect the cost of capital of each CGU and the industry specific factors. Based on the assessment by the Group management, impairment losses of the assets assessed by reference to the recoverable amounts of CGUs have been recognized for the year and summarized below:

	Carrying Amount HKD'000	***Recoverable Amount HKD'000***	***Impairment loss recognised HKD'000***
CGU A- Property, plant and equipment and Land use right	1,349,418	1,143,300	206,118
CGU B- Property, plant and equipment	108,280	67,693	40,587
CGU C- Intangible assets	291,508	279,707	11,801
CGU D- Intangible assets	215,295	190,588	24,707
CGU E- Intangible assets	165,349	158,196	7,153
CGU F- Intangible assets	78,089	46,735	31,354

30. PROFIT FOR THE YEAR

	2024 HKD'000	2023 HKD'000
Profit for the year has been arrived at after charging:		
Construction services cost under service concession arrangements	1,944,624	1,496,173
Kitchen waste disposal project costs	750,172	788,093
Depreciation and amortisation	3,299,718	3,258,006
Employee benefit expenses (note 31)	1,752,914	1,723,742
Cost of inventories sold (note 16)	3,539,565	4,848,354
Other tax expenses	360,832	236,631
Commission, management fee and maintenance expenses for toll roads	361,312	362,182
Entrusted construction management service costs	333,687	415,403
Auditors' remuneration		
– Audit services	8,418	8,130
– Non-audit services	5,080	5,391
Legal and consultancy fees	89,492	66,592

31. EMPLOYEE BENEFIT EXPENSES

	2024 HKD'000	2023 HKD'000
Wages and salaries	1,352,634	1,455,876
Pension costs-defined contribution plans	186,844	170,188
Share-based payment expenses (note 20)	22,966	3,828
Others	190,470	93,850
	1,752,914	1,723,742

From 1 December 2000, an MPF scheme has been set up for eligible employees in Hong Kong of the Group. Contributions to the MPF Scheme by the Group and employees are calculated at rates specified in the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group by an independently administered fund.

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay long service payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period. In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022, which, in the opinion of the Board, has immaterial impact on the Group's LSP liability with respect to employees that participate in MPF Scheme.

The Group also contributes to employee retirement schemes established by the PRC local governments in respect of certain subsidiaries in the PRC. The PRC local governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the consolidated income statement as incurred.

No forfeited contributions (2023: nil) were utilised during the year and none is available at the year-end to reduce future contribution.

31. EMPLOYEE BENEFIT EXPENSES *(continued)*

(a) Share options

During the year ended 31 December 2023, 6,730,000 and 48,724,000 share options were granted to certain directors and selected employees respectively under the Company's 2023 share options scheme, which were granted on 1 November 2023 and the estimated fair values of the options was HKD1.10. No movement of the number of share option after 1 November 2023, and up to 31 December 2023 and 2024.

These fair values of the share options were calculated using the Binomial model. The inputs into the model were as follows:

	2023
Grant date closing share price	HKD5.37
Exercise price	HKD5.37
Expected volatility	29.526%
Expected life	4 years
Risk-free rate	4.094%
Expected dividend yield	4.786%

The variables and assumptions used in computing the fair value of the share options were based on the best estimate of the directors of the Company. The value of a share option varied with different variables of certain subjective assumptions.

The Group recognised share-based payment expense of HKD22,966,000 for the year ended 31 December 2024 (2023: HKD3,828,000) in relation to share options granted by the Company.

31. EMPLOYEE BENEFIT EXPENSES *(continued)*

(a) Share options *(continued)*

The entitlements of each of the Directors and selected employees are as follows:

Grantee	*Number of Share Options*	*Vesting Period*	*Exercise Period*
Li Haitao	737,600	1/11/2023-31/10/2025	1/11/2025-31/10/2028
Li Haitao	553,200	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Li Haitao	553,200	1/11/2023-31/10/2027	1/11/2027-31/10/2028
Liu Zhengyu	700,800	1/11/2023-31/10/2025	1/11/2025-31/10/2028
Liu Zhengyu	525,600	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Liu Zhengyu	525,600	1/11/2023-31/10/2027	1/11/2027-31/10/2028
Wang Peihang	626,800	1/11/2023-31/10/2025	1/11/2025-31/10/2028
Wang Peihang	470,100	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Wang Peihang	470,100	1/11/2023-31/10/2027	1/11/2027-31/10/2028
Zhou Zhiwei	626,800	1/11/2023-31/10/2025	1/11/2025-31/10/2028
Zhou Zhiwei	470,100	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Zhou Zhiwei	470,100	1/11/2023-31/10/2027	1/11/2027-31/10/2028
	6,730,000		
Selected employees	19,489,600	1/11/2023-31/10/2025	1/11/2025-31/10/2028
Selected employees	14,617,200	1/11/2023-31/10/2026	1/11/2026-31/10/2028
Selected employees	14,617,200	1/11/2023-31/10/2027	1/11/2027-31/10/2028
	48,724,000		
	55,454,000		

31. EMPLOYEE BENEFIT EXPENSES *(continued)*

(b) Directors' emoluments

The remuneration of each Director for the year ended 31 December 2024 is set out below:

	Fees HKD'000	Salary HKD'000	Discretionary bonuses HKD'000	Other benefits HKD'000	Employer's contribution to retirement scheme HKD'000	Total HKD'000
Executive directors						
Li Haitao	–	325	791	66	144	1,326
Liu Zhengyu	–	412	754	66	148	1,380
Wang Peihang	–	382	699	66	141	1,288
Dai Jingming (Note (i))	–	542	–	–	–	542
Non-executive directors						
Zhou Zhiwei (Note (ii))	–	16	27	3	6	52
Cai Xiaoping (Note (iii))	–	97	–	–	–	97
Independent non-executive directors						
Pan Chaojin	350	–	–	–	–	350
Wang Guowen	350	–	–	–	–	350
Zeng Zhi	350	–	–	–	–	350
Ding Chunyan (Note (iv))	281	–	–	–	–	281
	1,331	1,774	2,271	201	439	6,016

The remuneration of each Director for the year ended 31 December 2023 is set out below:

	Fees HKD'000	Salary HKD'000	Discretionary bonuses HKD'000	Other benefits HKD'000	Employer's contribution to retirement scheme HKD'000	Total HKD'000
Executive directors						
Li Haitao	–	333	704	64	156	1,257
Liu Zhengyu	–	370	665	64	145	1,244
Wang Peihang	–	470	517	64	153	1,204
Dai Jingming	–	555	–	–	–	555
Non-executive director						
Zhou Zhiwei	–	461	465	64	145	1,135
Independent Non-executive directors						
Pan Chaojin	350	–	–	–	–	350
Wang Guowen	350	–	–	–	–	350
Zeng Zhi	350	–	–	–	–	350
	1,050	2,189	2,351	256	599	6,445

Notes:

(i) Resigned on 24 January 2025

(ii) Resigned on 16 January 2024

(iii) Appointed on 26 July 2024

(iv) Appointed on 13 March 2024

31. EMPLOYEE BENEFIT EXPENSES *(continued)*

(b) Directors' emoluments *(continued)*

The emoluments of executive directors are for their services in connection with the management of the affairs of the Company and the Group. The emoluments of non-executive directors and independent non-executive directors are for their services as directors of the Company.

During the year ended 31 December 2024 and 2023, no emoluments had been paid by the Group to the directors or the five highest-paid individuals referred to in (c) below as an inducement to join or upon joining the Group or as a compensation for loss of office.

(c) Five highest paid individuals

No directors (2023: nil) were included in the five individuals whose emoluments were the highest in the Group for the year. The emoluments payable to the five (2023: five) individuals during the year is as follows:

	2024 ***HKD'000***	*2023* *HKD'000*
Basic salaries and allowances	**3,191**	4,370
Year-end bonuses	**3,983**	2,418
Contributions to the retirement scheme	**662**	900
Share-based payment expenses	**1,306**	114
Other benefits	**35**	194
	9,177	7,996

The emoluments fell within the following bands:

	2024	*2023*
HKD1,000,001 – HKD1,500,000	**–**	2
HKD1,500,001 – HKD2,000,000	**5**	3
	5	5

32. FINANCE INCOME AND COSTS

	2024 HKD'000	2023 HKD'000
Finance income		
Interest income from bank deposits	**(126,554)**	(207,728)
Other interest income	**(47,042)**	(33,568)
Total finance income	**(173,596)**	(241,296)
Finance costs		
Interest expense		
– Bank borrowings	**1,229,288**	1,393,351
– Medium-term notes	**356**	285
– Senior notes	**–**	7,032
– Corporate bonds	**306,817**	333,482
– Panda bonds	**327,671**	242,372
– Contract liabilities	**–**	168,031
– Lease liabilities	**42,269**	47,356
– Others	**145,273**	149,241
Net foreign exchange losses	**25,528**	553,203
Less: finance costs capitalised on qualified assets	**(313,681)**	(276,540)
Total finance costs	**1,763,521**	2,617,813
Net finance costs	**1,589,925**	2,376,517

Finance costs of HKD313,681,000 (2023: HKD276,540,000) have been capitalised for construction in progress and properties under development, using an average interest rate of 3.1% (2023: 4.1%) per annum.

33. INCOME TAX EXPENSE

	2024 HKD'000	2023 HKD'000
Current income tax		
PRC Corporate Income Tax ("CIT")	**1,335,573**	1,418,204
PRC Land Appreciation Tax ("LAT")	**(61,880)**	813,331
Withholding income tax	**–**	57,456
Deferred tax (note 23)	**154,368**	230
	1,428,061	2,289,221

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the year.

CIT charged to the consolidated income statement was calculated based on the assessable profits of the Company's subsidiaries located in the PRC of the year at a rate of 25% (2023: 25%) operates.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

The taxation on the Group's profit before income tax differs from the theoretical amount that would have arisen using the main statutory tax rate applicable to profit of the Group due to the following:

	2024 HKD'000	2023 HKD'000
Profit before income tax	**5,115,065**	5,194,129
Tax calculated at a tax rate of 25%	**1,278,766**	1,298,532
Tax impact of:		
– Different tax rates in other jurisdiction	**(154,053)**	(59,276)
– Non-taxable income	**(73,723)**	(185,416)
– Non-deductible expenses	**151,515**	128,792
– Share of results of joint ventures and associates	**(370,925)**	(274,182)
– Tax losses and deductible temporary difference not recognised	**674,614**	719,325
– Withholding income tax on earnings of subsidiaries	**–**	57,456
– Use of unrecognised tax losses and deductible temporary difference in respect of prior years	**(13,704)**	(205,657)
– Adjustment in respect of prior years	**(18,019)**	199,648
– LAT and LAT deductible for PRC CIT purpose	**(46,410)**	609,999
Income tax expense	**1,428,061**	2,289,221

34. EARNINGS PER SHARE

(a) Basic

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

	2024 HKD'000	2023 HKD'000
Earnings		
Profit attributable to ordinary shareholders of the Company	2,872,448	1,901,643
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue	2,401,935	2,390,647
Basic earnings per share (HKD per share)	1.20	0.80

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2024 HKD'000	2023 HKD'000
Earnings		
Profit attributable to ordinary shareholders of the Company	2,872,448	1,901,643
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue	2,401,935	2,390,647
Adjustments – share options	9,663	1,372
Weighted average number of ordinary shares for diluted earnings per share	2,411,598	2,392,019
Diluted earnings per share (HKD per share)	1.19	0.79

35. DIVIDENDS

The 2023 final dividend of HKD957,260,000 in aggregate (HKD0.40 per ordinary share of final dividend) were settled in June 2024.

According to the scrip dividend scheme approved by shareholders in the annual general meeting held on 14 May 2024 (2023: 16 May 2023), 16,490,162 (2023: 5,339,689) new shares were issued at a price of HKD6.612 (2023: HKD6.714) per share, amounted to HKD109,033,000 (2023: HKD35,851,000) and the remaining dividend of HKD848,227,000 (2023: HKD577,816,000) was paid in cash in June 2024 (2023: June 2023).

	2024 **HKD'000**	2023 HKD'000
2023 final dividend of HKD0.40 (2022 final dividend of HKD0.257) per ordinary share	**957,260**	613,667

At the board meeting on 26 March 2025, the board recommended the payment of final dividend for the year of 2024 of HKD0.598 per ordinary share. Such dividends are to be approved by the shareholders at the forthcoming annual general meeting of the Company in 2025. These consolidated financial statements do not reflect this as dividend payable.

36. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excessive liquidity.

(i) Currency risk

The Group mainly operates in the PRC with most of the transaction considerations settled in RMB. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

	2024 **HKD'000**	2023 HKD'000
Assets		
HKD	**234,376**	170,959
USD	**12,953**	99,598
	247,329	270,557
Liabilities		
USD	**2,308,307**	2,348,816
	2,308,307	2,348,816

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(i) Currency risk *(continued)*

Apart from the above, the Group did not have significant exposure to foreign exchange risk. Nevertheless, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 December 2024, should HKD and USD be weakened/strengthened by 5% against RMB, with all other factors remain unchanged, the profit after income tax for the year would be affected as follows:

	(Decrease) increase in profit after income tax	
	2024	2023
	HKD'000	HKD'000
HKD against RMB		
– Weakened by 5%	**(8,789)**	(6,411)
– Strengthened by 5%	**8,789**	6,411
USD against RMB		
– Weakened by 5%	**86,076**	84,346
– Strengthened by 5%	**(86,076)**	(84,346)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Apart from deposits held in banks, the Group has no significant interest-bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing bank deposits resulted from the changes in interest rates, because the interest rates of deposit balances are not expected to change significantly.

The Group's interest rate risk arises from long-term bank borrowings, medium-term notes, corporate bonds and Panda Bonds. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Medium-term notes, corporate bonds and Panda Bonds issued at fixed rates expose the Group to fair value interest rate risk. The Group adjusts the proportion of borrowings at fixed rate against borrowings at floating rate based on the change of the financial market environment.

During 2024 and 2023, the Group's borrowings at variable rates were mainly denominated in HKD and RMB. For bank borrowings in the PRC, the interest rate would be adjusted accordingly should the lending rate promulgated by the People's Bank of China ("PBOC") changed.

As at 31 December 2024, borrowings of the Group which were issued at floating rates amounted to approximately HKD25,835,464,000 (2023: HKD26,427,309,000). As at 31 December 2024, should the interest rate be increased/decreased by 50 basis points with all other factors remain unchanged and without taking into account interest capitalisation, the profit after tax of the Group would be decreased/increased by approximately HKD96,883,000 (2023: HKD99,102,000).

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iii) Price risk

The Group is exposed to equity securities price risk in respect of listed and unlisted investments. The Group is not exposed to significant commodity price risk.

The table below summarises the impact of increase/decrease of share price of listed and unlisted investments. The analysis is based on the assumptions that the price of the listed and unlisted investments had increased/decreased by 5% as at the end of each reporting period with all other factors remain unchanged:

	Change in profit, net of tax - increase/(decrease)	
	2024	2023
	HKD'000	HKD'000
Share price		
– Increased by 5%	**67,731**	81,511
– Decreased by 5%	**(67,731)**	(81,511)

	Impact on other components of equity, net of tax - increase/(decrease)	
	2024	2023
	HKD'000	HKD'000
Share price		
– Increased by 5%	**2,347**	2,446
– Decreased by 5%	**(2,347)**	(2,446)

(iv) Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable and derivative financial assets is limited because the counterparties are banks and financial institutions are either state-owned banks, listed banks or large/medium sized commercial banks, for which the Group considers to have low credit risk.

Trade receivables and contract assets

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the Group's historical credit loss experience and the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 120 days from the date of billing. Normally, the Group does not obtain collateral from customers. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

At the end of the reporting period, the Group does not have significant credit concentration risk.

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iv) Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets *(continued)*

Except for credit-impaired debtors with gross carrying amount of HKD379,655,000 (2023: HKD211,254,000) and loss allowance of HKD228,558,000 (2023: HKD151,052,000) that are assessed individually, the Group measures loss allowances for other trade receivables and contract assets at an amount equal to their lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status or aging analysis is further distinguished between the Group's different customer bases.

As at 31 December 2024, debtors with gross carrying amount of HKD747,946,000 (2023: HKD636,193,000) are larger than 5% of the Group's total trade receivables, were assessed individually for impairment loss, and loss allowance of HKD46,823,000 (2023: HKD6,267,000) that were identified.

Logistic business

	Expected loss rate %	*Gross carrying amount HKD'000*	*Loss allowance HKD'000*
At 31 December 2024			
Current (not past due)	**0.94**	**433,769**	**4,079**
1 – 90 days past due	**9.04**	**47,149**	**4,264**
91 – 180 days past due	**28.02**	**6,021**	**1,687**
181 – 270 days past due	**46.67**	**8,234**	**3,843**
271 – 365 days past due	**70.85**	**8,326**	**5,899**
More than 1 year past due	**100.00**	**15,868**	**15,868**
		519,367	**35,640**
At 31 December 2023			
Current (not past due)	1.62	572,746	9,271
1 – 90 days past due	6.42	46,784	3,004
91 – 180 days past due	27.78	7,541	2,095
181 – 270 days past due	36.70	3,886	1,426
271 – 365 days past due	65.97	11,237	7,413
More than 1 year past due	100.00	12,992	12,992
		655,186	36,201

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iv) Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets *(continued)*

Toll roads and general-environmental protection business

	Expected loss rate %	Gross carrying amount HKD'000	Loss allowance HKD'000
At 31 December 2024			
1 – 90 days	**0.10**	**180,919**	**181**
91 – 180 days	**0.10**	**82,261**	**85**
181 – 365 days	**2.22**	**147,353**	**3,271**
1 – 2 years	**6.16**	**49,225**	**3,031**
2 – 3 years	**35.30**	**42,354**	**14,952**
Over 3 years	**52.66**	**193,001**	**101,628**
		695,113	**123,148**
At 31 December 2023			
1 – 90 days	0.29	277,163	796
91 – 180 days	0.55	71,016	390
181 – 365 days	3.11	61,818	1,920
1 – 2 years	9.71	144,674	14,055
2 – 3 years	10.18	206,954	21,061
Over 3 years	46.14	204,833	94,507
		966,458	132,729

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(iv) Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets *(continued)*

Expected loss rates are based on actual loss experience over the past 18 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

	2024		*2023*	
	Credit-impaired HKD'000	***Not credit-impaired HKD'000***	*Credit-impaired HKD'000*	*Not credit-impaired HKD'000*
Balance at 1 January	**151,052**	**175,197**	64,940	193,274
Transferred from (to) credit-impaired	**2,632**	**(2,632)**	74,828	(74,828)
Impairment losses recognised	**84,803**	**39,577**	13,784	61,070
Exchange difference	**(9,929)**	**(6,531)**	(2,500)	(4,319)
Balance at 31 December	**228,558**	**205,611**	151,052	175,197

Other non-current receivables, contract assets that is expected to be recovered after more than one year, lease receivables, advance to non-controlling interest, amounts due from associates and joint venture, dividend receivable from associates, deposits and other receivables

The management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of these balances based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of these balances. Based on assessment by the management of the Group, there were other non-current receivables and lease receivables with gross carrying amount of HKD3,889,574,000 (2023: HKD3,537,833,000) were impaired with loss allowance of HKD189,990,000 (2023: HKD80,101,000), and ECL for the remaining outstanding balances is insignificant.

Deposits in banks and cash at banks

The management of the Group considers that the credit risks on bank balances and pledged bank deposit are limited because the banks are financial institutions with high credit ratings assigned by international credit-rating agencies. The Group assessed 12-month ECL by reference to probability of default, loss given default by the relevant credit rating grades published by international credit rating agencies and concluded that the ECL is insignificant.

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(v) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group. The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its standby committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual undiscounted cash outflow (including interest payments)					
	Less than 1 year HKD'000	*Between 1 and 2 years HKD'000*	*Between 2 and 5 years HKD'000*	*Over 5 years HKD'000*	*Total HKD'000*	*Carrying amount HKD'000*
At 31 December 2024						
Bank and other borrowings	16,020,095	2,251,229	11,905,707	9,988,268	40,165,299	35,504,506
Corporate bonds	350,722	4,115,959	3,515,638	1,147,074	9,129,393	8,299,060
Panda bonds	1,376,345	250,521	9,746,779	–	11,373,645	10,747,177
Medium-term notes	74,681	1,120,576	1,661,312	–	2,856,569	2,689,343
Super short-term commercial paper	3,218,895	–	–	–	3,218,895	3,208,800
Trade and other payables (excluding other taxes payable, deferred income and staff welfare benefit payable)	12,812,475	–	–	–	12,812,475	12,812,475
Lease liabilities	97,597	78,756	196,053	1,183,409	1,555,815	931,025
	33,950,810	7,817,041	27,025,489	12,318,751	81,112,091	74,192,386

36. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

(v) Liquidity risk *(continued)*

	Contractual undiscounted cash outflow (including interest payments)					
	Less than 1 year HKD'000	*Between 1 and 2 years HKD'000*	*Between 2 and 5 years HKD'000*	*Over 5 years HKD'000*	*Total HKD'000*	*Carrying amount HKD'000*
At 31 December 2023						
Bank and other borrowings	20,268,475	2,666,773	7,126,935	5,643,075	35,705,258	33,081,456
Borrowings from finance lease companies	31,695	40,140	66,529	155	138,519	117,480
Corporate bonds	1,633,471	147,726	4,261,878	1,655,266	7,698,341	7,120,242
Panda bonds	4,605,010	177,306	7,052,253	–	11,834,569	11,125,346
Medium-term notes	65,375	65,375	2,303,957	–	2,434,707	2,229,409
Super short-term commercial paper	1,680,361	–	–	–	1,680,361	1,664,753
Trade and other payables (excluding other taxes payable, deferred income and staff welfare benefit payable)	11,340,295	–	–	–	11,340,295	11,340,295
Lease liabilities	106,624	91,775	239,729	1,279,271	1,717,399	1,012,247
	39,731,306	3,189,095	21,051,281	8,577,767	72,549,449	67,691,228

(b) Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount and payment schedule of dividends paid to shareholders, capital returned to shareholders, new shares issued, perpetual securities issued, or assets sold to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances. Total equity is calculated as "equity", as shown in the consolidated balance sheet.

The Group maintained a consistent strategy to keep the gearing ratio at a reasonable level. The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024 HKD'000	*2023 HKD'000*
Total borrowings	**60,448,886**	55,338,686
Less: cash and bank balances	**(9,669,725)**	(9,804,705)
Net debt	**50,779,161**	45,533,981
Total equity	**54,523,158**	54,975,661
Gearing ratio	**93%**	83%

36. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Fair value estimation

The directors of the Company consider that the carrying amounts of financial assets of HKD15,587,540 (2023: HKD15,170,661) and financial liabilities HKD73,850,481 (2023: HKD67,596,929) as at 31 December 2024 recorded at amortised costs in the consolidated financial statements approximate their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities that are measured at fair value.

	As at 31 December 2024			
	Level 1 HKD'000	***Level 2 HKD'000***	***Level 3 HKD'000***	***Total HKD'000***
Assets				
Equity securities designated at FVTOCI				
– Unlisted equity securities	**–**	**–**	**46,939**	**46,939**
Financial assets measured at FVTPL				
– Listed securities in the PRC	**639,162**	**–**	**–**	**639,162**
– Listed securities in HK	**50,838**	**–**	**–**	**50,838**
– Unlisted equity securities	**–**	**–**	**261,605**	**261,605**
– Unlisted fund investment	**–**	**–**	**848,806**	**848,806**
Derivative financial instruments	**–**	**–**	**138,110**	**138,110**

	As at 31 December 2023			
	Level 1 HKD'000	*Level 2 HKD'000*	*Level 3 HKD'000*	*Total HKD'000*
Assets				
Equity securities designated at FVTOCI				
– Unlisted equity securities	–	–	48,915	48,915
Financial assets measured at FVTPL				
– Listed securities in the PRC	302,367	–	–	302,367
– Listed securities in HK	10,219	–	–	10,219
– Unlisted equity securities	–	–	623,319	623,319
– Unlisted fund investment	–	–	828,924	828,924
– Structured deposits	–	–	407,630	407,630
Derivative financial instruments	–	–	163,350	163,350

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2.

36. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Fair value estimation *(continued)*

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 31 December 2024, the fair value of the Group's certain non-listed equity securities in level 3 were estimated using the market method. The management of the Group believes that their fair values and its changes based on valuation techniques are reasonable and are the most appropriate value at 31 December 2024. In addition, the fair value of the Group's certain non-listed equity securities and investment funds in level 3 are estimated using the recent transaction prices and with reference to the fair value of the underlying net assets of the investments. The management of Group believes that their carrying amounts are not materially different from their fair values as at 31 December 2024.

Information about Level 3 fair value measurements:

	Valuation techniques	*Significant unobservable inputs*	*Range*
As at 31 December 2024			
Financial assets measured at FVTPL			
– Unlisted equity securities (Note i)	**Market comparable companies**	**Adjusted P/B multiplier**	**2.02**
		The discount of lack of marketability	**32.32%**
– Unlisted fund investment (Note ii)	**Assets based approach**	**Annual return rate**	**2.65%**
	Market approach	**Industry comparable return**	**9.06% to 47.06%**

36. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Fair value estimation *(continued)*

Financial instruments in level 3 ***(continued)***

	Valuation techniques	*Significant unobservable inputs*	*Range*
As at 31 December 2023			
Financial assets measured at FVTPL			
– Unlisted equity securities (Note i)	Market comparable companies	Adjusted P/B multiplier	1.98
		The discount of lack of marketability	32.32%
– Unlisted fund investment (Note ii)	Assets based approach	Annual return rate	1.3% to 4.21%
	Market approach	Industry comparable return	17.6% to 28.09%

(i) The fair value of unlisted equity instruments is determined using the price/earning ratios or price/book value of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the Groups' profit by HKD15,201,000 (2023: HKD13,514,000).

(ii) At 31 December 2024 and 31 December 2023, the fair value of unlisted fund investment is dependent on the fair value of the deposits and the long-term equity investment held by the unlisted fund. The fair value of deposits held by unlisted fund is generally derived using the assets based approach, which depend on the annual return rate of deposits. The fair value of long-term equity investment held by unlisted fund is generally derived using the market method. This valuation method is based on the industry comparable return. The significant unobservable inputs of the market approach is industry comparable return, which is estimated according to average market cap weighted return of comparable companies.

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

	2024 HKD'000	*2023 HKD'000*
Unlisted equity securities, fund investments, structured deposits and derivative financial instruments:		
Beginning of the year	**2,072,138**	3,703,461
Additions	**–**	2,766,052
Changes in fair value recognised in profit or loss during the year	**(35,398)**	200,918
Net unrealised losses recognised in other comprehensive expense during the year	**(348)**	(556)
Redemptions	**(402,482)**	(4,520,234)
Settlements	**(4,452)**	–
Transfer out of level 3	**(278,748)**	–
Exchange difference	**(55,250)**	(77,503)
End of the year	**1,295,460**	2,072,138

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to consolidated cash generated from operations is set out as below

	Notes	**2024** **HKD'000**	2023 HKD'000
Profit before income tax		**5,115,065**	5,194,129
Adjustments for:			
Depreciation	7	**1,273,566**	1,150,175
Amortisation of land use rights	8	**136,390**	141,405
Amortisation of intangible assets	10	**1,889,762**	1,966,426
Net impairment loss of trade receivables and contract assets	36(a)	**239,846**	116,996
Impairment loss recognised on intangible assets	10	**175,247**	–
Impairment loss recognised on goodwill	11	**10,464**	–
Impairment loss on property, plant and equipment	7	**259,507**	–
Impairment loss recognised on CIP	9	**12,981**	–
Impairment loss recognised on other non-current assets	15	**169,282**	209,731
Write-down of inventories	16	**178,425**	146,885
Gain on disposal of subsidiaries	29	**(783,349)**	(19,243)
Change in fair value of derivative financial instruments	29	**66,870**	(40,101)
Share-based payment expenses	31	**22,966**	3,828
Gain on disposal of property, plant and equipment	29	**(3,212,309)**	(154,450)
Change in fair value of other investments	29	**(46,804)**	(68,835)
Change in fair value of investment properties	6	**222,404**	(304,803)
Interest income	32	**(173,596)**	(241,296)
Finance costs	32	**1,763,521**	2,617,813
Share of results of associates and joint ventures	12 & 13	**(1,483,698)**	(1,096,728)
Dividend income		**(52,159)**	(52,308)
Operating cash flow before movements in working capital		**5,784,381**	9,569,624
Changes in working capital:			
Inventories and other contract costs		**(222,862)**	1,154,666
Trade and other receivables		**(1,047,120)**	68,201
Trade and other payables		**258,089**	(706,874)
Contract assets		**35,684**	(26,715)
Contract liabilities		**118,436**	(5,553,516)
Other non-current assets		**(231,889)**	407,711
Deferred income		**167,347**	6,340
Restricted bank deposits		**736,876**	1,596,654
Cash generated from operations		**5,598,942**	6,516,091

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Reconciliation of liabilities arising from financing activities

	Borrowings HKD'000 (Note 22)	*Lease liabilities HKD'000 (Note 27)*	*Amount due to associates HKD'000 (Note 25)*	*Loan from a related party HKD'000 (Note 25)*	*Total HKD'000*
For the year ended 31 December 2024					
At 1 January 2024	55,338,686	1,012,247	3,670,941	–	60,021,874
Changes from financing cash flows:					
Proceeds from borrowings	45,378,686	–	–	–	45,378,686
Repayment of borrowings and interests	(39,699,422)	–	(454,399)	–	(40,153,821)
Capital element of lease rentals paid	–	(58,136)	–	–	(58,136)
Interest element of lease rentals paid	–	(26,195)	–	–	(26,195)
Advance from associates	–	–	164,625	–	164,625
Total changes from financing cash flows	5,679,264	(84,331)	(289,774)	–	5,305,159
Exchange adjustments	(1,985,941)	(32,877)	(118,499)	–	(2,137,317)
Other change:					
Decrease in lease liabilities	–	(6,283)	–	–	(6,283)
Interest expenses (note 32)	1,416,877	42,269	76,648	–	1,535,794
Total other change	(569,064)	3,109	(41,851)	–	(607,806)
At 31 December 2024	60,448,886	931,025	3,339,316	–	64,719,227

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Reconciliation of liabilities arising from financing activities *(continued)*

	Borrowings HKD'000 (Note 22)	*Lease liabilities HKD'000 (Note 27)*	*Amount due to associates HKD'000 (Note 25)*	*Loan from a related party HKD'000 (Note 25)*	*Total HKD'000*
For the year ended 31 December 2023					
At 1 January 2023	53,767,009	1,073,417	1,705,459	2,368,676	58,914,561
Changes from financing cash flows:					
Proceeds from borrowings	36,856,971	–	–	–	36,856,971
Repayment of borrowings	(34,161,677)	–	–	–	(34,161,677)
Capital element of lease rentals paid	–	(59,312)	–	–	(59,312)
Interest element of lease rentals paid	–	(47,356)	–	–	(47,356)
Advance from associates	–	–	2,021,524	–	2,021,524
Repayment of loan from a related company	–	–	–	(2,338,416)	(2,338,416)
Total changes from financing cash flows	2,695,294	(106,668)	2,021,524	(2,338,416)	2,271,734
Exchange adjustments	(3,773,707)	(23,158)	(56,042)	(30,260)	(3,883,167)
Other change:					
Acquisition of a subsidiary	79,633	–	–	–	79,633
Increase in lease liabilities	–	21,300	–	–	21,300
Interest expenses (note 32)	2,570,457	47,356	–	–	2,617,813
Total other change	(1,123,617)	45,498	(56,042)	(30,260)	(1,164,421)
At 31 December 2023	55,338,686	1,012,247	3,670,941	–	60,021,874

38. GUARANTEES AND CONTINGENCIES

(a) As at 31 December 2024, the Group has given collateral liability guarantees by phases of approximately HKD845 million (2023: HKD2,291 million) to banks in respect of housing loans extended to purchasers of properties by banks. Pursuant to the terms of guarantees, in the event of any defaults in mortgage repayments by those purchasers, the Group shall undertake to repay outstanding mortgage loans together with any accrued interest and penalty due to banks by purchasers in defaults. The validity period of the Group's guarantee shall commence from the date of grant of relevant mortgage loans and expire upon receipts of property ownership certificates by respective purchasers. The directors of the Group consider that, in case of default in repayments, the net realisable value of related properties should be able to cover outstanding mortgage loans together with any accrued interest and penalty and, accordingly, no loss allowance has been made in respect of the guarantees.

Moreover, the Group has given guarantees for the performance of certain projects of Shenzhen Expressway, with a total guarantee amount of approximately RMB632 million (equivalent to HKD672 million).

(b) As at 31 December 2024, the Group is involved in pending litigations related to certain subsidiaries of the Company, with a total claimed amount of approximately RMB822,014,000, including:

(i) The other shareholders (the "Original Shareholders") of Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd. ("Bioland", a subsidiary of Environmental Company, as defined below) filed an arbitration against Shenzhen Expressway Environmental Co., Ltd ("Environmental Company", a subsidiary of the Group) in 2023, requesting Environmental Company to return the 22,640,000 shares (the "Transferred Shares") of Bioland which was transferred to Environmental Company in previous year pursuant to a capital injection and share transfer agreement signed between the Original Shareholders and Environmental Company in 2020, or if the Transferred Shares have been transferred or pledged, compensating the Original Shareholders by RMB129,727,000;

(ii) Nanjing Wind Power being sued by PowerChina Jiangxi Province Power Construction Co., Ltd. due to failure to deliver goods on time with quality, resulting in a loss of approximately RMB163,975,000;

(iii) other pending litigations totaling approximately RMB528,312,000.

As of 31 December 2024, the above cases are still in process. With the assistance of the attorney representing in the cases, the directors of the Company believes that the outcome of the lawsuit and the compensation obligation (if any) cannot be reliably estimated.

39. COMMITMENTS

	2024 ***HKD'000***	*2023* *HKD'000*
Capital commitments – expenditure of property, plant and equipment, concession intangible assets and land premium		
– Contracted but not provided for	**18,484,415**	10,683,002

40. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2024

Disposal of subsidiaries

In June 2024, the Group and two subsidiaries of China AMC-Shenzhen International REIT (the "AMC Subsidiaries"), a company that became an associate of the Group in June 2024, entered into the transfer agreements pursuant to which the Group agrees to sell and the AMC Subsidiaries agrees to acquire, the entire equity interest in Hangzhou Shenzhen International Integrated Logistics Hub Development Co., Ltd. ("Hangzhou Logistics") and Guizhou Shenzhen International Integrated Logistics Hub Development Co., Ltd. ("Guizhou Logistics") at a total consideration of approximately RMB1,133,787,000 (equivalent to HKD1,224,659,000). The disposal was completed on 28 June 2024 and Hangzhou Logistics and Guizhou Logistics ceased as subsidiaries of the Group.

In March 2024, Shenzhen Expressway and one of its subsidiaries (the "Yichang Expressway") and a subsidiary of E Fund (the "E Fund Subsidiary"), a company became an associate of the Group in March 2024, entered into an equity transfer agreement and a creditor's right transfer agreement pursuant to which the E Fund Subsidiary agrees to acquire from the Group the 100% equity interest in and two debt receivables from Yichang Expressway at a total consideration of approximately RMB2,045,920,000 (equivalent to HKD2,225,519,000). The disposal was completed on 21 March 2024 and Yichang Expressway ceased to be a subsidiary of the Group.

The following table summarises the amount of assets and liabilities at the respective derecognition dates:

	Hangzhou Logistics HKD'000	*Guizhou Logistics HKD'000*	*Yichang Expressway HKD'000*	*Total HKD'000*
Intangible assets	–	–	2,263,403	2,263,403
Property, plant and equipment	520,358	304,628	41,968	866,954
Land use rights	115,927	69,159	–	185,086
Construction in progress	–	–	415	415
Other non-current assets	2,376	4,756	–	7,132
Trade and other receivables	8,161	3,375	14,039	25,575
Cash and cash equivalents	39,703	20,084	133,589	193,376
Deferred tax liabilities	–	–	(317,748)	(317,748)
Trade and other payables	(229,292)	(241,065)	(71,785)	(542,142)
Tax payable	(8,106)	(6,308)	(808)	(15,222)
Other non-current liabilities	–	–	(705,396)	(705,396)
Net assets derecognised	449,127	154,629	1,357,677	1,961,433
Net assets derecognised	(449,127)	(154,629)	(1,357,677)	(1,961,433)
Debt receivables transferred	–	–	(705,396)	(705,396)
Total consideration	897,932	326,727	2,225,519	3,450,178
Gain on disposal of subsidiaries	448,805	172,098	162,446	783,349
Total consideration received	897,932	326,727	2,225,519	3,450,178
Cash and cash equivalents derecognised	(39,703)	(20,084)	(133,589)	(193,376)
Net cash inflow in the disposal including in the investing activities	858,229	306,643	2,091,930	3,256,802

40. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(continued)*

For the year ended 31 December 2023

Acquisition of assets through acquisition of a subsidiary

In August 2023, a wholly-owned subsidiary of the Company completed the acquisition of 100% equity interest in 坪深國際置業（深圳）有限公司 (Pingshen International Real Estate (Shenzhen) Co., Ltd.) ("Pingshen International") from two independent third parties for total consideration of RMB697,213,000 (equivalent to HKD774,509,000). Pingshen International holds and operates a logistic part in Shenzhen.

The Board considered that the acquisition is not a business combination and is accounted for as an asset acquisition, as the Group had not acquired an integrated set of activities and assets. The Group had not acquired the skilled labour of the logistics parks, which is a substantive process in creating output.

The following table summarises the consideration paid for the acquisition of a subsidiary, the fair value of assets acquired, liabilities assumed at the acquisition date:

	HKD'000
Investment properties	**860,213**
Property, plant and equipment	**322**
Trade and other receivables	**93**
Cash and cash equivalents	**16,498**
Other current assets	**35,098**
Trade and other payables	**(46,278)**
Tax payable	**(3,553)**
Other current liabilities	**(8,251)**
Bank borrowing	**(79,633)**
Net assets acquired attributable to the Group	**774,509**
Total consideration satisfied by:	
Total consideration paid	**719,506**
Unsettled consideration	**55,003**
Net cash outflow in the acquisition included in the investing activities:	
Cash consideration paid	**719,506**
Cash and cash equivalents acquired	**(16,498)**
	703,008

40. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(continued)*

For the year ended 31 December 2023 *(continued)*

Acquisition of a subsidiary

On 19 September 2023, the Group entered into a capital injection agreement with other three shareholders of 河南豫東深安港務有限公司(Henan Yudong Shen'an Port Co., Ltd., being an unofficial English name) (Henan Yudong), pursuant to which the Group agreed to make contribution to Henan Yudong in an amount of RMB24,000,000 (equivalent to HKD26,661,000). This amount was made in cash and the transaction was completed in October, 2023. Immediately before the Capital Injection, Henan Yudong was a 40% associate of the Group. Following the completion of the Capital Injection, Henan Yudong became a subsidiary of the Group as the Group is able to control the relevant activities of Henan Yudong through its 52% shareholding. Henan Yudong is principally engaged in the operation and management of a port at Henan, the PRC. The acquisition had been accounted for as acquisition of business using the acquisition method.

Details of the aggregate fair values of consolidation identifiable assets and liabilities of Henan Yudong as at the date of acquisition were as follows:

	HKD'000
Property, plant and equipment	**151,485**
Land use rights	**11,588**
Construction in progress	**530**
Other non-current assets	**4,305**
Trade and other receivables	**5,705**
Cash and cash equivalents	**448**
Inventory	**82**
Prepaid income tax	**12**
Trade and other payables	**(35,166)**
Other non-current liabilities	**(62,700)**
	76,289
Consideration of Capital Injection	**26,661**
Goodwill (note 11)	**3,643**
Less: Non-controlling interest measured by its proportionate share of the identifiable assets	**(49,416)**
	57,177
Cash consideration paid	**26,661**
Fair value of interest in an associate	**30,516**
	57,177
Fair value of interest in an associate	**30,516**
Less: Interest in an associate	**29,220**
Remeasurement gain of the previously held interest in an associate	**1,296**

41. RELATED-PARTY TRANSACTIONS

As described in note 1, the Company is de facto controlled by Shenzhen SASAC. The transactions entered into with associates, joint ventures and other state-owned entities are related party transactions. Management considers certain state-owned enterprises have material transactions with the Group in its ordinary course of business, which include but not limited to (1) capital expenditure incurred for service concession projects and construction in progress with stated owned contractors and the corresponding payable balances due to these contractors and guaranteed deposits; (2) purchase of goods, including use of public utilities; and (3) bank deposits and borrowings. These transactions are mainly carried out on terms comparable to those conducted with third parties or standards promulgated by relevant government authorities and have been reflected in the consolidated financial statements.

Management believes that meaningful information relating to related party transactions has been disclosed.

Apart from the related party transactions and balances already disclosed in other notes to the consolidated financial statements, the following material transactions were carried out with related parties during the year:

(a) On 1 December 2016, Yunji Smart Engineering Co., Ltd. (formerly known as Shenzhen Expressway Engineering Consulting Co., Ltd.) ("Yunji Smart") became an associate of Shenzhen Expressway, and Shenzhen Expressway and Yunji Smart entered into a service agreement pursuant to which Yunji Smart provides engineering consulting, management and testing service. During the year ended 31 December 2024, Shenzhen Expressway paid service fee to Yunji Smart amounting to RMB24,298,000 (equivalent to HKD25,849,000) (2023: RMB31,501,000 (equivalent to HKD34,670,000)).

(b) As at 31 December 2024, certain associates of the Group provided a cash advance to the Group, with details disclosed in note 25(c).

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries:

Name	*Principal activities*	*Issued and fully paid share capital/ paid-in capital*	*Interest held by Group %*	*Non-controlling interests %*
Shenzhen International Total Logistics (Shenzhen) Co., Ltd.[◊]	Investment holding	RMB200,000,000	100	–
Shenzhen Total Logistics Service Co., Ltd.[@]	Provision of total logistics and transportation ancillary services	RMB31,372,549	51	49
Xin Tong Chan Development (Shenzhen) Co., Ltd.[△]	Investment holding	RMB200,000,000	100	–
Shenzhen International South-China Logistics Co., Ltd.[@]	Development, construction, operation and management of South China Logistic Park	RMB350,000,000	100	–
Shenzhen International Supply Chain Management Nanjing Co., Ltd[@]	Supply chain management services	RMB10,000,000	100	–
Shenzhen International Holdings (SZ) Limited[△]	Investment holding	HKD2,180,000,000	100	–
Shenzhen EDI Co., Ltd.[@]	Provision of electronic information exchange, transmission and value-added information sharing services	RMB22,760,000	59.91	40.09
Shenzhen International West Logistics Co., Ltd.[@]	Development, construction, operation and management of Western Logistic Park	RMB450,000,000	100	–
Shenzhen Longda Expressway Company Limited[@]	Operation and management of Longda Expressway	RMB200,000,000	89.93	10.07
Shenzhen Expressway Corporation Limited[^]	Investment, construction, operation and management of toll highways and roads	RMB2,180,770,326	51.56	48.44
Hubei Magerk Expressway Management Private Limited[△]	Operation and management of highways and expressways	USD28,000,000	100	–
Shenzhen International Booming Total Logistics Co., Ltd.[@]	Logistic services and related warehouse facilities	RMB90,000,000	55.39	44.61
Shenzhen Shen Guang Hui Highway Development Company[@]	Investment holding	RMB105,600,000	100	–

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	*Principal activities*	*Issued and fully paid share capital/ paid-in capital*	*Interest held by Group %*	*Non-controlling interests %*
Nanjing Xiba Wharf Co. Ltd.◊*	Construction, operation and management of Wharf and Logistics Centres at Xiba Port of Nanjing	RMB455,000,000	70	30
Guangdong Qinglian Highway Development Company Limited◊	Development, operation and management of highways	RMB3,361,000,000	76.37	23.63
Shenzhen Meiguan Expressway Company Limited@	Construction, operation and management of an expressway	RMB332,400,000	100	–
Nanjing Xiba Port Co., Ltd.◊*	Construction, operation and management of Wharf and logistics centres at Xiba Port in Phase 2 of Nanjing	RMB420,000,000	70	30
Shenzhen International Logistics Development Co., Ltd.@*	Investment holding	RMB1,250,000,000	100	–
Shenyang Shenzhen International Integrated Logistics Properties Co., Ltd.@*	Construction, operation and management of Shenyang International Logistics Integrated Logistics Park at Shenyang Yuhong District	RMB250,000,000	100	–
Wuxi Shenzhen International Integrated Logistics Hub Co., Ltd.Δ	Construction, operation and management of urban integrated logistics hub at Wuxi Huishan District	USD50,000,000	100	–
Wuhan Shenzhen International Integrated Logistics Hub Development Co., Ltd.@	Construction, operation and management of urban integrated logistics hub at Wuhan Dongxihu District	RMB100,000,000	100	–
Wuhan Shenzhen International Supply Chain Management Co., Ltd.Δ	Construction, operation and management of urban integrated logistics hub at Wuhan Caidian District	USD30,000,000	100	–
Shenzhen International Modern Urban Logistics Hub Co., Ltd.@	Construction, operation and management of logistics hub at Shenzhen Longhua	RMB200,000,000	100	–
Changsha Shenzhen International Integrated Logistics Hub Development Co., Ltd.@	Construction, operation and management of urban integrated logistics hub at Changsha Jinxia Economic Development Zone	RMB181,000,000	100	–

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	*Principal activities*	*Issued and fully paid share capital/ paid-in capital*	*Interest held by Group %*	*Non-controlling interests %*
Xi'an Shenzhen International Integrated Logistics Hub Development Co., Ltd.△	Construction, operation and management of urban integrated logistics hub at Xi'an National Civil Aerospace Industrial Base	USD15,000,000	100	–
Yiwu Shenzhen International Integrated Logistics Hub Development Co., Ltd.△	Construction, operation and management of urban integrated logistics hub at Yiwu	USD50,000,000	100	–
Chengdu Shenzhen International Supply Chain Management Co., Ltd.@*	Construction, operation and management of urban integrated logistics hub at Qingbai River in Chengdu	RMB100,000,000	100	–
Kunming Shenzhen International Supply Chain Management Co., Ltd.@*	Construction, operation and management of urban integrated logistics hub in Yangzonghai Scenic Area in Kunming, Yunnan Province	RMB150,000,000	100	–
Shenzhen International Properties and Management (Shenzhen) Co., Ltd.△	Project investment and enterprise management consulting services	RMB50,000,000	100	–
Shenzhen International Supply Chain Management Co., Ltd.@*	Logistics service and construction of warehousing facilities	RMB30,000,000	100	–
Shenzhen International Finance Leasing Co., Ltd.◊*	Monetary and financial services and financial leasing business	RMB300,000,000	48□	52
Jurong Shenzhen International Integrated Logistics Hub Development Co., Ltd.@	Construction, operation and management of urban integrated logistics hub at Huayang Street	RMB70,000,000	100	–
Longgang shenlong Integrated Logistics Hub Development Co., Ltd.@	Development, construction, operation and management of urban integrated logistics hub at Zhejiang Longgang District	USD50,000,000	100	–
Chongqing Shenzhen International Integrated Logistics Hub Development Co., Ltd.△	Construction, operation and management of urban integrated logistics hub at Shuangfu Town	USD7,660,000	100	–

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	***Principal activities***	***Issued and fully paid share capital/ paid-in capital***	***Interest held by Group %***	***Non-controlling interests %***
Ningbo Shenzhen International Integrated Logistics Hub Development Co., Ltd.[Δ*]	Construction, operation and management of urban integrated logistics hub Ningnan Trade and Logistics Zone in Fenghua City, Ningbo	USD20,000,000	100	–
Kunshan Shenzhen International Integrated Logistics Hub Development Co., Ltd.[@]	Construction, operation and management of urban integrated logistics hub at Lujia Town, Kunshan City	RMB89,600,000	100	–
Guizhou Hengtongli Property Company Limited[@]	Real estate development	RMB52,229,945.55	68.69	31.31
Shenzhen Qinglong Expressway Company Limited[◊]	Construction, operation and management of an expressway	RMB324,000,000	50[□]	50
Shenzhen International New Vision Limited	Investment holding	USD100	100	–
Shenzhen International Ports Development (HK) Limited	Investment holding	HKD2	100	–
Advance Great Limited	Investment holding	USD1	100	–
Successful Plan Assets Limited	Investment holding	USD1	100	–
Shenzhen International Qianhai Development Limited	Investment holding	HKD1	100	–
Shenzhen International Qianhai Asset Management (Shenzhen) Co., Ltd.[@]	Real estate development and investment management	RMB5,000,000	83.30	16.70
Changsha Shenchang High Speed Trunk Road Co., Ltd.[@]	Construction, operation and management of an expressway	RMB200,000,000	51	49
Shenzhen Outer Ring Expressway Investment Co., Ltd.[@]	Construction, operation and management of an expressway	RMB100,000,000	100	–

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	*Principal activities*	*Issued and fully paid share capital/ paid-in capital*	*Interest held by Group %*	*Non-controlling interests %*
Nanjing Wind Power Technology Co., Ltd.@	Research and development, production, sales of wind power generation system; investment and operation of wind farms	RMB357,142,900	51	49
Baotou Nanfeng Wind Power Technology Co., Ltd.@	Investment, development and operation of wind power projects	RMB6,000,000	67	33
Shanghai Shenqing Supply Chain Management Co., Ltd.	Operation and management of logistic park at Shanghai Qingpu District	RMB10,000,000	100	–
Zhongshan Shenju Integrated Logistics Hub Development Co., Ltd.@	Operation and management of logistic park at Zhongshan Huoju Development Zone	RMB41,152,952	100	–
Zhengzhou Shenzhen International Supply Chain Management Co., Ltd.△	Construction, operation and management of urban integrated logistics hub at Erqi Zone	RMB110,000,000	100	–
China Total Logistics Co., Limited	Provision of logistic related services	HKD2	100	–
Shenzhen International China Logistics Development Limited	Investment holding	HKD1	100	–
Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd.@	Ecological protection and environmental management industry	RMB149,933,000	67.14	32.86
Jiangsu Xingwang Logistics Co., Ltd@	Terminal construction and operation, port loading and unloading and Warehousing business of Jingjiang Port-Shenzhen International Logistics Center	RMB820,000,000	70	30
Shenzhen International Bay Area Investment Development Co., Ltd @	Co-ordinate the investment, construction and operation management of modern logistics parks and industrial parks in Shenzhen and the Greater Bay Area	RMB620,000,000	100	–
Shenzhen Shenguo Railway Logistics Development Co., Ltd.@	Freight forwarder; Container cargo transport agent; Auxiliary activities of railway transportation	RMB400,000,000	90	10

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The following is a list of the principal subsidiaries: *(continued)*

Name	Principal activities	Issued and fully paid share capital/ paid-in capital	Interest held by Group %	Non-controlling interests %
Shenzhen South China Digital Valley Production City Development Co., Ltd.@	Hold and operate a comprehensive and ecological high-end modern logistics service gathering area	RMB35,000,000	100	–
Shenzhen International Qianhai Investment and Management (Shenzhen) Co., Ltd.@	Engaged in the development of real estate projects such as houses and apartments	RMB5,000,000	100	–
Pingshen International Real Estate (Shenzhen) Co., Ltd.@	Holding and operating Prologis Pingshan Logistics Park	RMB100,000,000	100	–
Jiangyin Shenzhen International Integrated Logistics Hub Development Co., Ltd.@	Holding and operating a logistics park located in Jiangyin	USD 35,000,000	100	–
Weipei (Shanghai) Aviation Supplies Services Co., Ltd.@	Holding and operating a logistics park in Shanghai	USD 16,417,460	100	–
Weizhi (Chongqing) Storage Service Co., Ltd.@	Holding and operating a logistics park in Chongqing	USD 32,865,713	100	–
Foshan Shenle Supply Chain Management Co., Ltd@	Holding and operating Smart Logistics Industrial Park in Shunde, Foshan	USD 200,000,000	100	–
Zhengzhou Qianlong Logistics Co., Ltd. @	Holding and operating Zhengzhou Ganlong Logistics Park	RMB10,000,000	100	–
Hefei Shenpeng Integrated Logistics Hub Development Co., Ltd.@	Holding and operating Hefei Ganlong Logistics Park	RMB50,000,000	100	–

Δ Foreign-owned enterprise

◊ Sino-foreign Joint Venture

@ Domestic enterprise incorporated in the PRC

^ Foreign invested joint stock limited company

* For identification purpose only

▽ These subsidiaries are held through Shenzhen Expressway and the related interests indirectly held by the Group disclosed above represent the interests held by Shenzhen Expressway.

□ In accordance with the shareholder agreements, the Group controls the entity as the Group has rights to take unilateral decisions on relevant developing, operating and financing activities which significantly affect the returns, and the Group's exposed to variable returns from its involvement with the entity

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The above table lists the subsidiaries of the Group which, in opinion of the directors of the Company, principally affected the results of the year or formed a substantial portion of the net assets of the Group. All subsidiaries listed above are limited liability companies. These subsidiaries are incorporated and operate in the PRC (except for Shenzhen International New Vision Limited ("NVL"), Advance Great Limited and Successful Plan Assets Limited which are incorporated in British Virgin Islands, and Shenzhen International Ports Development (HK) Limited, Shenzhen International Limited and Shenzhen International Qianhai Development Limited which are incorporated in Hong Kong). Only NVL is directly held and wholly-owned by the Company. To give details of other subsidiaries would result in particulars of excessive length.

Material non-controlling interests

The total non-controlling interests as at 31 December 2024 were HKD22,023,419,000 (2023: HKD23,393,455,000), of which HKD20,142,280,000 (2023: HKD21,456,832,000) was attributable to other equity holders of Shenzhen Expressway. The non-controlling interests in respect of other subsidiaries are not material.

On 4 December 2020, Shenzhen Expressway raised a perpetual bond of RMB4,000,000,000 (equivalent to approximately HKD4,810,187,000). The perpetual bond confer a right to receive distributions at the distribution rate of 4.6% per annum from the date of issuance of the bond. After ten years of issuance of the bond, the distribution rate would be increased by 2 percentage per annum if Shenzhen Expressway chooses not to redeem the bonds and the distribution rate will be further increased by 2 percentage per annum every two years and the distribution rate could be reset by at most twice. Accordingly, the distribution rates would be increased by at maximum 4 percentage per annum to a maximum rate of 8.6% per annum. On 4 December 2024, Shenzhen Expressway and the perpetual bond holder entered into a supplementary agreement, pursuant to which, the distribution rate on Shenzhen Expressway's outstanding perpetual bonds adjusted from 4.6% per annum to 3.2% per annum, and the maximum distribution rate adjusted from 8.6% per annum to 7.2% per annum.

In the opinion of the management, as Shenzhen Expressway is able to control the delivery of cash or other financial assets to the holders of the perpetual bonds, the perpetual bond is classified as equity instrument and treated as non-controlling interests in the Group's financial statements.

Set out below are the summarised financial information for Shenzhen Expressway that has non-controlling interests material to the Group. The summarised financial information presented below represents the amounts before any inter-company eliminations.

	2024 ***HKD'000***	*2023* *HKD'000*
Current assets	**8,131,743**	7,651,083
Non-current assets	**63,738,502**	66,647,254
Current liabilities	**15,080,102**	21,820,910
Non-current liabilities	**27,852,303**	21,662,236
Net assets	**28,937,840**	30,815,190
Non-controlling interests	**5,636,222**	6,208,106
Revenue	**10,030,041**	10,325,821
Profit for the year	**1,321,559**	2,650,334
Total comprehensive income	**1,003,258**	2,436,019
Total comprehensive income allocated to non-controlling interests	**58,654**	52,376
Dividends paid to non-controlling interests	**(356,199)**	(299,062)
Net cash generated from operating activities	**4,032,661**	4,548,780
Net cash used in investing activities	**(39,212)**	(1,026,005)
Net cash used in financing activities	**(3,045,428)**	(4,897,849)

Significant restrictions

Most of the cash and deposits held by Shenzhen Expressway were deposited in banks in the PRC and were subject to local exchange control regulations. These local exchange control regulations provide for restrictions on repatriating capital from the PRC, other than through dividends.

43. EVENTS AFTER THE END OF THE REPORTING PERIOD

Development of Shenzhen Expressway's issuance of a shares to specific targets

On 18 March 2025, Shenzhen Expressway announced that it has confirmed to issue an aggregate of 357,085,801 A shares to the specific targets (including XTC Company, a wholly-owned subsidiary of the Company) at the issue price of RMB13.17 per share, raising a total proceeds of approximately RMB4,703 million (the "Issuance"), among which XTC Company subscribed a total of 75,930,144 A shares. The registration and custody procedures for the newly issued A shares under the Issuance are expected to be completed on or before 31 March 2025 at the Shanghai branch of China Securities Depository and Clearing Corporation Limited. Upon completion of the Issuance, Shenzhen Expressway's total number of shares in issue would increase from 2,180,770,326 shares to 2,537,856,127 shares while the Company's indirect shareholding in Shenzhen Expressway would decrease from approximately 51.56% to approximately 47.30%. The Group would continue to have control over Shenzhen Expressway through controlling Shenzhen Expressway's financial and operational policies, Shenzhen Expressway will continue to be accounted for as a subsidiary in the accounts of the Company and its financial results will continue to be consolidated into the consolidated financial statements of the Group.

As at the date of the consolidated financial statements, the registration and custody procedures for the newly issued A shares under the Issuance have not been completed.

44. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	2024		2023	
	HKD'000	HKD'000	HKD'000	HKD'000
Non-current asset				
Interests in subsidiaries		**8,903,536**		7,378,835
Current assets				
Other receivables	**4,791**		1,971	
Dividends due from subsidiaries	**24,825,560**		22,244,359	
Cash and cash equivalents	**114,342**		696,043	
	24,944,693		22,942,373	
Current liabilities				
Other payables	**22,640**		9,666	
Borrowings	**7,541,489**		4,424,389	
Panda Bonds	**1,094,441**		4,427,704	
Amount due to a subsidiary	**669,359**		691,285	
	9,327,929		9,553,044	
Net current assets		**15,616,764**		13,389,329
Total assets less current liabilities		**24,520,300**		20,768,164
Non-current liability				
Panda Bonds	**9,652,736**		6,697,642	
	9,652,736		6,697,642	
		9,652,736		6,697,642
NET ASSETS		**14,867,564**		14,070,522
CAPITAL AND RESERVES				
Share capital and share premium		**13,389,982**		13,257,983
Other reserves and retained earnings		**1,477,582**		812,539
TOTAL EQUITY		**14,867,564**		14,070,522

44. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(continued)*

Reserve movement of the Company

	Other reserves				
	Contributed surplus HKD'000	*Currency translation reserve HKD'000*	*Total HKD'000*	*Retained earnings HKD'000*	*Total HKD'000*
At 1 January 2023	58,515	(646,710)	(588,195)	846,917	258,722
Comprehensive income					
Profit for the year	–	–	–	1,474,488	1,474,488
Other comprehensive expense					
Currency translation differences	–	(307,004)	(307,004)	–	(307,004)
Total other comprehensive expense	–	(307,004)	(307,004)	–	(307,004)
Total comprehensive (expense) income	–	(307,004)	(307,004)	1,474,488	1,167,484
Transactions with owners in their capacity as owners					
Dividends relating to 2022	–	–	–	(613,667)	(613,667)
Total transactions with owners in their capacity as owners	–	–	–	(613,667)	(613,667)
At 31 December 2023	58,515	(953,714)	(895,199)	1,707,738	812,539

	Other reserves				
	Contributed surplus HKD'000	***Currency translation reserve HKD'000***	***Total HKD'000***	***Retained earnings HKD'000***	***Total HKD'000***
At 1 January 2024	**58,515**	**(953,714)**	**(895,199)**	**1,707,738**	**812,539**
Comprehensive income					
Profit for the year	**–**	**–**	**–**	**2,121,067**	**2,121,067**
Other comprehensive expense					
Currency translation differences	**–**	**(498,764)**	**(498,764)**	**–**	**(498,764)**
Total other comprehensive expense	**–**	**(498,764)**	**(498,764)**	**–**	**(498,764)**
Total comprehensive (expense) income	**–**	**(498,764)**	**(498,764)**	**2,121,067**	**1,622,303**
Transactions with owners in their capacity as owners					
Dividends relating to 2023	**–**	**–**	**–**	**(957,260)**	**(957,260)**
Total transactions with owners in their capacity as owners	**–**	**–**	**–**	**(957,260)**	**(957,260)**
At 31 December 2024	**58,515**	**(1,452,478)**	**(1,393,963)**	**2,871,545**	**1,477,582**

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