



中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 03311

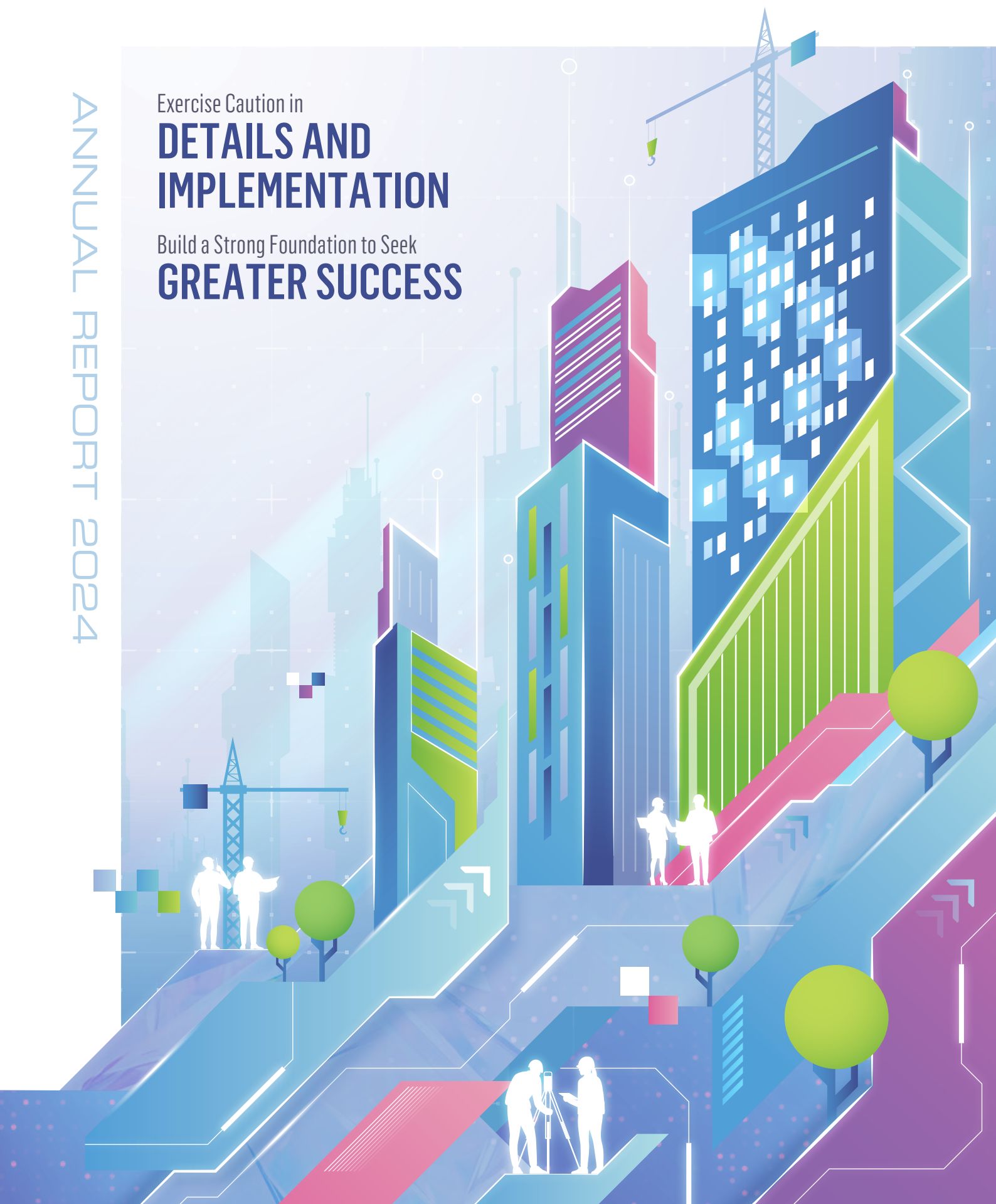
ANNUAL REPORT 2024

Exercise Caution in

**DETAILS AND
IMPLEMENTATION**

Build a Strong Foundation to Seek

GREATER SUCCESS



VISION

The Group adheres to its core values of Customer-oriented, Quality Assurance, Value Creation

and inherits the business concept of “Exercising Caution in Details and Implementation; Building a Strong Foundation to Seek Greater Success”, strictly abides by the industry standard, upholds the heart of dedication, consciously shoulders the corporate mission of “We Manage Happiness”, and strives for growth and continuous innovation. With the continuous enhancement of individuals’ values and the perfect release of team creative energy, the Group aims to developing into an international enterprise and becoming a new role model of “harmonious and win-win” with shareholders, employees and society in the new era. The Group will continuously move towards the goal of becoming a worldclass comprehensive enterprise integrating “Technology, Investment, Construction and Asset Operation”.



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CORPORATE STRUCTURE



中國建築國際集團有限公司
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

Corporate Structure (continued)



* Operate through a listed subsidiary, China State Construction Development Holdings Limited (Stock Code: 00830)

BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS

Chairman and Executive Director

Zhang Haipeng

Non-executive Directors

Yan Jianguo

Ye Nan*

Executive Directors

Wang Xiaoguang (*Chief Executive Officer*)

Hung Cheung Shew

Independent Non-executive Directors

Wong Wai Ching

Chan Tze Ching Ignatius

Chan Fan

COMMITTEES

Audit Committee

Wong Wai Ching (*Chairlady*)

Chan Tze Ching Ignatius

Chan Fan

Remuneration Committee

Chan Fan (*Chairman*)

Wong Wai Ching

Chan Tze Ching Ignatius

Nomination Committee

Chan Tze Ching Ignatius (*Chairman*)

Wong Wai Ching

Chan Fan

Sustainability Committee

Wang Xiaoguang (*Chairman*)

Zhang Haipeng

Wong Wai Ching

Chan Tze Ching Ignatius

Chan Fan

* Mr. Ye Nan has been appointed as Non-executive Director with effect from 22 March 2025



CORPORATE INFORMATION

Authorised Representatives

Zhang Haipeng
Yan Jianguo

Company Secretary

Ko Hiu Fung

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Telephone: (852) 2980 1333
Facsimile: (852) 2810 8185
E-mail: is-enquiries@vistra.com

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

28th Floor, China Overseas Building
139 Hennessy Road, Wanchai
Hong Kong

Investor Relations

Telephone : (852) 2823 7888
Facsimile : (852) 2671 9477
E-mail : csci.ir@cohl.com

Public Relations

Telephone : (852) 2823 7888
Facsimile : (852) 2671 9477
E-mail : csci.pr@cohl.com

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Principal Bankers

Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
BNP Paribas Hong Kong Branch
China Construction Bank Corporation
China Development Bank Corporation
Hang Seng Bank Limited
Industrial and Commercial Bank of China Ltd.
The Hongkong and Shanghai Banking Corporation Limited

Listing

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and certain debt securities issued by the Company and/or its subsidiaries are listed on the Stock Exchange and/or other stock exchange.

Stock Code

Shares

Stock Exchange: 03311
Bloomberg: 3311:HK
Reuters: 3311.HK

Website

www.csci.com.hk

Corporate Information (continued)

Financial Calendar

Interim Results Announcement

19 August 2024

Record date — Interim Dividend

17 September 2024

Payment date — Interim Dividend

10 October 2024

Final Results Announcement

21 March 2025

Closure of Register of Members — Annual General Meeting

10 June 2025 to 13 June 2025 (both days inclusive)

Annual General Meeting

13 June 2025

Record date — Proposed Final Dividend

20 June 2025

Payment date — Proposed Final Dividend

11 July 2025



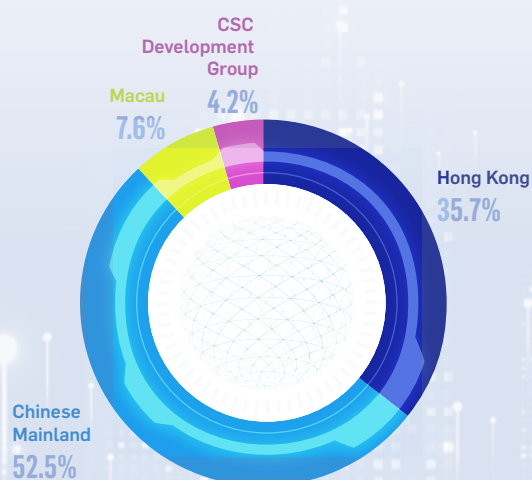
FINANCIAL HIGHLIGHTS

	For the year ended 31 December				
	2020	2021	2022	2023	2024
Results (HK\$'000)					
Revenue	62,458,009	77,309,614	101,975,265	113,734,013	115,106,744
EBITDA (Note)	11,339,973	12,485,168	14,457,792	16,161,568	17,118,966
Profit attributable to owners of the Company	6,015,368	6,800,879	7,956,876	9,164,045	9,361,017
Financial Ratios					
Net margin (%)	9.6	8.8	7.8	8.1	8.1
Current ratio (times)	1.10	1.23	1.25	1.28	1.39
Financial Information Per Share					
Earnings (HK\$)	1.19	1.35	1.58	1.82	1.86
Dividend (HK cents)	36	40.5	48	56	61.5
Net assets (HK\$)	11.54	13.14	13.46	14.74	15.17
Other Information					
Value of incomplete contracts at 31 December (HK\$ billion)	252.37	281.36	294.53	350.05	386.54

Note: EBITDA represents profit before tax, interest expenses, depreciation and amortisation charged to the consolidated income statement during the year.

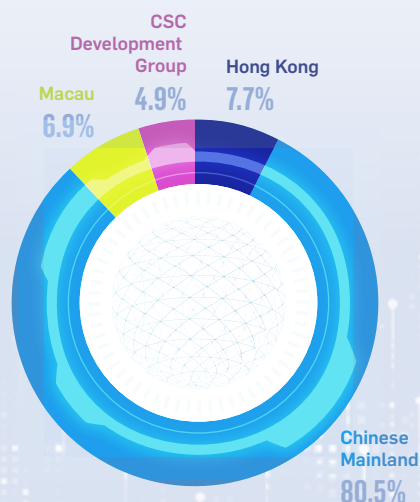
Breakdown of Segment Revenue

for the year ended 31 December 2024



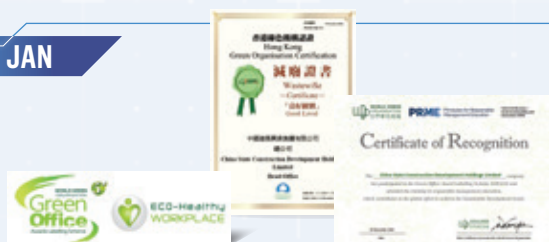
Breakdown of Segment Results

for the year ended 31 December 2024



MAJOR EVENTS OF THE YEAR

JAN



In January, China State Construction Development Holdings Limited ("CSC Development"), a subsidiary of China State Construction International Holdings Limited (the "Company") and its subsidiaries (the "Group"), was awarded the "Hong Kong Green Organization Certification — Wastewi\$e Certificate (Good Level)" by the Environmental Campaign Committee of Hong Kong, and was awarded the "Green Office 5+" and "Eco-Healthy Workplace" Labels by the World Green Organization for eight consecutive years.



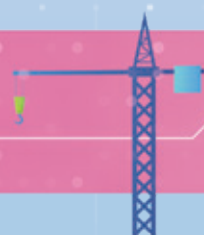
On 26 January, China State Construction Engineering (Hong Kong) Limited ("CSHK"), a subsidiary of the Group, won 13 awards, including the top award "BIM Awards", in the "HKIBIM Award 2023" organized by the Hong Kong Institute of Building Information Modelling.



On 18 January, the Promotion Conference on the Real-Name Labor Management cum "One-Code Pass for Personnel" was held by China State Construction International Investments Limited ("CSCIIL"), a subsidiary of the Group, in Foshan, Guangdong Province, focusing on the release and promotion of the technology application of "One-Code Pass for Personnel".

遠東幕牆(新加坡)有限公司
FAR EAST FACADE (SINGAPORE) PTE LTD

In January, Far East Facade (Singapore) Pte Ltd, a subsidiary of CSC Development, was incorporated in Singapore.



Major Events of the Year (continued)

FEB



On 5 February, the first phase of the Industrial Community Neighborhood Center Project in Baibu Economic Development Zone, Jiaying, Zhejiang Province, which was designed and constructed by CSCIL, China Overseas Construction Company Limited ("COCCL") and China State Construction Hailong Technology Company Limited ("CSC Hailong"), subsidiaries of the Group, was successfully completed and accepted. The Project marks the country's first prefabricated shear wall structure concrete modular integrated construction (MiC).



In February, the owner of The Line project in Saudi Arabia visited Far East Facade (Zhuhai) Pte Ltd of CSC Development in order to learn more about the advanced equipment and technologies for intelligent manufacturing of "Far East Facade".

From 28 to 29 February, the Inauguration and Implementation Plan Demonstration Meeting of the "Research and Application of Key Technology of Modular Integrated Construction", a National Key Research and Development Program under "14th Five-Year Plan" and led by CSC Hailong, a subsidiary of Group, was held in Shenzhen.

Major Events of the Year (continued)

MAR



In March, the Central Kowloon Route (Kai Tak East) Project constructed by CSHK and the Phase IV of Galaxy Project in Macau constructed by China Construction Engineering (Macau) Company Limited ("CCE Macau"), both are the subsidiaries of Group, were respectively awarded the International Safety Award (ISA) with Distinction and Pass by the British Safety Council in 2024.



On 20 March, the Group was invited to attend the "OASES Partnership Signing Ceremony" organized by the Office for Attracting Strategic Enterprises of the HKSAR Government and signed the agreement to become a "Strategic Enterprise Partner" in the presence of the Chief Executive, Lee Ka-chiu.



On 21 March, the grand opening of Apple Jing'an, where its facade construction was undertaken by Netfortune (Shanghai) Aluminium Works Company Limited under CSC Development, a subsidiary of the Group, was held, making it the second-largest flagship store in the world after the Apple Fifth Avenue in New York.

On 25 March, China State Construction International Investment (Zhejiang) Limited under CSCII, a subsidiary of the Group, won the bid for the Demolition and Reconstruction Project of an Old Housing Estate at Lane 65, Tianlin Road, Xuhui District, Shanghai, which is the first MiC project of the Group in the Shanghai area.



In March, the Niangziguan Toll Station under China State Construction International Asset Management Limited, a subsidiary of the Group, was awarded the "National Youth Safety Production Demonstration Post 2023".

APR



On 8 April, Block A of the Project of Yantai Lai Shan Phoenix Building jointly constructed by CSCIL and CSC Hailong, subsidiaries of the Group, was successfully completed for delivery. The Project is the tallest stand-alone steel structure MiC project nationwide.

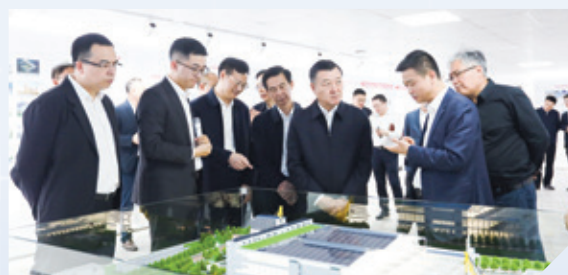
In mid-April, the 49th International Exhibition of Inventions of Geneva was held in Geneva, Switzerland. The RFID Construction Machinery Anti-Collision System developed by CSHK, a subsidiary of the Group, was awarded the highest honor of the Exhibition, the Jury Commendation Gold Award. Meanwhile, the Indoor Wall Painting Robot, SmartTrack Integrated Workers Management System and C-SMART Construction Management Digital Platform 4.0 developed by the Company won the Gold, Silver and Bronze Awards, respectively.



On 18 April, the News Center of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) organized and carried out a media convergence with the theme of "Entering into the New State-owned Enterprises: Moving Forward to the New Journey and Making a Better Future with Technology", in which more than 20 journalists from the People's Daily, Xinhua News Agency and other media outlets visited the Zhuhai Production Bases of CSC Hailong and CSC

Major Events of the Year (continued)

Development, subsidiaries of the Group, to explore the innovation story of the Group in actively optimizing the development of new quality productive forces with the promotion of the transformation and development of construction and urban renewal, and the creation of city characteristics.



On 24 April, Ni Hong, the Minister of Housing and Urban-Rural Development, carried out an on-site visit to inspect the Huazhang New Affordable Housing Project in Shenzhen, Guangdong Province, and listened to the on-site reports from CSC Hailong and COCCL, subsidiaries of the Group.



On 29 April, the Group signed a strategic cooperation agreement with its subsidiary, CSC Hailong, and the State Key Laboratory for GeoMechanics and Deep Underground Engineering. These three parties will jointly establish the "State Key Laboratory for GeoMechanics and Deep Underground Engineering (Overseas)" in Hong Kong, focusing on cutting-edge geotechnical and underground engineering technologies.

Major Events of the Year (continued)

MAY



On 4 May, the “2nd CSCI Scholarship Ceremony for CSCI Employees’ Children” organized by the Group and hosted by CSHK was successfully held in Hong Kong, which aims to help cultivate young talents in Hong Kong.



On 6 May, Xia Baolong, the Director of the Hong Kong and Macau Affairs Office of the State Council and the Secretary of the Party Committee, and Ho Iat-seng, the then Chief Executive of the Macau Special Administrative Region, visited and inspected the projects of the New Neighborhood Garden and Hengqin School Affiliated to Hou Kong Middle School, which were constructed by CCE Macau, a subsidiary of the Group.



From 22 to 25 May, as an exclusive strategic partner for sustainable development, the Group made its appearance at the BEYOND International Technology Innovation Expo in Macau and held events such as the Partners’ Technology Exchange Session, the Forum on New Construction Technology and Sustainable Development and the Working Meeting of the Expert Committee.

Major Events of the Year (continued)

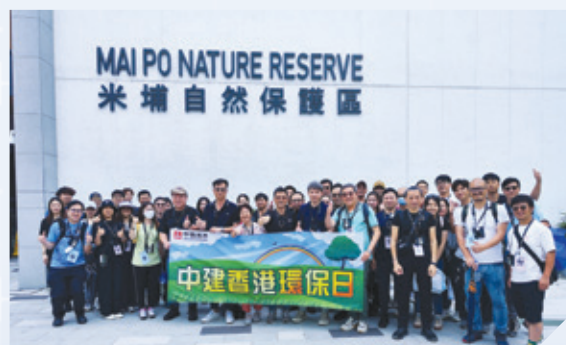


On 28 May, the first prefabricated renovation project of dilapidated buildings in Beijing City, Huapichang Hutong No 8 Building, Xicheng District (西城區樺皮廠胡同8號樓) undertaken by China State Construction Hailong Technology Company Limited under CSC, officially welcomed residents to move in. The project was completed and topped out in three months with concrete modular integrated construction, the new building industrialization construction technology empowered by technology, allowing the residents to move into their new houses as early as possible.



On 31 May, the M8 Project invested, constructed and operated by CCE Macau, a subsidiary of the Group, was honored with the Five-Star Award for the Best Retail Development in the Macau region and the Five-Star Award for the Best Mixed Use Development in the Macau region at the IPA International Property Awards.

JUN



On 7 June, CSHK, a subsidiary of the Group, organized the event of "CSHK Environmental Protection Day 2024" at Mai Po Nature Reserve.



On 13 June, the "Hong Kong Opportunities" themed press conference was held at the New Acute Hospital at Kai Tak, Hong Kong, which was constructed by CSHK, a subsidiary of the Group, to showcase the construction of the project and the development of the medical industry to the media.

Major Events of the Year (continued)

JUN



On 15 June, CSHK, a subsidiary of the Group, was invited to participate in the “Signing Ceremony for the Expression of Interest of Advanced Manufacturing Strategic Enterprises” co-organized by the New Industrialization Development Office of the ITB of the HKSAR Government and the Hong Kong Science and Technology Parks Corporation. This is the first signing ceremony with the theme of “Advanced Manufacturing” in Hong Kong.



On 18 June, the 2024 Inauguration Ceremony of “Safety Production Month” cum On-Site Observation and Exchange Session of the Group was held at the 9-year Consistent School Project in the 10th unit of Qianwan, Shenzhen.



On 20 June, the Group signed a Strategic Cooperation Framework Agreement with the University of Macau and the Macau University of Science and Technology.

Major Events of the Year (continued)

JUL



On 1 July, CSC Hailong, a subsidiary of the Group, was awarded the title of the Technologically Advanced "Little Giant" Enterprise in 2024 by the Ministry of Industry and Information Technology for its cutting-edge technologies, technological innovation capabilities and development advantages in the field of modular integrated construction.



On 30 July, CSHK, a subsidiary of the Group, organized the fourth "Celebrating the Birthday of the Master, Promoting Happiness for All" event.



On 23 July, CSCIL, a subsidiary of the Group, won the bid for the Construction Project of the Pilot Industrial Internet Platform for the Prefabricated Construction Industry in Hefei Economic and Technological Development Zone, Anhui Province. This was the Group's first successful bid in the field of industrial internet.



In July, the self-developed BIPV products of "Far East Photovoltaic" under CSC Development, a subsidiary of the Group, obtained a number of technical certificates issued by TUV, an international authorized organization in Europe.

Major Events of the Year (continued)

AUG



In August, Far East Facade (Singapore) Pte Ltd under CSC Development, a subsidiary of the Group, won the bid for the facade construction of the Central Mall Project, with a contract amount of HK\$0.08 billion, achieving the completion of “registration and successful bid in the same year”.



On 6 August, the Group officially established a “CSCI Emergency Volunteer Team” in Hong Kong, aiming at providing professional volunteers service to the community in the event of emergency situations such as extreme weather or major incidents.



On 15 August, the first high-rise concrete modular building constructed in a high-density urban area in China and Affordable Housing Project at No. 6 Meilin Road, Futian District, Shenzhen, the demonstration project of the “14th Five-Year Plan” for National Key Research and Development Program of China, which were constructed by CSC Hailong and China Overseas Construction, subsidiaries of the Group, has completed the initial lifting of modules and officially entered the key stage of the main module construction.



On 30 August, CSHK, a subsidiary of the Group, attended and obtained 10 awards at the “30th Considerate Contractors Site Award Scheme Award Presentation Ceremony” co-organized by the Development Bureau of the HKSAR Government and the Hong Kong Construction Industry Council.

Major Events of the Year (continued)

SEP



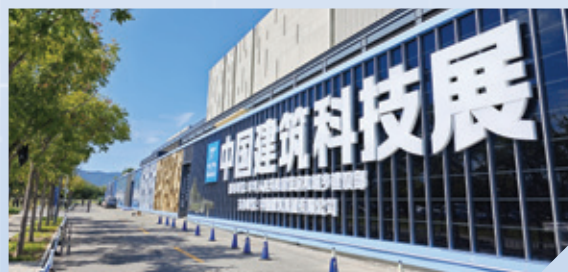
On 7 September, the Working Meeting and On-site Observation Conference of Green Construction Specialized Committee organized by the Green Construction Specialized Committee under the Science and Technology Committee of the Ministry of Housing and Urban-Rural Development was held at CSC Hailong, a subsidiary of the Group. With the topic of “Accelerating Green Construction and Promoting Comprehensive Green Transformation”, the Meeting focused on how to accelerate the process of energy saving and carbon reduction in the construction industry under the goal of “dual carbon”, reaching the high-quality development of the construction industry.



On 12 September, the Group won the IDC 2024 Special Award for Digital Innovation and the CIO of the Year Award for Digital Transformation at the IDC 2024 China Annual Ceremony cum Award Presentation Ceremony for its AI Integration Project on the Engineering Management Big Data Platform of CSHK.



From 12 to 16 September, CSC Hailong, a subsidiary of the Group, presented its newly-developed flexible modular house products and model rooms, and MiC models in the entire production and construction process at China International Fair for Trade in Services held in Beijing.



On 26 September, the CSCEC Science and Technology Exhibition was held at Shougang Park, Beijing, where the Group unveiled a total of eighteen latest technological achievements.

Major Events of the Year (continued)

SEP



On 26 September, the Opening Ceremony of Macau Senior Apartment Housing constructed by CCE Macau, a subsidiary of the Group, was held in the presence of the then Chief Executive of Macau, Ho Iat-seng, and the Director of the Liaison Office of the Central People's Government (LOCPG) in the Macau SAR, Zheng XinCong.

OCT



In October, the Office of the SASAC issued the "Notice on Matters Concerning the Adjustment of Certain 'Science and Technology Reform Enterprises' and 'Double Hundred Enterprises'", and CSC Hailong, a subsidiary of the Group, was successfully included as a "Science and Technology Reform Enterprise".



On 23 October, the National Center of Technology Innovation for Digital Construction (NCTI-DC) Hong Kong Branch was inaugurated at the University of Hong Kong, with a total of 6 laboratories joining the Center. The C-SMART Digital Construction Laboratory of CSHK, a subsidiary of the Group, was the sole enterprise-scale laboratory invited to join the Center.

Major Events of the Year (continued)



On 25 October, the Group invited a number of academicians and experts to visit the CSCEC Science and Technology Exhibition in Beijing and organized an Expert Committee Symposium and Exchange Session to discuss the latest topics together such as the promotion and application of intelligent construction technologies.



In October, CSC Development, a subsidiary of the Group, presented several key engineering models and facade products at the Asia Clean Energy Summit 2024 in Singapore, further expanding its brand influence in Southeast Asia.

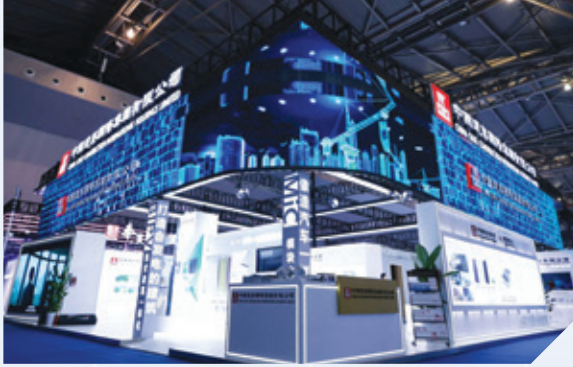


On 25 October, the Group was awarded the "China Management Model Excellence Award" at the 14th China Management Global Forum cum the 17th China Management Model Excellence Award Presentation Ceremony co-organized by the China Management Global Forum Organizing Committee and the China Management Model 50+ Forum (C50+).



Major Events of the Year (continued)

NOV



From 31 October to 2 November, the Shanghai International City and Architecture Expo 2024 was held at the Shanghai World Expo Exhibition and Convention Center. CSC Hailong, a subsidiary of the Group, participated in the Expo and set up a thematic pavilion of “MiC Modular Integration and Intelligent Manufacturing of Good House” embodies the with the theme of “Better Life Empowered by Technology”.



From 14 to 16 November, the 26th China International Hi-Tech Fair (CHTF) was held at the Shenzhen World Exhibition and Convention Center. CSC Hailong, a subsidiary of the Group, made its appearance at the CHTF and set up an exhibition area with the theme of “Leading Industry Transformation through New Construction Industrialization”, showcasing the technological innovations and achievements of the Company, such as one-stop modular construction services, modular construction product systems, green intelligent houses and differentiated general constructions.



On 6 November, the Group signed a Strategic Cooperation Framework Agreement regarding the Northern Metropolis with Bank of China (Hong Kong) Limited, with an amount of HK\$10 billion.



Major Events of the Year (continued)



On 18 November, Li Qiang, a member of the Standing Committee of Political Bureau of CPC Central Committee and the Premier of the State Council, visited and inspected the CSCEC Science and Technology Exhibition, and viewed the projects such as the BIPV photovoltaic facade technology of CSC Development and the modular construction of Beijing Huapichang Hutong No 8 Building using the “same-site demolition and construction” model of CSC Hailong, both are under Group. Li Qiang said that we should empower China’s construction with technological innovations, focus on the good houses featuring construction safety, security, green and intelligence, promote the formation of a new model for real estate development, and better satisfy the people’s demand for high-quality housing.



On 29 November, the Group was invited to attend the “Signing Ceremony for Enterprise Support and Participation in Northern Metropolis Development”. Witnessed by the Chief Executive, Lee Ka-chiu, and the Director of the LOCPG, Zheng Yanxiong, etc., the Group signed a Memorandum of Understanding about supporting and participating in the Northern Metropolis development.



In November, Shenyang Huanggu Thermoelectricity Company Limited (hereinafter “Shenyang Huanggu Thermoelectricity”) under CSC Development, a subsidiary of the Group, sold 42,796 tons of carbon credits through the national carbon emission trading system. The average transaction price was RMB104.33 per ton, resulting in a total transaction value of RMB4.465 million, marking the Group’s first carbon credit sale. This set a precedent for the sale of carbon credits in the thermal power industry in Shenyang City.

Major Events of the Year (continued)

DEC



On 19 December, on the occasion of the 25th Anniversary of Macau's Handover, President Xi Jinping met with heads of central government agencies and major mainland-funded companies in Macau. At the welcome dinner on the same day, he spoke highly of Macau's efforts to safeguard people's livelihood and praised in particular the achievements of the construction of the Senior Apartment Housing and New Neighborhood Project constructed by CCE Macau, a subsidiary of the Group.

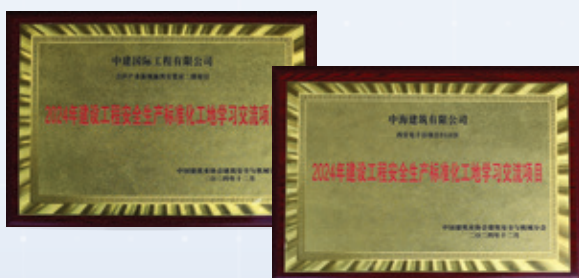


On 27 December, the old community renovation project in Beijing City, Huapichang Hutong No 8 Building, Xicheng District, constructed by the Group, was successfully included in the "Compilation of Typical Cases of Urban Renewal and Existing Building Renovation of China in 2024".



On 27 December, the "CSHK Hong Kong Youth Development Scheme — Construction Technology Exploration Tour in Beijing" organized by CSHK, a subsidiary of the Group, brought more than 40 students from Hong Kong tertiary institutions to visit Beijing and gain knowledge there.

Major Events of the Year (continued)



In December, the China Construction Industry Association announced the List of Construction Safety Production Standardized Site Internship and Exchange Projects 2024, and two of the projects of CSCIIL, a subsidiary of the Group, namely the Government Targeted Repurchase Project of Shiwan (Phase II) in Helu Industrial New Town and the Xi'an Electronic Valley Project (FGH area), were selected. The Group has obtained the important national safety awards for several consecutive years.



In December, Far East (Shanghai), a subsidiary of CSC Development, began undertaking the facade project for Shenzhen Bay Super Headquarters C Tower Project, with a contract sum of approximately HK\$1.09 billion. This project is currently the tallest connected twin tower in China, involved a variety of complex processes including folded curtain facades and hyperbolic curtain walls, which will further consolidate the leading position of the Group in the field of multi shaped, hyperbolic and irregular facade construction.



In December, the Road and Bridge Operation Management Platform of CSCI was launched. The Platform includes three major system modules, namely, electrical and mechanical operation and maintenance, asset maintenance and toll business management, realizing the digital management of road and bridge operation.

CHAIRMAN'S STATEMENT

In the year, the Group secured 121 NEW CONTRACTS
with attributable contract value of approximately

HK\$ **211.26** billion



Mr. Zhang Haipeng

Chairman and Executive Director



Chairman's Statement (continued)

STRONG PRESENCE DRIVEN BY INNOVATION

Review of Operation

In 2024, the global economy continued its post-pandemic sluggish recovery. Gradual rate cuts by the US Federal Reserve, European Central Bank and other major central banks could enable new adjustments on the global monetary policy. The contradiction between curbing inflation and dodging recession in the US economy still existed, while the overall growth momentum of the eurozone was not strong, and the economic conditions among its members were further polarized. Meanwhile, more than 70 elections were held around the world in 2024, the uncertainties of domestic and foreign policies occurred with the change in government. The long-standing geopolitical issues and regional conflicts also posed serious challenges to global peacefulness and development. Despite the complex situation of escalating external pressure and increasing internal difficulties, China's economic operations in 2024 was generally stable with steady progress, the expected economic growth target for the year was successfully achieved. During the year, the Central Government rolled out a series of measures to benefit Hong Kong's and Macau's tourism sectors, providing strong support for the economic development of both cities. Hong Kong's economy posted moderate growth, cross-boundary economic activities increased, and its employment rate recorded satisfactory statistics, while Macau's tourism industry achieved a robust recovery, the gaming industry continued to regain momentum, and its economic structure was optimized with a more diversified range of industries.

In the past year, the Group was sensitive to the changes in the external economic environment, adhered to its technology-empowered strategy of competitive differentiation, strived to reach its market expansion and stabilize its operations, thus delivering an excellent performance on various fronts. The Group won the bids for a large number of significant projects in Hong Kong and Macau, strengthening its market position. Our business in Chinese mainland continued to focus on high-tier cities, and our facade business reached the peak of global construction difficulty once again. The Group placed emphasis on strengthening cash flow control, with an operating cash inflow of HK\$2,007 million and an investing cash inflow of HK\$1,137 million for the year, fully consolidating the outcomes of cash flow improvement over the past three years.

As of 31 December 2024, the audited revenue of the Group amounted to HK\$115,107 million, with an operating profit of HK\$15,915 million. The profit attributable to the owners of the Company increased by 2.1% to HK\$9,361 million, with basic earnings per share of HK1.86 cents and net asset value per share of HK\$15.17. The Board recommended the distribution of a final dividend of HK28.5 cents per share for the year of 2024. The total dividend distributed throughout the year amounted to HK61.5 cents, representing a year-on-year increase of 9.8%.



Chairman's Statement (continued)

Hong Kong and Macau Markets

In recent years, the Hong Kong Government has devoted to urban development by adopting the principles of “infrastructure-led”, which has promoted the expansion of the construction market. The Group won the bids for a number of significant projects by virtue of its rich experience in construction and its advantages in construction technology. During the year, the Group won the bid for the West New Territories Landfill Extension with a total contract amount of HK\$61.1 billion (with the Group's attributable contract amount of approximately HK\$42.8 billion), making it the largest construction project in the history of the Group. It also successively won the bids for the projects in the areas of MiC, highways, MTR as well as traditional housing construction, and highly participated in various projects of Northern Metropolis, maintaining its market-leading position. During the year, newly signed contracts in the Hong Kong market amounted to HK\$90,048 million, representing a year-on-year increase of 27.0%. CSHK, a subsidiary of the Group for its business in Hong Kong, was honored with the “Strategic Enterprise Partner” and the “Partner of Supporting and Participating the Northern Metropolis Development” by the HKSAR Government for its contribution to the prosperity and stability of Hong Kong.

For the Macau market, the Group continues to serve for the livelihood of Macau. During the year, the Group successfully won the bids for the largest public housing project at Lot B8 in New Urban Zone Area A as well as the flyover project at New Urban Zone Area A and B. The flyover will connect Macau Peninsula and the reclamation area of the New Urban Zone, with purposes of highly diverting the traffic between the Central District of Macau, Hong Kong-Zhuhai-Macao Bridge, Gongbei Port and the reclamation area of the New Urban Zone, for the convenience of people. The M8 Project, located at the core area of the Historic Centre of Macau, officially commenced the operation and became a new landmark for Macau tourism that integrates history, culture, tourism and consumption. During the year, newly signed contracts in the Macau market amounted to HK\$10,003 million, maintaining its leading position in the Macau market.

Chinese Mainland Market

The Group has been keeping abreast of the national and regional development strategies and deeply tapping into the high-level markets in Chinese mainland. Newly signed contracts in Chinese mainland in 2024 amounted to HK\$100,192 million, mainly concentrated in Yangtze River Delta and the Greater Bay Area. The scale of newly signed contracts in these two regions continued to enlarge, with the amounts of contracts exceeded HK\$10 billion. The resettlement housing investment business continued to develop in the provinces like Zhejiang, Jiangsu and Guangdong, and opened up a number of new city markets.

MiC, an important representative of the technology-driven business of the Group, reaped a rich reward in 2024. On the first attempt to explore the Shanghai market, the Group won the bid for the Demolition and Reconstruction Project of an Old Housing Estate at Lane 65, Tianlin Road, Xuhui District, which is expected to be the largest urban renewal project adopting the modular construction model in China, and the Group would strive to set the best practice example of urban renewal in China. The bid-winning project of Anju Jingxinyuan (安居景馨苑) in Futian district, Shenzhen City was the first C-MiC (concrete MiC) 2.0 project of the Group, and also the demonstration project of the “14th Five-Year Plan” for National Key Research and Development Program. C-MiC 2.0 system has gone through comprehensive and continuous iterations and upgrades, which deeply integrated the innovative, state-of-the-art and smart construction technologies of modular integration, building standardization, pipeline centralization and stress-strain state of shell mold, to make construction management more efficient, precise and intelligent, and to further enhance the project quality. The Group is sparing no effort in building the intelligent construction industrial park in



Chairman's Statement (continued)

Longgang, Shenzhen. Based on automated production lines, the park will be equipped with intelligent manufacturing equipment such as intelligent hybrid mobile robots, intelligent warehousing, all-round quality inspection robots, and will ultimately establish an intelligent manufacturing system for modular products. We hope the park will be able to give a demonstration of modular construction techniques and further lead to the transformation of the production method of the industry.

Facade Market

CSC Development, a subsidiary of the Group, continues to consolidate its leading position in the facade market. In Hong Kong market, CSC Development won the bids for public works such as the court building at Caroline Hill Road; as well as the commercial projects of the Artist Square Towers Project at the West Kowloon Cultural District of Sun Hung Kai Properties and New Central Harbourfront Site 3 of Henderson Land, both of which are landmark contracts. In Macau market, it continues to cooperate with various entertainment enterprises, and also won the bid for the Fantasy Box project of MGM MACAU. In the mainland market, it won another high-end project of Tower C of Shenzhen Bay Super Headquarters Base with a contract amount of HK\$1.09 billion, which is a facade construction project with the highest amount and the largest area for a single contract in mainland. The project contains more than fifty facade sub-systems and involves a variety of complex processes, its unique streamlined shape endows facade production and construction with extremely high difficulty, which will further consolidate the leading position of CSC Development in the field of multi-shaped, hyperbolic and irregular facade construction. Singapore has an outstanding market environment, during the year, CSC Development accelerated its exploration of the market and formed a team there, it obtained the projects of Zion Road Parcel A and Central Mall. Building-integrated photovoltaics (BIPV) is the key to the new business development of CSC Development, the products passed numerous international qualification and accreditation as well as building functions tests, and were swiftly adopted in the public works and commercial projects in Hong Kong and the mainland, indicating extremely strong growth potential. In 2024, newly signed contracts of CSC Development amounted to HK\$11,020 million.

Sustainable Development Management

The Group deeply integrates the principles of ESG into the business strategies of the Company, strengthens the ESG governance and optimizes the disclosure of ESG information. During the year, the Group updated the sustainable development roadmap by adjusting the relationships among the original five areas, so as to better align the Group's strategic direction of "technology empowerment" with "strategic development" and elevate the related tasks to the core strategy. The Group also imposed more stringent requirements on itself, adding to achieve the carbon peak target by 2030, bringing the target year of realizing the carbon neutrality forward from 2060 to 2050, and preparing a series of practical initiatives to cope with the new goals. China State Hailong Construction Technology Company Limited ("CSC Hailong"), a subsidiary of the Group, commenced the compilation of its first ESG report and further enriched the ESG report system of the Group and its subsidiaries. Shenyang Huanggu Thermoelectricity, a subsidiary of the Group, achieved a surplus in carbon quotas through energy conservation and emissions reduction, and sold carbon credits through the national carbon emission trading system in November with a total transaction value of RMB4.4650 million, signifying the Group's new breakthrough in the carbon asset management. During the year, the proportion of each green construction business accounted for approximately 35% of the revenue of the Group. At the same time, major advancement was shown in sustainability linked financing with the proportion of the sustainability linked loan of the Group to the total loan increased steadily, and the first social responsibility loan was granted during the year. With the outstanding performance in the field of sustainable development, the Group received multiple honors and commendations from international and domestic recognized associations: MSCI ESG rating was upgraded to B; selected as a constituent of the FTSE4Good Index for eight consecutive years; included in S&P Global "Sustainability Yearbook (China Edition) 2024", with the highest score and ranked first in the industry; and received AA ratings from China Chengxin Green Finance and Wind ESG, both ranking first in the industry.

Chairman's Statement (continued)

Risk Management

The Group closely monitors the key areas and critical segments, continuously improves the establishment of its systems and mechanisms, carries out early assessments and judgments as well as dynamic monitoring on the changes of various risks, to implement risk prevention and response measures in a timely manner. During the year, the Risk and Compliance Management Committee of the Group operated on a regular basis. It reviewed and examined the updates and improvements on the risk and compliance-related system, as well as established, promoted and implemented the annual compliance risk management plan. During the year, the Group organized and commenced a promotion and education season on law compliance, guiding employees to consciously comply with laws and regulations through activities such as the promotion of general laws and specialized training, thereby enhancing their ability to control and respond to various compliance risks.

Financial Management

In 2024, the Group fully utilized the RMB financing channel and issued a number of bonds. With the continuous record low financing interest rate in Chinese mainland, it reasonably saved the financing cost and reduced exchange rate risks through natural hedging. The Group focused on improving its cash flow-based management and control system to ultimately enhance the granularity of management with an operating cash inflow of HK\$2,007 million and an investment cash inflow of HK\$1,137 million.

The financial position of the Group remained sound, with sufficient cash on hand and available financial resources. As of 31 December 2024, cash on hand amounted to HK\$30,741 million, accounting for 11.3% of its total assets. The net gearing ratio was controlled at 73.6%, representing a year-on-year increase of 7.5 percentage points. Unutilized bank credit facilities were HK\$131,858 million, representing an increase of 64.8% as compared with that of the corresponding period in the previous year.

Human Resources

The Group actively works with the education sector and industry peers, seeks advice from external professionals as well as cultivates its internal staff so as to fully utilize the outstanding talents to drive the healthy development of the enterprise. The Group continues to boost the cooperation with academic experts. This year, the Group appointed Jinping Ou, the academician of Chinese Academy of Engineering, as the Chief Scientist of our MiC business. It also co-established the "State Key Laboratory for GeoMechanics and Deep Underground Engineering (Overseas)" in Hong Kong, being a state key laboratory, with Academician Manchao He, focusing on cutting-edge geotechnical and underground engineering technologies. In addition, the Group deepens the integration of industry and education by signing a strategic cooperation agreement with the University of Macau and the Macau University of Science and Technology. The Group emphasizes the growth and development of its employees. It strengthened the specialized training programs by focusing on the implementation, stratification and classification of the strategies; perfected the implementation of the national school-enterprise cooperative training program for master's and doctoral engineering students by organizing MiC marketing training courses, project management training courses, project manager growth camps under the "Talent Development Program (築將計劃)" and factory chief incubation camps; and created the "Leading (領潮)" microteaching platform and the training brand called "Leading Culture Academy (領潮學堂)" to organize specialized training on topics such as public opinion management and construction law in China. With its human resources management excellence, the Group was awarded the "The Most Popular Enterprise for Global Talent Award" in the Innovating Hong Kong Global Talent Carnival and the "Employer of the Year — Grand Award" of CTgoodjobs for two consecutive years and was the only construction enterprise among the winners. Moreover, it won the "Revitalization Award (Major Contractor)" by the Construction Industry Council of Hong Kong and won four awards, including "Grand Award of Talent Management" Merit Award and "Grand Award of Change Management" Merit Award, in the HKIHRM HR Excellence Awards for the first time.

Chairman's Statement (continued)

Technological Innovation

In recent years, the Group has strengthened its research and development (R&D) in technology and adjusted its technology-driven business structure year-on-year. During the year, newly signed technology-driven contracts amounted to HK\$87,862 million, accounting for 41.6% of the total newly signed contracts with a year-on-year increase of 17.7%, bringing sufficient momentum to the results. The Group invested HK\$747 million in R&D, with the proportion of R&D investment in revenue reaching 0.6%, forging ahead with the goals set in the 14th Five-Year Plan. CSC Hailong was approved to take charge of compilation of the first national recommended concrete MiC product standard, newly obtained approval for a subproject of the national key R&D program, was successfully included as a "Science and Technology Reform Enterprise" by the SASAC and was awarded the title of the Technologically Advanced "Little Giant" Enterprise in 2024 by the MIIT. The C-SMART Digital Construction Laboratory of CSHK was invited to join the National Center of Technology Innovation for Digital Construction (NCTI-DC) Hong Kong Branch, and was the sole enterprise joined the joint laboratory. C-SMART won the bid for the Pilot Project of the Internet for the Prefabricated Construction Industry in Anhui Province, taking its first step towards marketization. The Group unveiled 18 construction technological products in the CSCEC Science and Technology Exhibition and participated in more than 20 domestic and international high-end exhibitions such as the China Housing Expo and the Asia Clean Energy Summit, resulting in unprecedented brand awareness. During the year, the Group was awarded multiple high-level technological honors, including the Second Prize of Huaxia Construction Science and Technology Award, the First Prize of Science and Technology Award of the China Steel Construction Society, the Gold Award with the Congratulations of Jury at the 49th International Exhibition of Inventions of Geneva (the highest honor of the Exhibition) and the NEC Best Project of the Year, etc.

Business Outlook

In 2024, the Group earnestly transformed its technological advantage into market advantage, implemented differentiated competitive strategies, and continuously strengthened and optimized its main business, steadily advancing in the direction of high-quality development. Looking forward to 2025, although the global political and economic orders are still undergoing changes and many uncertainties lie ahead, the China's economy is expected to accumulate upward momentum, and its general long-term growth trend remains unchanged with the effect of the policies. The Group will monitor the macro-economic situation, as well as the national and industrial major policies, while balancing the relationship between development and safety through the scientific management measures. In Hong Kong and Macau markets, the Group will continuously enhance its performance abilities, strengthen its position as the largest and strongest player, grasps the construction opportunities from the Northern Metropolis and Transport Infrastructure Development Blueprint of Hong Kong, as well as the livelihood projects in Macau. For the Chinese mainland market, the Group will firmly follow its investment system of determining its investment based on its revenue, with payment collected as its core, in order to continuously optimize its geographical layout of its businesses. The technology-driven business of the Group has accumulated certain landmark projects. In the future, the Group will further enhance the quality and cost-effectiveness of its products to fully exploit the growth potential of its technology-driven business, forging the enterprise into a new development stage through technology.

Chairman's Statement (continued)

Acknowledgement

With this opportunity, I would like to express my sincere gratitude to the Board for its brilliant leadership, to our partners and investors for their strong support, to other members of society for their generous assistance, and to all our staff for their hard work.

By Order of the Board

China State Construction International Holdings Limited

Zhang Haipeng

Chairman and Executive Director

Hong Kong, 21 March 2025

MANAGEMENT DISCUSSION & ANALYSIS



Management Discussion & Analysis (continued)

**Profit attributable to owners
of the Company was**

HK\$9,361 million,

**represents a year-on-year
increase of 2.1%. Operating cash
flow improved significantly to a
net inflow of HK\$2,007 million,
while investment cash continued
to maintain net inflow.**

Overall Performance

The Group's turnover continues to maintain a scale of over 100 billion, recorded HK\$115,107 million for the year.

Basic earnings per share was HK\$1.86, a year-on-year rise of 2.2%. With a proposed final dividend per share of HK28.5 cents, an interim dividend per share of HK33 cents paid in the year, the total dividends for the year amount to HK61.5 cents per share, representing an increase of 9.8% as compared to last year.

During the year, Hong Kong, Macau and Chinese mainland remained the core markets and the major contributors of the Group, accounted for 35.7%, 7.6% and 52.5% of the Group's revenue, respectively. In Hong Kong and Macau, the Group focused on the construction business in both private and public sectors, and further consolidated its leading position in the field by our continued strong performance. In Chinese mainland, the Group mainly focused on construction related investment projects, its huge scale is underpinned by its strong business execution and customer's satisfaction. China State Construction Development Holdings Limited and its subsidiaries (together, the "CSC Development Group") mainly focused on facade contracting business. This listed subsidiary is currently managed by a separate management team and thus is considered as a distinct business unit of the Group.



Management Discussion & Analysis (continued)

An analysis of major income statement items for the year is set out in the following paragraphs:

Hong Kong and Macau

Construction and Related Business

The Group won the bids for a number of significant projects in Hong Kong, demonstrating its market-leading position. Hong Kong's revenue significant increased 33.3% to HK\$41,087 million. Segment result amounted to HK\$1,216 million, grew by 18.6%.

In the Macau market, the Group continued to promote the construction of livelihood projects and maintain its market-leading position. Due to the completion of large-scale hospital and comprehensive entertainment project during the year, Macau's revenue dropped 18.4% to HK\$8,784 million. Segment result increased 14.6% to HK\$1,101 million as a result of the project settlement of the above large-scale project.

Chinese mainland

Chinese mainland segment continues to focus on high-quality markets such as the Yangtze River Delta and the Greater Bay Area. The resettlement housing investment business continued to develop in the provinces like Zhejiang, Jiangsu and Guangdong, and opened up a number of new city markets. Meanwhile, the Group increases the expansion of Modular Integrated Construction ("MiC") business and apply it to different provinces and fields. During the year, the Group make construction management more efficient and select high-quality projects carefully. Although revenue from Chinese mainland declined slightly by 8.7% to HK\$60,419 million, segment result increased 10.8% to HK\$12,811 million.

(1) Construction Related Investment Projects

Our Construction Related Investments Projects span over different kinds of business, including investment and construction of toll road, toll bridge and a variety of housing project, such as resettlement housing, hospital and school. The Group continued to optimise the project mix on hand, increased participation in government targeted repurchase projects and other shorter cash payback cycle project in order to accelerate capital turnover. During the year, Chinese mainland increased efforts on cash collection and received buy-back payment of HK\$53,530 million from Construction Related Investment Project, including the attributable share of such payment received by our joint venture investments, up by 16.0%.

Construction Related Investment Projects remained the core business and the major contributor of Chinese mainland. Revenue dropped by 9.4% to HK\$58,439 million, segment result increased 9.3% to HK\$11,905 million.

(2) Operation Infrastructure Projects

Operation Infrastructure Projects represents toll road operation. The revenue from Operating Infrastructure Projects excluding contribution from joint venture was HK\$132 million, dropped 12.8%.

(3) Other Business

Other Business mainly represents contribution from industrial plant reconstruction, prefabricated construction industrialisation factories and other business such as project management services. The revenue from this sector was HK\$1,848 million, increased 20.1%.

China State Construction Development Holdings Limited

CSC Development Group focused on the facade contracting business, general contracting business and operating management business. CSC Development Group further solidified its leading position in the market of Hong Kong and Macau and continues to expand its market in Chinese mainland. Due to the decrease of revenue from general contracting business, CSC Development Group's revenue and segment result dropped 19.1% and 3.2% to HK\$4,817 million and HK\$787 million, respectively.

Management Discussion & Analysis (continued)

Investment Income, Other Income and Other Gains/(losses), net

Investment Income, Other Income and Other Gains, net decreased 64.3% to HK\$231 million, the decrease was mainly due to the fair value loss on investment properties recognised during the year.

Share of Profits of Associates

The Group continued to drive the contracting business by its investment in associates. The share of profits of associates dropped 14.9% to HK\$268 million.

Share of Profits of Joint Ventures

The Group mainly operates toll bridge and infrastructure investment projects in the form of joint ventures. The share of profits of joint ventures slightly increased 1.2% to HK\$638 million.

Finance Costs

During the year, the finance costs charged to profit for the year increased by 0.6% to HK\$3,222 million.

Earnings Per Share

Basic earnings per share increased by 2.2% to HK\$1.86 for the year ended 31 December 2024. The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$9,361 million and the weighted average number of 5,037,616,668 ordinary shares in issue during the year.

CORPORATE FINANCE

Financial Position of the Group

(a) Shareholder's Equity

During the year, a subsidiary of the Group issued RMB1,500 million subordinated perpetual capital securities, raised approximately HK\$1,611 million, net of expenses.

The Group dedicated to maintain a sound financial position with a strong capital base to support its stable expansion. Shareholders' equity reached HK\$76,422 million as at 31 December 2024. The increase was mainly attributable to the profit for the year of HK\$10,077 million, the RMB1,500 million subordinated perpetual capital securities issued during the year, partly offset by the translation loss of HK\$2,017 million due to the depreciation of Renminbi ("RMB") and the distribution of HK\$3,098 million during the year.

(b) Bank Balances and Cash

At 31 December 2024, the Group had bank balances and cash of HK\$30,741 million, representing 11.3% of the total assets. The portfolio of the currencies of bank deposits is listed as follow:

	2024 %	2023 %
Hong Kong Dollars ("HKD")	15	17
RMB	80	78
Macao Patacas	3	3
United State Dollars ("USD")	1	1
Others	1	1

The bank deposits outside Hong Kong are mainly for subsidiaries in various regions. During the year, the Group has no financial instrument for currency hedging purpose.

Management Discussion & Analysis (continued)

(c) Borrowings

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. We have good access to bank loans and the capital market, and are committed to stable and low-cost financing, and increasing the flexible use of funds between Chinese mainland and Hong Kong in order to enhance the effectiveness of capital usage.

During the year, the Group issued RMB7,400 million corporate bonds in Chinese mainland, raised approximately HK\$8,063 million, net of expenses.

At 31 December 2024, the total borrowings of the Group (including the unsecured guaranteed notes denominated in USD and the corporate bonds denominated in RMB issued by the Group) were HK\$86,966 million, of which, 16.9%, 2.2% and 80.9% of the total borrowings were denominated in HKD, USD and RMB respectively. In view of exchange rate fluctuation in recent years, the Group intended to increase the proportion of RMB finance in order to naturally hedge with the exposure from the receipts of Chinese mainland business.

Bank borrowings bore interest at both fixed and floating rates with reference to either Hong Kong Inter-bank Offered Rate ("HIBOR") or People's Bank of China ("PBOC") Loan Prime Rate (the overall condition was favorable) while the notes and bonds bore fixed interest rate. During the year, the Group increased the proportion of fixed rate borrowing in Chinese mainland given the low interest rate market environment in Chinese mainland to lower the cost of financing.

The following table sets out the maturities of the Group's total borrowings as at 31 December 2024 and 2023:

	2024 HK\$' million	2023 HK\$' million
Bank borrowings		
On demand or within one year	14,297	16,515
More than one year but not exceeding two years	22,680	17,790
More than two years but not more than five years	27,241	27,643
More than five years	8,982	5,877
Total bank borrowings	73,200	67,825
Unsecured guaranteed notes payable	1,945	1,944
Corporate bonds	11,821	7,818
Total borrowings	86,966	77,587

At 31 December 2024, the Group had net borrowings of HK\$56,225 million and the Group's net gearing ratio was 73.6%. This ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. At 31 December 2024, committed but unutilised credit facilities and other banking facilities like construction performance bond facilities amounted to HK\$131,858 million.

(d) Cash Flows Analysis

During the year, the Group's cashflow continues to improve, generated HK\$2,007 million and HK\$1,137 million net cash inflow from operating and investing activities, respectively. The net cash outflow from financing activities was HK\$349 million.

Management Discussion & Analysis (continued)

Management Policies for Financial Risk

1. Interest Rate Risk

The Group's fair value and cash flow interest rate risk mainly related to fixed rate and variable rate borrowings, respectively. In order to exercise prudent management against interest rate risk, the Group has established policies and procedures to assess, book and monitor all such financial risks. The Group will continue to review the market trend as well as its business operation's needs, so as to arrange the most effective interest risk management tools.

2. Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's trade and other receivables presented in the consolidated statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made according to the Group's accounting policy or where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. Credit extended to business associates is based on the reputation and financial position of the customers. In connection with projects in progress (whether in Hong Kong, Macau, Chinese mainland or overseas), the major customers are the local governments, government-related entities and certain institutional organisations and certain reputable property developers. Therefore, the Group is not exposed to any significant credit risk.

With respect to the credit risk of the Group's treasury operations, the Group's bank balances and cash must be placed and entered into financial institutions of good reputation so as to minimise the Group's credit risk exposure.

3. Foreign Exchange Risk

The Group undertakes certain transactions denominated in foreign currencies, primarily with respect to the RMB and USD, hence exposures to foreign exchange risk. The Group manages this risk by closely reviewing the fluctuation of the exchange rate and adjusting the financing structure if needed. In recent years, the Group intended to increase the proportion of RMB finance in order to naturally hedge with the exposure from the receipts of Chinese mainland business.

BUSINESS REVIEW

At the end of 2024, the Group has 373 PROJECTS in progress with an aggregated attributable contract value of HK\$

631.14 billion





Business Review (continued)

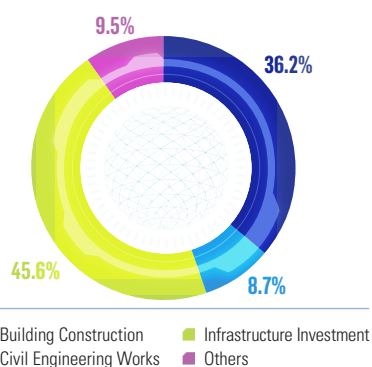
Major Completed Projects in the year of 2024

No.	Project Name	Government/ Public Sector	Private Sector
Building Construction			
1	Residential Development at NKIL 6576, Kai Tak, Kowloon		•
2	General Contracting Project of the Student Hostels and Teaching Buildings of Baptist University		•
Civil Engineering Works			
1	Tseung Kwan O Desalination Plant Phase 1	•	
2	APM and BHS Tunnels on Existing Airport Island		•
3	Site Formation and Foundation Works for Expansion of North District Hospital	•	
4	Organic Waste Treatment Facilities Phase 2	•	
Construction Related Investment			
1	Highway Project, Bengbu, Anhui Province	•	
2	Investment and Construction Project of Shantytown Redevelopment, Jining, Shandong Province	•	
3	Infrastructure and Industrial Park Project, Haining, Zhejiang Province	•	
4	Government Targeted Repurchase Project (Plot B-15), Huangyu Unit, Core Sub-area of Wenzhou, Zhejiang Province	•	
5	Government Targeted Repurchase Project (Plot E-01-02), Zhongyangtu Unit, Yangshuang Sub-area, Lucheng District, Wenzhou, Zhejiang Province	•	
6	Headquarters Economic Base Project, Zhongmu, Zhengzhou, Henan Province	•	
7	Commercial BT Project, Gaoxinqu Dianzigu (Zone F, G and H), Xi'an, Shaanxi Province	•	
8	Investment Project of Kunpeng Industrial Park, Zhenhai District, Ningbo, Zhejiang Province		•
9	Government Targeted Repurchase Project (Plot 04-C-04b), Qidu Island, Lucheng District, Wenzhou, Zhejiang Province	•	
10	Government Targeted Repurchase Project (Plot B-12), Huangyu Unit, Core Sub-area of Wenzhou, Zhejiang Province	•	
11	Infrastructure of High-speed Railway New Town PPP Project, Huzhou, Zhejiang Province	•	
12	Government Targeted Repurchase Project (Plot A-04), Southern Yangfushan Unit, Core Sub-area of Lucheng District, Wenzhou, Zhejiang Province	•	
13	Yunchuang Golden Valley Project, Kuiwen District, Weifang, Shandong Province	•	
14	Government Targeted Repurchase Project, Sub-area of Minhou Ganzhe Street, Fuzhou, Fujian Province	•	
15	Government Targeted Repurchase Project, Hefei Economic Development Zone, Anhui Province	•	
16	Government Targeted Repurchase Project at the South Side of Yangming Dong Road and the West Side of Yunhui Road, Yuyao, Ningbo, Zhejiang Province	•	
17	Government Targeted Repurchase Project at Dongfang Hospital, Jinghu District, Wuhu, Anhui Province	•	
18	Government Targeted Repurchase Project at the South Side of Yangming Dong Road and the East Side of Yunhui Road, Yuyao, Ningbo, Zhejiang Province	•	
19	Government Targeted Repurchase Project at the East Side of Xiaolang Road and the North Side of Fengru Road, Yangming Street, Yuyao, Ningbo, Zhejiang Province	•	
20	Government Targeted Repurchase Project for Farmers, Yuanbo Garden, Yuhua District, Changsha, Hunan Province	•	
21	Xingfuhe Community PPP Project, Nanchang, Jiangxi Province	•	
22	Government Targeted Repurchase Project (Plot B18), Yangshuang Sub-area, Lucheng District, Wenzhou, Zhejiang Province	•	
23	District Construction Project, Tanchonghe, Feixi County, Hefei, Anhui Province	•	
24	Infrastructure and Housing Construction Project of HeLu Industrial New Town, Lujiang County, Hefei, Anhui Province	•	
25	Government Targeted Repurchase EPC Project, Chenjiaba, Youchengang, Xiuzhou District, Zhejiang Province	•	
26	Head Office Building and Labour Apartment of High Technology Industrial Park EPC Project, Nanjing, Jiangsu Province	•	
27	Shanty Town Redevelopment Project, Tianyiwachang Jiasu Area, Tianjia'an District, Huainan, Anhui Province		•
28	Shanty Town Redevelopment and Government Targeted Repurchase EPC General Contracting Project, Pingdingshan, Henan Province	•	
29	Project for Phase 1 of Yishui Hotel, Luoyang, Henan Province	•	

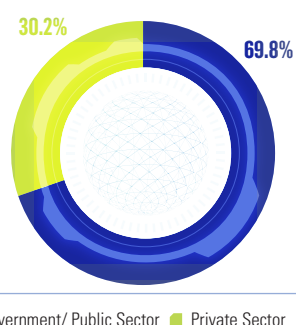
Business Review (continued)

Major Completed Projects in the year of 2024 (continued)

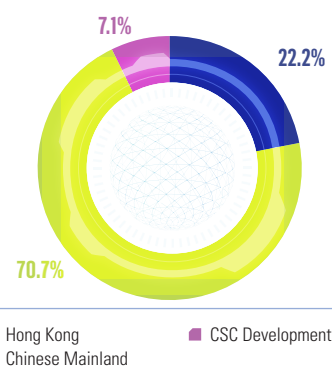
By Project Categories



By Customers



By Markets

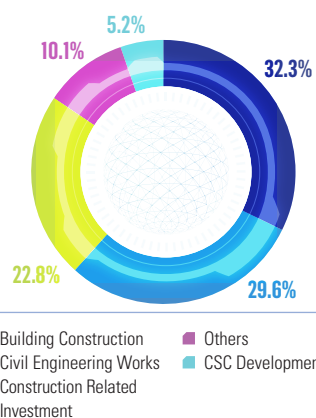


New Projects Awarded in the year of 2024

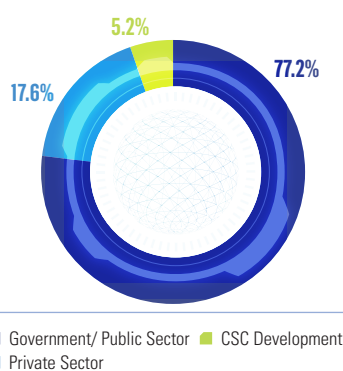
Summary for the year

- 121 new projects awarded
- Attributable contract value for new projects awarded was HK\$211,263 million

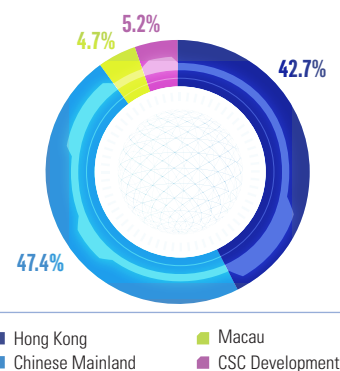
By Project Categories



By Customers



By Markets



Projects in Progress as at 31 December 2024

	No.	31 December 2024 Attributable contract value HK\$'Million	Value of incompleted contract HK\$'Million
Chinese Mainland	261	316,800	198,194
Hong Kong	69	214,044	149,022
Macau	43	66,277	20,798
CSC Development	—	34,017	18,530
Total	373	631,138	386,544

Business Review (continued)

Major Projects in Progress — Hong Kong & Macau



Business Review (continued)

Major Projects in Progress — Hong Kong

No.	Project Name
Building Construction	
1	New Acute Hospital at Kai Tak Development Area (Site A)
2	Main Works for In-Patient Extension Block for Redevelopment of Prince of Wales Hospital, Phase 2 (Stage 1)
3	Main Works Package 2 — Superstructure and Associated Works for Redevelopment of Grantham Hospital (Phase 1)
4	Design and Construction of Chinese Medicine Hospital and Government Chinese Medicines Testing Institute in Tseung Kwan O
5	Main Contract (Site 3A) for Proposed Redevelopment at IL9088, New Central Harbourfront Site 3 Hong Kong
6	New Acute Hospital at Kai Tak Development Area (Site B)
7	Commercial and Residential Accommodation, Package Three, Wong Chuk Hang Station
8	West Rail Kam Sheung Road Station Package 1 Property Development
9	Residential Development, Lohas Park, Phase 13
10	Main Contract for Redevelopment of Our Lady of Maryknoll Hospital
11	Bath 1A Development of Hong Kong-Shenzhen Innovation and Technology Park
12	Residential Development at 391 Chai Wan Road an Adjoining Government Land Chai Wan Inland Lot No.178



Main Works for In-Patient Extension Block for Redevelopment of Prince of Wales Hospital, Phase 2 (Stage 1)



Design and Construction of Chinese Medicine Hospital and Government Chinese Medicines Testing Institute in Tseung Kwan O



Main Contract (Site 3A) for Proposed Redevelopment at IL9088, New Central Harbourfront Site 3 Hong Kong



West Rail Kam Sheung Road Station Package 1 Property Development

Business Review (continued)

Major Projects in Progress — Hong Kong (continued)

No.	Project Name
Civil Engineering Works	
1	West New Territories Landfill Extension
2	Siu Ho Wan Depot Property Development MTR Contract 1701 — Oyster Bay Station and Associated Works
3	Hong Kong International Airport Three Runway System Project North Runway Modification Works
4	Relocation of Sha Tin Sewage Treatment Works to Caverns — Main Caverns Construction
5	Joint Cavern Development at Anderson Road Quarry Site
6	Kwu Tung North New Development Area, Remaining Phase: Improvement Works of Fanling Highway (Kwu Tung Portion) and Associated Works
7	Yuen Long Barrage and Nullah Improvement Schemes



West New Territories Landfill Extension



Siu Ho Wan Depot Property Development MTR Contract 1701 — Oyster Bay Station and Associated Works



Relocation of Sha Tin Sewage Treatment Works to Caverns — Main Caverns Construction

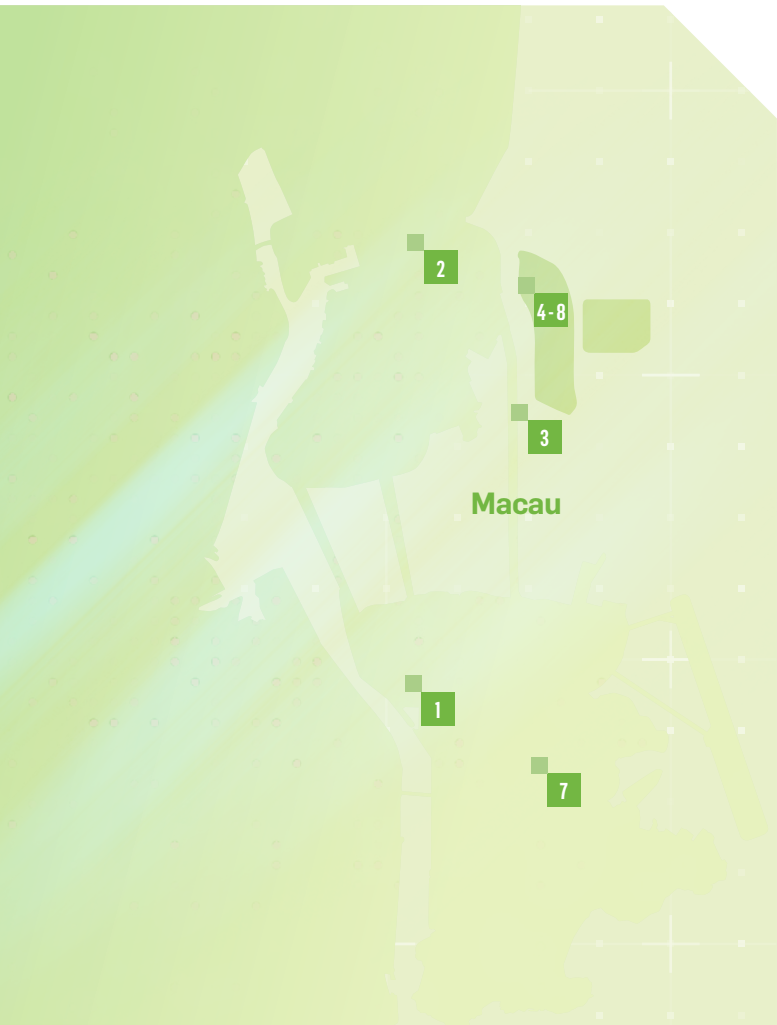


Yuen Long Barrage and Nullah Improvement Schemes

Business Review (continued)

Major Projects in Progress — Macau

No.	Project Name
Major Projects in Progress — Macau	
1	Superstructure Project of Galaxy Phase 4
2	Construction Project of Replacement House (Lot “P” — Lot A), Hac Sa Wan New Reclamation Area
3	Design and Construction Project of the South Segment of the Macau Light Rapid Transit East Line
4	General Contracting for the Design and Construction (Plot A and C), Harbour New Town
5	Public Housing Design and Construction Project (Lot A4), Zone A New Town
6	Public Housing Design and Construction Project (Lot B8), Zone A New Town
7	Construction Project of the Rehabilitation Hospital Building of the Island Healthcare Complex
8	Public Housing Design and Construction Project (Lot A12), Zone A New Town



Superstructure Project of Galaxy Phase 4



Design and Construction Project of the South Segment of the Macau Light Rapid Transit East Line

Business Review (continued)

Major Projects in Progress — Chinese Mainland



Business Review (continued)

Major Projects in Progress — Chinese Mainland

No.	Project Name
Construction Related Investment	
1	Government Targeted Repurchase Project (Plot 04-B-29), Weilai Keji Island, Lucheng District, Wenzhou, Zhejiang Province
2	Government Targeted Repurchase Project (Plot 05-B-35a), Weilai Keji Island, Lucheng District, Wenzhou, Zhejiang Province
3	Government Targeted Repurchase Project (Plot D-37), Jiangbin Unit, Core Sub-area of Wenzhou, Zhejiang Province
4	Government Targeted Repurchase Project (Plot B-01a), Putao Peng Unit, Core Sub-area of Lucheng District, Wenzhou, Zhejiang Province
5	Housing Construction Project (Plot B-01b), Putao Peng Unit, Lucheng District, Wenzhou, Zhejiang Province
6	Government Targeted Repurchase Project (Plot B-04), Wujiao Unit, Core Sub-area of Lucheng District, Wenzhou, Zhejiang Province
7	Public Construction and Municipal Project, Zhenxing Street, Zhi Li, Wuxing District, Huzhou, Zhejiang Province
8	Government Targeted Repurchase Project (Plot 05-13), Anyang Unit, Ruian, Wenzhou, Zhejiang Province
9	Government Targeted Repurchase Project at the South Side of Ziling Road and the East Side of North Zhongshan Road, Yuyao, Ningbo, Zhejiang Province
10	Government Targeted Repurchase Project at the South of Donghai Avenue and the East of 5 Guihua Road, Jiaojiang District, Taizhou, Zhejiang Province
11	Housing Construction and Infrastructure Project, Yongningjiang Science and Technology New Town, Huangyan District, Taizhou, Zhejiang Province
12	Government Targeted Repurchase Project at the East of Baiwan Road, Xinzhuang Town, Jinnan District, Tianjin
13	Shanty Town Redevelopment and Infrastructure Public — private Partnership Project, Quanzhou, Fujian Province
14	Shanty Town Redevelopment Project in Longdejing and Goutou Sub-areas, Putian, Fujian Province



Government Targeted Repurchase Project (Plot 05-B-35a), Weilai Keji Island, Lucheng District, Wenzhou, Zhejiang Province



Government Targeted Repurchase Project (Plot B-01a), Putao Peng Unit, Core Sub-area of Lucheng District, Wenzhou, Zhejiang Province



Government Targeted Repurchase Project at the South Side of Ziling Road and the East Side of North Zhongshan Road, Yuyao, Ningbo, Zhejiang Province



Shanty Town Redevelopment Project in Longdejing and Goutou Sub-areas, Putian, Fujian Province

Business Review (continued)

Major Projects in Progress — Chinese Mainland (continued)

No.	Project Name
15	Government Targeted Repurchase Project (Plot 2022P18), Longwen District, Zhangzhou, Fujian Province
16	Vocational Education Site and Industrial Supporting Project, Sutang, Xiuyu District, Putian, Fujian Province
17	Borui Ting Talent Apartment Construction General Contracting Project of Chongqing Economic Development Zone
18	Construction Public — private Partnership Project of Poverty Alleviation Industrial Park, Shiyan, Hubei Province
19	Underground Space Project of Central City of Optical Valley, Wuhan, Hubei Province
20	The Yellow River Cultural Tourism Facilities Project, Luoyang, Henan Province
21	Government Targeted Repurchase Project, Dayun River, Chanhe District, Luoyang, Henan Province
22	Infrastructure Project, Xianfeng Dadao, Yancheng, Jiangsu Province
23	Government Targeted Repurchase Project at the East Side of Guihua Taixiang Road and the North Side of Yongding Road, Hailing District, Taizhou, Jiangsu Province
24	Government Targeted Repurchase Project at the South of Luming Road and the West of Yanma Road, Yannan High-tech Zone, Yancheng, Jiangsu Province
25	Housing Construction Project (Plot F and H), Mingzhu Street, Liangxi District, Wuxi, Jiangsu Province
26	Government Targeted Repurchase Project of Shengjiang Huayuan Phase 9 (Plot B), Binjiang Economic Development Zone, Jiangning, Nanjing, Jiangsu Province
27	Government Targeted Repurchase Project of Shengjiang Huayuan Phase 9 (Plot C), Binjiang Economic Development Zone, Jiangning, Nanjing, Jiangsu Province
28	Government Targeted Repurchase Project (Plot 3), Fengdong New Town, Xixian New Area, Xi'an, Shaanxi Province
29	Siyi Real Estate Hushan Family Project, Tiajia'an District, Huainan, Anhui Province
30	Housing Construction Project, Hefei Economic Development Zone, Anhui Province
31	Housing Construction and Infrastructure Project, Qingtong Yuan, High-tech Zone, Huainan, Anhui Province
32	Government Targeted Repurchase Project (Plot 2), Dadian, Yao Hai District, Hefei, Anhui Province
33	Government Targeted Repurchase Project (Plot 7 and Storage Plot), Tongling Road, Yaohai District, Hefei, Anhui Province
34	Government Targeted Repurchase Project, Xiwan Huayuan, Jiangbei New District, Wuhu, Anhui Province
35	Urban Renewal (Phase 1) Housing Construction Project, Left Bank of Silihe, Luyang District, Hefei, Anhui Province
36	Xinyefang Project, Hongkou District, Shanghai
37	Integrated Development Project of Cultural Tourism Town (Phase 1), Nisha, Qufu, Shandong Province
38	Government Targeted Repurchase Project, Kuiwen District, Weifang, Shandong Province

Business Review (continued)



Government Targeted Repurchase Project (Plot 2022P18), Longwen District, Zhangzhou, Fujian Province



Government Targeted Repurchase Project (Plot 7 and Storage Plot), Tongling Road, Yaohai District, Hefei, Anhui Province



Government Targeted Repurchase Project, Xiwang Huayuan, Jiangbei New District, Wuhu, Anhui Province



Urban Renewal (Phase 1) Housing Construction Project, Left Bank of Silihe, Luyang District, Hefei, Anhui Province

Business Review (continued)

Major Projects in Progress — Chinese Mainland (continued)

No.	Project Name
39	Housing and Infrastructure Construction Project, Qian Shi Hou Shi Sub-area, Lanshan District, Linyi, Shandong Province
40	General Contracting for the Design and Construction of the Qingdao China Electric Power Science and Technology Industrial Park (Phase 1), Chengyang, Shandong Province
41	Medical Device Park and Supporting Infrastructure Construction Project, Hedong District, Linyi, Shandong Province
42	Xiangcun Zhenxing Shifan Sub-area Renovation and Development Project, Yufu River Sub-area, Central District, Jinan, Shandong Province
43	General Contracting (EPC) Project for the Dongjia Sub-area, Kuiwen District, Weifang, Shandong Province
44	Government Targeted Repurchase Project, Longgui Ceramic City, Baiyun District, Guangzhou, Guangdong Province
45	Housing Construction Project (Plot 2024NJY-4), Hengli Town, Nansha District, Guangzhou, Guangdong Province
46	Shanty Town Redevelopment and General Contracting Project, Rongjiang Huayuan, Ganzhou, Jiangxi Province
47	Infrastructure and Housing Construction Project, Heishipu, Tianxin District, Changsha, Hunan Province
48	General Contracting (EPC) for the Design of the Future Industrial Park Project (Phase 1), Lanzhou, Gansu Province



Integrated Development Project of Cultural Tourism Town (Phase 1), Nisha, Qufu, Shandong Province



Housing and Infrastructure Construction Project, Qian Shi Hou Shi Sub-area, Lanshan District, Linyi, Shandong Province



General Contracting for the Design and Construction of the Qingdao China Electric Power Science and Technology Industrial Park (Phase 1), Chengyang, Shandong Province



Housing Construction Project (Plot 2024NJY-4), Hengli Town, Nansha District, Guangzhou, Guangdong Province

Business Review (continued)

Major Projects — Chinese Mainland

No.	Project Name
Construction Products Plant	
1	Shenzhen Hailong Construction Products Plant
2	Anhui Hailong Construction Products Plant
3	Shandong Hailong Construction Products Plant
4	Zhuhai Hailong Construction Products Plant
5	Chongqing Hailong Construction Products Plant
Major Projects in Operation and Management	
1	Nanjing No. 2 Yangtze River Bridge
2	Yangquan-Yuxian Section Project, Yangquan-Wutaishan Expressway, Shanxi Province
3	Shuiyu-Niangziguan Section Project, Yangquan-Niangziguan First-Class Highway, Shanxi Province



Shenzhen Hailong Construction Products Plant



Nanjing No. 2 Yangtze River Bridge

MAJOR AWARDS AND ACCOLADES 2024



General Award

Award	Awarded company	Name of the granting organisation
Selected as a constituent of the FTSE4Good Constituent Index (for eight consecutive years)	China State Construction International Holdings Limited	FTSE Russell
"Honored Company", ranked 1st in "Best ESG", "Best Investor Relations Team", "Best Investor Relations Program", and ranked 3rd in "Best Corporate Board of Directors" in Industrials Small & Midcap Sector	China State Construction International Holdings Limited	Institutional Investor
Selected as a constituent of the "Hang Seng Corporate Sustainability Benchmark Index"	China State Construction International Holdings Limited	Hang Seng Indexes Company Limited
Selected Companies for S&P Global 'Sustainability Yearbook (China Edition)' 2024	China State Construction International Holdings Limited	S&P Global
AA Rating in Wind's ESG rating, ranking first in the industry	China State Construction International Holdings Limited	Wind Information
AA Rating in CCXGF's ESG Rating, ranking first in the industry	China State Construction International Holdings Limited	CCXGF (中诚信绿金)
The case of "Exploring Pathway to Achieve Carbon Neutrality during Construction Period to Steadily Promote Low-Carbon Transformation in the Construction Industry (探索施工期碳中和穩妥推進建造業低碳轉型)" was selected for inclusion in the "Collection of Outstanding Green and Low-Carbon Practices by Central Enterprises (《中央企業綠色低碳優秀實踐案例集》)"	China State Construction Engineering (Hong Kong) Limited — Hong Kong Organic Resources Recovery Centre, Phase 2 (O•PARK2)	SASAC of the State Council
Science and Technology Reform Enterprise	China State Construction Hailong Technology Company Limited	SASAC of the State Council
"Climate Lighthouse" Pilot Award 2024 — Climate Lighthouse Building	China State Construction International Holdings Limited	Shanghai Climate Week
Hong Kong Green and Sustainable Finance Awards 2024 — Outstanding Green and Sustainable Loan Issuing Institution (Construction and Engineering Industry) — Excellence in Visionary Sustainability-linked and Social Loan Framework	China State Construction Engineering (Hong Kong) Limited	Hong Kong Quality Assurance Agency
QuamIR Awards — The Most Remarkable Investor Relations Recognition 2023-Sustainable Development Category — The Best Report of the Year;	China State Construction International Holdings Limited	QuamIR
QuamIR Awards — The Most Remarkable Investor Relations Recognition 2023 — The Best Approach of Carbon Management of the Year	China State Construction International Holdings Limited	HERA
Hong Kong ESG Reporting Awards (HERA) CCXGFI x HERA: Outstanding ESG Rating Award	China State Construction International Holdings Limited	HERA
The 11th Top 100 Hong Kong Listed Company Awards Ceremony	China State Construction International Holdings Limited	Top 100 Hong Kong Listed Companies Research Centre
Hong Kong Sustainable Development Award 2024 — Excellence Award	China State Construction Engineering (Hong Kong) Limited	The Hong Kong Management Association
Outstanding Employer of the Year Award	China State Construction Engineering (Hong Kong) Limited	Hong Kong Economic Times
Best Employer for Global Talent	China State Construction Engineering (Hong Kong) Limited	Innovating Hong Kong — Global Talent Carnival
China Construction Engineering Luban Award (Overseas Projects)	China State Construction Engineering (Hong Kong) Limited — Hong Kong Palace Museum	China Construction Industry Association
First Prize in the Engineering Construction Quality Control Team Achievement Competition (工程建設品質管制小組成果大賽)	China Construction Engineering (Macau) Company Limited — COLI Huanayu Times Mansion Project (中海寰宇時代公館項目)	China Construction Industry Association

CSR Award

Award	Awarded company	Name of the granting organisation
Hong Kong Volunteer Award 2024 — Outstanding Corporate Award	China State Construction International Holdings Limited	Home and Youth Affairs Bureau of the HKSAR Government and the Agency for Volunteer Service
Special Award (Caring for Workers)	China State Construction Engineering (Hong Kong) Limited	Architectural Services Department
"Caring Company 10+" Label	China State Construction Development Holdings Limited	The Hong Kong Council of Social Service
Advanced Volunteer Service Unit (志願服務先進單位)	China State Construction International Asset Management Limited — Shanxi Company	Yangquan City Civilization Office (陽泉市文明辦)

Major Awards and Accolades 2024 (continued)



Technology Award

Award	Awarded company	Name of the granting organisation
National High-Tech Enterprise	China Overseas Innovation & Technology (Zhuohai) Company (海創智達科技(珠海)有限公司)	Ministry of Science and Technology, Ministry of Finance, State Administration of Taxation
Third Prize of Digital Transformation Achievements 2024 (2024年數位化轉型成果)	China State Construction International Holdings Limited	China State Construction Engineering Corporation ("CSECE")
Beyond Innovation Awards 2024	China State Construction International Holdings Limited	Beyond Awards
2024 Special Award for Digital Innovation	China State Construction Engineering (Hong Kong) Limited	IDC
Second Prize of the 2023 Huaxia Construction Science and Technology Award (華夏建設科學技術獎)	China State Construction Hailong Technology Company Limited	Huaxia Construction Science and Technology Awards Committee (華夏建設科學技術獎勵委員會)
CSECE Technology Invention Award (Silver) (中建集團技術發明獎銀獎)	China State Construction Engineering (Hong Kong) Limited	China State Construction Engineering Corporation
The Gold Award with the Congratulations of Jury at the 49th International Exhibition of Inventions of Geneva	China State Construction Engineering (Hong Kong) Limited	Swiss Federal Government, Geneva State Government, Geneva City Government, World Intellectual Property Organization
The Gold Award at the 49th International Exhibition of Inventions Geneva	China State Construction Engineering (Hong Kong) Limited	Swiss Federal Government, Geneva State Government, Geneva City Government, World Intellectual Property Organization
NEC Best Project of the Year	China State Construction Engineering (Hong Kong) Limited	Chartered Institution of Civil Engineering Surveyors
First Prize of the Fifth Engineering Construction Industry BIM Competition (Industrial and Energy Engineering Category) (第五屆工程建設行業BIM大賽一等獎(工業與能源工程類))	China State Construction Engineering (Hong Kong) Limited — Hong Kong Organic Resources Recovery Centre, Phase 2 (O • PARK2)	China Association of Construction Enterprise Management
First Prize in the Fifth Engineering Construction Industry BIM Competition (Municipal Public Works Category) (第五屆工程建設行業BIM大賽一等獎(市政公用工程類))	China State Construction Engineering (Hong Kong) Limited — Tseung Kwan O Desalination Plant Project	China Association of Construction Enterprise Management
First Prize of the China Steel Construction Society Science and Technology Award	China Overseas Construction Company Limited	China Steel Construction Society
First Prize in the Application Group of the 2024 Fourth National Prefabricated Electrical and Mechanical Engineering Design Application Skills Competition (2024第四屆全國裝配式機電工程設計應用技能大賽應用組一等獎)	China Overseas Innovation & Technology (Zhuohai) Company (海創智達科技(珠海)有限公司)	China Association of Plant Engineering (中國設備管理協會) — Prefabricated Construction Industry Development Center (裝配式建築產業發展中心)
The 8th Construction Engineering BIM Competition Category A Achievement (第八屆建設工程BIM大賽A類成果)	China Construction Engineering (Macau) Company Limited — Hengqin Macau New Neighborhood Project (橫琴澳門新街坊項目)	China Construction Industry Association
National Annual Professional Excellence in Building Award (國家年度專業卓越建築獎)	China Construction Engineering (Macau) Company Limited — Macau Hac Sa Wan New Reclamation Area P Lot — Lot A Replacement Housing Construction Project	Australian Construction Association
Bridge Innovation Project for the Year 2023 (2023年度橋樑創新工程)	China State Construction International Asset Management Limited — The Second Nanjing Yangtze River Bridge (南京二橋公司)	China Highway and Transportation Society

Safety and Environmental Protection Award

Award	Awarded company	Name of the granting organisation
2024 Construction Project Safety Production Standardization Worksites Learning and Exchange Program (2024年建設工程安全生產標準化工地學習交流項目)	China State Construction International Asset Management Limited — Anhui Company	China Construction Industry Association — Building Safety and Machinery Branch (建築安全與機械分會)
2024 Construction Project Safety Production Standardization Worksites Learning and Exchange Program (2024年建設工程安全生產標準化工地學習交流項目)	China State Construction International Asset Management Limited — Shanxi Company	China Construction Industry Association — Building Safety and Machinery Branch (建築安全與機械分會)
2023 National Youth Safety Production Demonstration Post (2023年度全國青年安全生產示範崗)	China State Construction International Asset Management Limited — Shanxi Company	Central Committee of the Communist Youth League of China, Ministry of Emergency Management
ISA International Safety Awards 2024(Distinction)	China State Construction Engineering (Hong Kong) Limited	British Safety Council
ISA International Safety Awards 2024 Winner (Pass)	China Construction Engineering (Macau) Company Limited	British Safety Council
The Hong Kong Construction Association Actively Promoting Safety Contractor Award	China State Construction Engineering (Hong Kong) Limited	Hong Kong Construction Association
Green Contractor Award — Silver Award	China State Construction Engineering (Hong Kong) Limited	Architectural Services Department
Excellence Award	China State Construction Engineering (Hong Kong) Limited — Central Kowloon Route — Kai Tak East	British Safety Council
"Green Office" and "Eco-Healthy Workplace 7+" Labels	China State Construction Development Holdings Limited	World Green Organisation
Green Project Management Demonstration Unit	China Overseas Construction Company Limited	American Academy of Project Management (AAPM)
Youth Production Safety Demonstration Post (青年安全生產示範崗)	China State Construction International Asset Management Limited — Shanxi Company — Nianguiguan Toll Station	Office of the Central Committee of the Communist Youth League and Office of the Ministry of Emergency Management

CORPORATE CITIZENSHIP





The excellence practice of a construction project,

depends not only on the precise control of cost, safety, quality and progress, but also on the integration of the paradigm of eco-sustainability into every detail of the project.

As a socially responsible contractor,

the Group has embraced the green development philosophy and embedded sustainable thinking throughout the entire construction cycle, from blueprint planning to construction practices. With systematic environmental management, the Group has constructed a picturesque ecosystem of coexistence with nature and injected green vitality into the urban fabric.

Conforming to its corporate social responsibility,

the Group has cultivated a fertile ground for talent cultivation and created a growing platform for the industry elites. It has continued to carry out embrace projects to spread warmth to every corner of the community, and to join hands with all sectors to create a better future.

Corporate Citizenship (continued)

Building Happiness and Leading the Trend

The Group, as a member of China Overseas Holdings Limited ("COHL"), upholds the core values of "putting customers first, guaranteeing quality, and creating value", consciously underwrites the sacred mission of "we are in the business of happiness", and vows to become a world-class service provider in investment, construction and operation.

The Group vigorously carries forward the entrepreneurial spirit of "wholeheartedly striving every day", and "bringing together those who strive and motivate people of action". The entire team has always maintained an enterprising creativity and vigor for the implementation of strategies and the achievement of goals.

With its extraordinary craftsmanship and care, the Group has profound insight into the changing needs of our customers. Guided by our motto of "Building Happiness and Leading the Trend", the Group has continuously led the lifestyle and industry trends while actively fulfilling our corporate responsibilities.

Staff Development and Personal Growth

I. Talent Training

The Group has always maintained a high level of investment in talent development, optimized talent deployment, improved talent training systems and strengthened talent identification capabilities, with a view to continuously enhancing the competitiveness and sustainable development of our talents.

Adhering to the two-pronged approach of "social recruitment" and "campus recruitment", the Group focused on actively introducing corporate governance talents, professional talents, R&D talents for technology, and outstanding young talents, as well as recruiting talents from around the globe, in order to build a diversified talent deployment system.

Through a comprehensive range of training programs, the Group enhanced the employees' professional skills and discovered their development potential. The Group has consistently enhanced the implementation of tailored training for employees at different development stages and positions, and has built a competence quality model for key positions to improve the training course system. The Group also launched training activities such as the "High-quality Development (高質量發展)" workshop, the project managers growth camp under the "Talent Development Programme (築將計劃)", the MiC "Marketing Class (營銷班)", the "Research Pathway Programme (研途計劃)" professional workshop, the "Young Talents Internship Orientation (見習青年人材啟航班)", "Tide towards Hong Kong (潮涌香江)" training camp, which deepened the development of the micro-curriculum platform "Leading Trend (領潮)" and the training brand of "Leading Trend Classroom (領潮學堂)", so as to enhance the quality of our talent team continuously.



The Group insisted on exploring innovative mechanisms for talent team building, enriching the talent identification methods, and implementing the "Eight-Minute Agenda" program to showcase outstanding employees each month, to build a platform for employees to share and communicate. At the same time, the Group has devised comprehensive talent retention strategies to increase the appeal to talented individuals through a range of initiatives.

Corporate Citizenship (continued)

II. Youth Development

The Group enthusiastically organized employee cultural activities to strengthen team bonding and cultivate a favorable atmosphere, aiming to enhance the cohesion and sense of belonging among young staff members. A total of over 70 cultural integration activities were carried out throughout the year.

To facilitate the integration of young individuals from Hong Kong, Macau, and Chinese Mainland, and to encourage them to embrace the May Fourth spirit, delve into the history of China Overseas, and promote leadership culture, the Group organized the China Overseas Group Mainland Youth Roots-seeking Tour to Hong Kong (中海集團內地青年赴港尋根之旅) in April 2024. 29 outstanding young participants from Chinese Mainland embarked on a journey to Hong Kong, where they visited iconic projects like Hong Lok Yuen, Hai Bao Garden, and the Hong Kong Palace Museum, allowing them to trace the historical legacy of leadership culture and witness the Group's remarkable development achievements in Hong Kong.

CSCI volunteer team organized the COHL "Praise New China, Forge Ahead into a New Era" flag-raising ceremony along with the Tiananmen flag welcoming ceremony and held patriotic education sessions as well as the "Fun Sailing (趣航行)" gathering for young people involved with Chinese Enterprises Association.

CSCI Youth Club organized a youth forum on "New Quality Productivity in the Construction Industry", which invited Legislative Council members and industry experts to engage with young talents. The Club also organized activities focused on social responsibility and cultural integration, including auxiliary police recruitment presentations, visits to the headquarters of the Auxiliary Police, and a caring party for overseas talents.



The "CSHK Talents Society", established with a forward-thinking approach, aims to support newcomers to Hong Kong in strengthening their social connections, broadening their horizons, and actively participating in the city's development. In 2024, we organized a visit to the Legislative Council, where participants had the opportunity to engage with Mr. Tam Yiu-chung, former member of the National People's Congress, and Ms. Starry Lee Wai-king, a current member. The Society also hosted activities on cultural integration and experiencing Hong Kong's lifestyle, including the "May Fourth Youth Competition Day (五四青年競技日)", "and a talk on "Anti-Scam (全城反詐)". We co-organized a discussion on talent visas with DAB and CMG, featuring Ms. Starry Lee Wai-king and officials from the HKSAR government. This talk supported the initiative to build Hong Kong into an international hub for high-caliber talent and aimed to implement the spirit of the Third Plenary Session of the 20th CPC Central Committee through concrete actions.



Corporate Citizenship (continued)

III. Employee Care

Adhering to the philosophy of “we are in the business of happiness”, the Group strived to create a healthy workplace ecosystem where employees can develop both physically and mentally in tandem with their careers. The Group regularly organized various employee care activities, including festival-themed workshops, traditional Chinese medicine therapies, and movie screenings. It also organized employee sports clubs and regular recreational and sports activities such as basketball, football, track and field, hiking, badminton, etc. We continuously organized “Fun Site” (續fun樂地盤), a caring activity for our frontline staff, which offered a variety of health and wellness activities across our sites. Currently, this program is being held at 14 locations, with over 400 staff members participating. Additionally, we have launched the second “CSCI Employees’ Children Scholarship,” awarding scholarships to 65 children of employees to support their education and development.



In addition, the Group paid special attention to caring for the employees. The “Happy Committee” of the Group not only organized the caring dinner but also celebrate the “Si Fu Festival” for the fourth consecutive year, where more than 20,000 construction workers participated. Through the “Happiness Stations” at our site, we launched a series of activities, including “Delivering Coolness in Summer” and a “Safety and Health Workshop”, to show our care for our frontline staff and workers.

Corporate Citizenship (continued)

IV. Youth Education and Development

The Group has been advancing the growth of young individuals in Hong Kong through the launch of the “China State Construction Hong Kong Student Growth Programme”. This initiative seeks to empower Hong Kong’s youth by actively involving tertiary institutions, as well as primary and secondary school students, in the Company’s study exchanges, internships, and STEAM workshops, aiming to boost students’ technology know-how and hands-on skills.

Over 60 students from four Hong Kong universities were granted the 2023–2024 China Construction University Scholarships (中國建築高校獎學金). During the award ceremony, Mr. Sze Chun-fai, Under Secretary for Education of the HKSAR Government, expressed appreciation to the Company for providing growth opportunities for young individuals in Hong Kong through the establishment of scholarships and the introduction of the Hong Kong “Two Hundred” Young Talent Development Programme.



The Group organized the “Construction Technology Beijing Study Tour” under the “CSCI Hong Kong Student Growth Program” (中國建築香港學生成長計劃 — 建築科技北京考察團), with 31 university students from construction engineering departments of various Hong Kong universities participating. The activities focused on “Architectural Technology” and “National Culture”, aiming to expand students’ perspectives and provide firsthand experience of the advancements in architectural technology of China and the rich heritage of Chinese history and civilization. The students mentioned that this excursion not only enriched their insight into future trends in the construction field but also sparked new thoughts on “technology shaping life.”



Corporate Citizenship (continued)

The Group organized the “Leading Talents on Campus” series of events and hosted a lecture on “Architecture and the Future” for all civil engineering students at the University of Hong Kong.



The Group actively participated in the SAR Government “The Greater Bay Area Youth Employment Scheme” and the “HYAB Scheme on Corporate Summer Internship on the Mainland and Overseas” supporting Hong Kong youth in engaging in employment exchanges in the Greater Bay Area.



The Group actively collaborates with the HKSAR Government, primary and secondary schools, and non-profit organizations to organize construction technology learning experiences, continuously promoting STEAM education and sparking students' interest in construction engineering and technological research and development. Since 2021, we have organized over 15 'Hong Kong Future Builders Little Engineers STEAM Workshops', benefiting more than 700 primary and secondary school students, including participants from the HKSAR Government “Strive and Rise Programme (共創明 TEEN)” and members of the Security Bureau Youth Uniformed Group Leaders Forum.



Corporate Citizenship (continued)



Looking forward, the Group will further enhance its talent training model and continue to innovate, aiming to nurture more young leaders with professional skills, a sense of national pride, and a global outlook.

The Group and Community

Under the leadership of the "Caring for the Society" Voluntary Services Federation of COHL, the Group officially established the CSCI "Caring for the Society" Volunteer Branch (hereinafter referred to as "3311 Volunteer Branch") in June 2019 for the implementation of our corporate mission of "We are in the business of happiness". Over 2,600 volunteers have joined since the Branch's establishment. In 2024, the 3311 Volunteer Branch continued to improve the "4+x" (namely Care for the elderly, Adult employment, Care for the youth, House maintenance and Innovative Space) for Employees volunteer service system. There were 4,600 participating volunteers with more than 15,000 volunteering hours throughout the year.

I. Volunteer Housing Repair Services

We continued to enhance the "4+X" volunteer activity system and expand our volunteer housing repair services. This year, we completed repairs for 485 households, bringing the total to 1,041. Leveraging years of practical experience, we established three key areas of focus for our voluntary repair efforts: "small home repairs," "community beautification and repairs," and "community emergency support and repairs." Throughout this period, we received widespread praise from leaders at various levels, including the State-owned Assets Supervision and Administration Commission, the Liaison Office of the Central People's Government and the SAR government, along with support from diverse community members.



Corporate Citizenship (continued)



II. Establishment of CSCI Community Urgent Response Volunteer Team

The CSCI Community Urgent Response Volunteer Team was officially established to provide professional volunteer support during emergencies such as extreme weather or major incidents. We have formed seven volunteer teams consisting of over 650 professionals, divided into five key areas: Hong Kong Island, Kowloon, New Territories East, New Territories West, and the Outlying Islands. Additionally, our teams specialized in two fields: mechanical and electrical services, and curtain wall systems. Leveraging on our past experiences, we have established a “3-6-0 Management System,” which included a three-tier coordination system, six management mechanisms, and a commitment to zero safety incidents during operations.



The Group and the Fire Services Department (FSD) jointly organized training for community emergency response volunteers. FSD staff shared their rescue experiences and first-aid skills with more than 60 participants.



Corporate Citizenship (continued)

III. Awards and Recognitions

China State Construction International Holdings Limited, as the only Chinese-funded enterprise, received the “HKV-Award 2024 — Outstanding Corporate Award” from the Home and Youth Affairs of the HKSAR government and Agency for Volunteer Service for its outstanding performance in home renovation, community emergency support and youth education. This award demonstrated the high recognition from the HKSAR government and community for the Company’s volunteer efforts and highlighted its success in encouraging employees to engage in social services and give back to the community.



Environmental Policy

The Group has set up and implemented its ISO14001:2015 Environmental Management System and formulated environmental objectives. The Group endeavors to review and continually improve the environmental management system to enhance its environmental performance. It is mandatory that all employees shall fully conform to the environmental policy.

Environmental Risks and Control Measures

The Group’s environmental related risks mainly come from the operations of construction sites. If the site’s operation deviates from statutory requirements, it may lead to prosecutions and in turn affect the Group’s reputation and chances of awarding new projects.

In order to prevent project sites violating the environmental laws, the Group has to identify project related significant environmental aspects of all projects through conducting compliance obligation and risk assessment at project commencement then follow strictly the operating procedures stipulated in the Group’s Standard Operating Procedures Manual to operate the project. In addition, in order to strengthen the safety and environmental management of new projects, each new project have to prepare a project specific Safety and Environmental Construction Plan within the first month of construction and reviewed by the Safety and Environmental Protection Department to ensure that various safety and environmental risks of the project are effectively controlled. In 2024, 18 Safety and Environmental Construction Plans for new projects were approved.

Corporate Citizenship (continued)

The Group's Safety and Environmental Protection Department (S&EP Department) responsible for providing technical supports as well as monitoring the sites ensuring all sites are complying with statutory requirements. For instance, the management of noise issue which is our top priority concern, in addition to our Restricted Hours Permit-to-Work System implementing on site, we require all project management to provide weekly restricted hours' work schedules to our S&EP department in advance to facilitate our planning of surprise checks. The Group continued to introduce and apply innovative pollution control measures, for example, the Real Time Air Quality Monitoring with Automatic Dust Suppression System to further enhance the performance in pollution control. In addition to the control measures mentioned, S&EP Department issues "Environmental Alert" regularly to alert all construction sites be vigilant on potential environmental issues and take proactive action to avoid deviating from statutory requirements. In 2024, there was no prosecutions for environmental violations at the company's projects. The external audit of the company's ISO14001:2015 environmental management system did not find any non-conformities or areas for improvement.

In terms of overall energy conservation and carbon reduction in projects, the Group continues to pursue excellence, and its subsidiaries CSHK, China Overseas Building Construction Limited and China State Foundation Engineering Limited have obtained and implemented ISO50001:2018 energy management system for year. The companies through application of innovative energy-saving facilities, such as Battery Electricity Storage System (BESS) to replace traditional diesel generators continually improved the project's energy performance. In 2024, there was no non-conformities or areas for improvement in the company's energy management system external audits.

In line with the rising concern of the community on building environmental performance and expectation of clients on green building construction, China State Construction Engineering (Hong Kong) Limited joint the Hong Kong Green Building Council as an Institutional Member since 2015 and gradually upgrade its membership to Silver Patron Member to further promote the development of green buildings in Hong Kong. In 2024, the company nominated three staff and successfully joined the HKGBC Standing Committees as co-opted members to strengthen the communication with the industry. The Group encouraged and sponsored its staff to participate in BEAM Pro Training and gain the BEAM Pro status to provide endless professional inputs to project management. Currently, more than 120 staff members have acquired the BEAM Pro qualification.

With the concerted efforts of the Group, the results were remarkable. The Foundation and Demolition for Public Housing Redevelopment at Pak Tin Estate Phases 12 and 13 Project and the Construction of Heritage Conservation and Resource Centre Project won the Silver and Bronze Award of Outstanding Environmental Management in the 30th Considerate Contractors Site Award Scheme. Besides, the Group's subsidiaries including CSHK, China Overseas Building Construction Limited, China State Foundation Engineering Limited, China State Mechanical and Electrical Engineering Limited and Alchmex International Construction Limited won the Hong Kong Construction Environmental Awards — Environmental Merit Award 2023 organized by the Hong Kong Construction Association. Those awards fully recognize our efforts in promoting green construction in Hong Kong.

Corporate Citizenship (continued)

Same as previous years, the Group is actively committed to environmental promotional activities. In the annual “China State Environmental Protection Day”, the Group organized a “Guide Tour of Mai Po Nature Reserve” to deepen participants’ understanding of nature conservation and biodiversity, and to add impetus to the realization of sustainable development. Besides, all the Group’s construction sites participated the Expired Helmets Recycling Activity in June. The activity raised the awareness of workers on the expiry of safety helmets and reduced disposal of recyclable materials.

The Group also requires subcontractors to comply with the Environmental Policy, and holds regular meetings with subcontractors during the project to jointly resolve the environmental issues and improve the overall environmental performance. In addition, in order to have a deeper understanding of mosquito and rodent related legal requirements and control methods, the group invited officials from the Food and Environmental Hygiene Department of HKSAR to hold mosquito and rodent control seminar for colleagues to strengthen the effectiveness of mosquito and rodent control works on project sites to improve the overall work environment.

Safety and Health

The Group’s commitment to protecting the safety and health of employees of the company and its subcontractors prompts us to continually review and provide sufficient resources to continually optimize the Group’s safety management system, improve the Group’s safety management rules and guidance, promote safety culture and continuously improve our safety management level. The Group’s safety management system is based on ISO 45001:2018, and we will continue to implement and improve our safety management system.

The Group is committed to promoting the implementation of safety management system to ensure compliance with safety and health legal requirements and contracts with client. Each operation unit has carried out a series of specific risk assessments which strengthen its site supervision of the specific task, and has provided sufficient training and promotion to relevant employees. These measures can control construction risks effectively, prevent accidents and avoid serious accidents from happening. CSHK, which is under the Group, has been actively promoting the Smart Site Safety System (4S) in recent years. Through a self-developed C-smart platform, utilizes advanced technologies such as the Internet of Things (IoT) and artificial intelligence (AI) to achieve on-site management, enhance monitoring and alert so as to minimize the construction risk and occurrence of accidents. As of February 14, 2025, CSHK has had 36 sites received the 4S labelling issued by the Construction Industry Council.

With the joint efforts of all divisions within the Group, several construction projects have won multiple awards from the industry, including 1 Golden, 2 Silver and 2 Bronze awards in the 30th Considerate Contractors Site Award Scheme (New Works), Construction Industry Council — “Life First” — “Construction Safety — Innovation Technologies and Design for Safety” Competition Gold award, Construction Industry Safety Award Scheme 2023/2024 Building Site — Public Sector Gold award, Building Site — Private Sector Gold award and Civil Site — Public Sector Gold award, Distinction Award at the ISA International Safety Awards from the British Safety Council, along with two Silver Awards and two Bronze Awards at the Hong Kong Occupational Safety and Health Awards, showing that the Group’s safety and health policies and its implementation have been widely recognized in the industry.

Corporate Citizenship (continued)

Investor Relations

Management Highly Values Investor Relations

The management of the Group believes that actively promoting investor relations can improve corporate governance and strengthen the Group's capability to create value. Therefore, investor relations is regarded as one of key tasks, and with the strong support from the management level and increasing advocacy efforts at the executive level, the year 2024 has achieved outstanding performance.

Apart from results announcement conferences, the management of the Group also attended a number of roadshows and investors forums to directly respond to investors' questions and expectations. The institutional investor survey was conducted to listen to investors' opinions and suggestions, which served as an important consideration in formulating the development strategy of the Group.

Diversified Communication Approach

The Group adheres to a transparent, efficient, proactive and comprehensive attitude, and maintains regular and efficient communications with shareholders and investors. In 2024, the Group participated in a number of investor conferences and forums, meeting more than 200 investors, to share its insights on the market and industry in a timely manner, as well as to introduce its development strategies and operations, thereby enhancing investors' understanding and confidence in the Group.

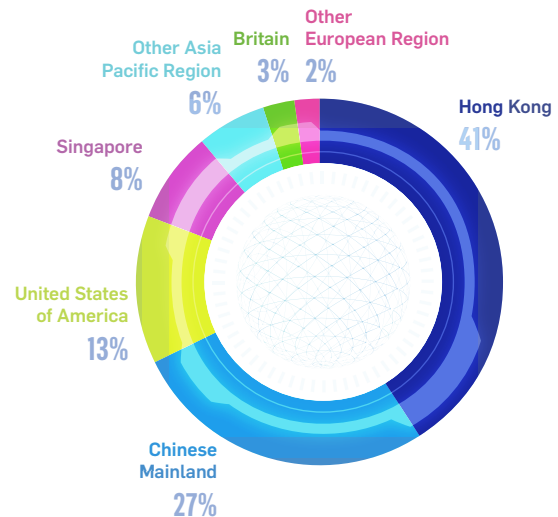
In addition, the Group invited investors to join the reverse roadshow of Hailong Zhuhai Base and Far East Facade Production Base, enabling investors experience the technology development of the company such as MiC technology, BIPV, ultra-low carbon construction materials, smart construction technology, C-SMART intelligent construction sites and other green construction technology and the design and production of complex facade.

Outstanding Performance Recognized by Global Investors

The Group actively participates in investment strategy conferences held by domestic institutions and investor conferences held by overseas institutions. While continuously attracting Chinese Mainland investors, the Group maintains close communication with overseas investors and effectively keeps a stable structure of overseas shareholders.

The Group's efforts in corporate governance and stakeholder engagement over the years have been well recognized by the market, it was awarded as the Honored Company at Asia Industrials Small & Midcap sector in 2024 by the Institutional Investor magazine, it also ranked first in "Best ESG", "Best Investor Relations Team", "Best Investor Relations Program"; and third in "Best Company Board".

Distribution of Meetings with Shareholders and Investors by Region:



Corporate Citizenship (continued)

Major Investor Relations Activities in 2024:

JANUARY

- 2024 UBS Greater China Conference
- Sinolink Securities Strategy Conference

JULY

- Reverse Roadshow of Far East Facade Production Base

MARCH

- 2023 Annual Results Investors and Analysts Briefing
- Guosheng Securities Strategy Conference
- Guangfa Securities Strategy Conference

AUGUST

- 2024 Interim Results Investors and Analysts Briefing
- Reverse Roadshow of Hailong Zhuhai Base
- Guangfa Securities Strategy Conference

APRIL

- Investor Telephone Conference for 2024 Q1 Results

SEPTEMBER

- Eastmoney Securities Strategy Conference
- Guangda Securities Strategy Conference
- Huatai Securities Strategy Conference
- Changjiang Securities Strategy Conference
- Citi Annual Investor Conference for China Industrial, Small & Medium and Transportation Sector

MAY

- J.P. Morgan's Global China Summit 2024
- Changjiang Securities Strategy Conference

OCTOBER

- Investor Telephone Conference for 2024 Q3 Results
- Guosheng Securities Strategy Conference
- Guolian Securities Strategy Conference

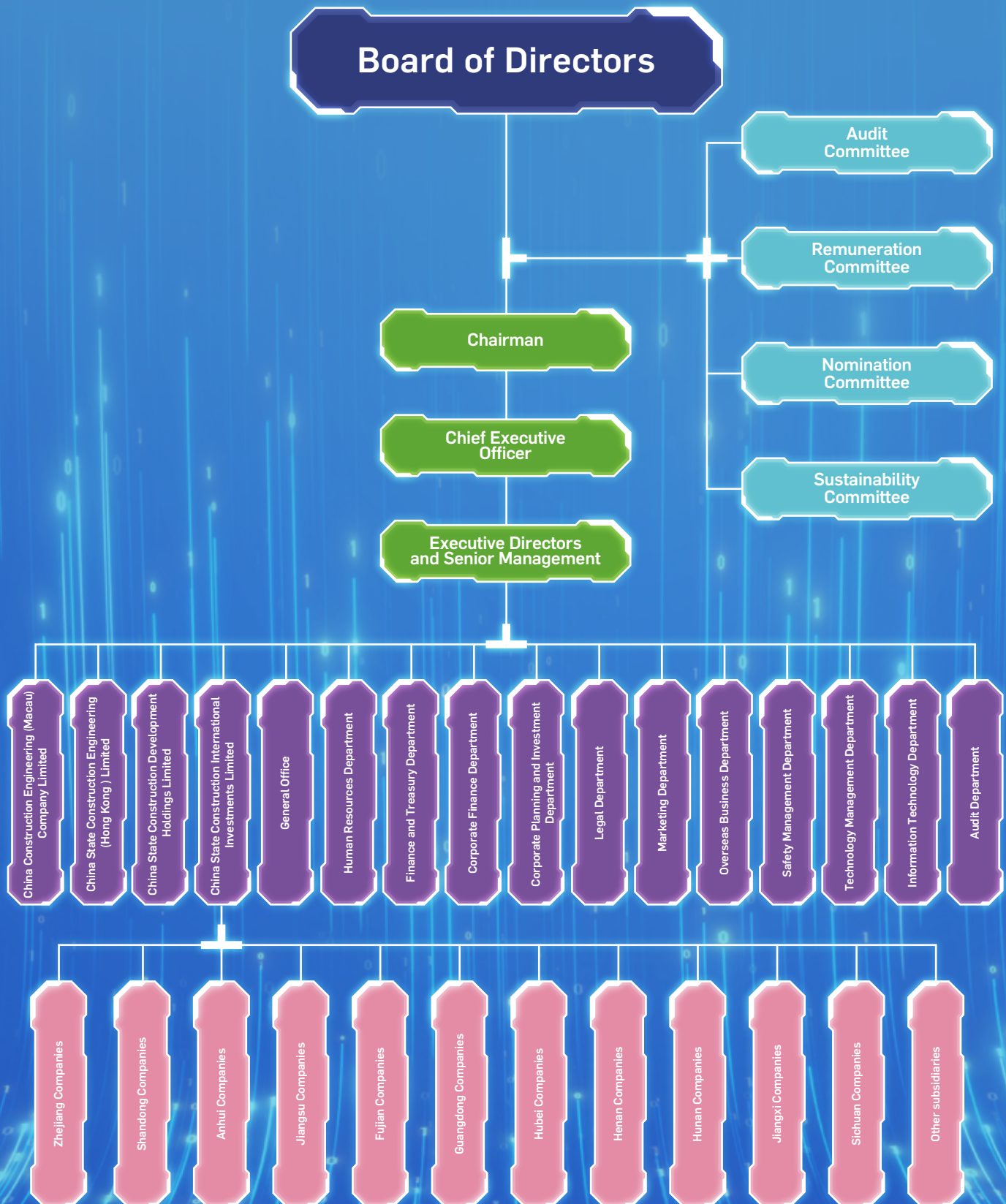
JUNE

- Huatai Securities Strategy Conference
- Citic Securities Strategy Conference
- CICC Strategy Conference
- UBS Strategy Conference for Hong Kong Stocks Company Day in Beijing

NOVEMBER

- Citi's 2024 China Investor Conference
- Huatai Securities Strategy Conference
- Citic Securities Strategy Conference
- CICC Securities Strategy Conference

DIRECTORS AND ORGANISATION



Directors and Organisation (continued)

Board of Directors

Mr. ZHANG Haipeng

*Chairman and Executive Director
Sustainability Committee Member*

Aged 49, was appointed as Executive Director of China State Construction International Holdings Limited (the "Company") in 2017, was appointed as the Chief Executive Officer of the Company on 21 August 2018 and was appointed as the Chairman of the Company and ceased to be the Chief Executive Officer of the Company on 24 February 2023. Mr. Zhang graduated from Harbin Institute of Technology, and obtained a degree of Master of Business Administration from Hong Kong Baptist University and a degree of Executive Master of Business Administration from Nankai University and was awarded the title of Senior Engineer. He is currently Director and President of China Overseas Holdings Limited (a substantial shareholder of the Company). He was the Chairman and Non-executive Director of China State Construction Development Holdings Limited (a subsidiary of the Company listed in Hong Kong). Mr. Zhang has over 25 years' experience in investment and construction engineering management.

Mr. YAN Jianguo JP

Non-executive Director

Aged 58, was appointed as the Chairman and Non-executive Director of the Company in 2019 and resigned as the Chairman of the Company and continued to act as Non-executive Director of the Company on 24 February 2023. Mr. Yan holds a PhD degree in Management. He is currently the Chairman of China Overseas Holdings Limited (a substantial shareholder of the Company) and the Chairman and Executive Director of China Overseas Land & Investment Ltd. (listed in Hong Kong). He was the Chairman and Non-executive Director of China Overseas Property Holdings Limited (listed in Hong Kong) and China Overseas Grand Oceans Group Limited (listed in Hong Kong). Mr. Yan has over 30 years' experience in construction business and real estate general management. He was elected as a member of the 14th National Committee of the Chinese People's Political Consultative Conference in 2023.

Mr. WANG Xiaoguang

*Executive Director and Chief Executive Officer
Chairman of the Sustainability Committee*

Aged 42, was appointed as Executive Director and Chief Executive Officer of the Company in 2023. Mr. Wang graduated from Tongji University, and obtained a degree of Master of Construction and Real Estate from The Hong Kong Polytechnic University and was awarded the title of Senior Engineer. Mr. Wang was appointed as the Chairman and Non-executive Director of China State Construction Development Holdings Limited (a subsidiary of the Company listed in Hong Kong) on 15 April 2025. Mr. Wang has over 20 years' experience in investment and construction engineering management.

Mr. HUNG Cheung Shew JP

Executive Director and Vice President

Aged 66, was appointed as Executive Director of the Company in 2011. Mr. Hung graduated from Plymouth Polytechnic (UK). He is a member of The Hong Kong Institution of Engineers and The Institution of Structural Engineers (UK). He is currently a director of certain subsidiaries of the Group, vice president of The Hong Kong Construction Association, Limited, a member of Construction Industry Council, a co-opted member of the Council of the Hong Kong Institution of Engineers and a director of The Hong Kong Construction Association Charity Fund Limited. Mr. Hung has over 43 years' experience in construction management and planning.

Mr. YE Nan

Non-executive Director

Aged 44, was appointed as a Non-executive Director of the Company on 22 March 2025. Mr. Ye graduated from University of Science and Technology Beijing with a Bachelor's degree of Accounting. He is a certified public accountant of the Chinese Institute of Certified Public Accountants. He has been elected for the Ministry of Finance's high-level financial accounting talent quality improvement project in 2024 (Guangdong-Hong Kong-Macao Greater Bay Area high-end class). Mr. Ye is currently the Financial Controller of China Orient Asset Management (International) Holdings Co., Limited. From 2003 to 2021, Mr. Ye held different positions in China Orient Asset Management Co., Ltd., including deputy general manager of the shared management center, assistant to general manager of the financial accounting department, senior manager of the financial accounting department system office, and served as senior audit manager of Deloitte Touche Tohmatsu, Certified Public Accountants.

Directors and Organisation (continued)

Ms. WONG Wai Ching GBS, JP

*Independent Non-executive Director
Chairlady of the Audit Committee
Remuneration Committee Member
Nomination Committee Member
Sustainability Committee Member*

Aged 64, was appointed as an Independent Non-executive Director of the Company on 25 March 2022. Ms. Wong graduated from The University of Manchester, United Kingdom, with a Bachelor's degree (Honours) of Science in the Faculty of Technology in 1985 and a Master's degree of Science in the Faculty of Technology in 1986. She served Bank of China from 1987 to 1992 as a deputy manager of the Hong Kong branch and a dealer of the Australia branch respectively. Ms. Wong has joined her family business in 1993, its scope covering investment, retailing, hotels and mixed complex projects. Ms. Wong is currently acting as the managing director of Wong Sun Hing Limited.

Ms. Wong has, over the years, devoting untiringly efforts in public and community services. She is currently serving as a standing committee member of The National Committee of the Chinese People's Political Consultative Conference, member of Standing Committee of All-China Women's Federation, member of Committee of Hong Kong Business Ethics Development Advisory Committee, member of Committee on Community Support for Rehabilitated Offenders, member of Hong Kong Trade Development Council Belt and Road & Greater Bay Area Committee, member of The Council and The Court of Hong Kong Baptist University, president of Kowloon Federation of Associations, vice chairperson of Friend of Hong Kong Association, chairperson of Presidium of Friend of Hong Kong Association Development Foundation, deputy secretary general of Hong Kong Coalition, honorary chairperson of Hong Kong Poverty Alleviation Association Ltd., deputy chairman of Hong Kong Volunteers Federation, advisor of Our Hong Kong Foundation, permanent chairman of Federation of Hong Kong Guangxi Community Organizations, and permanent chairman of All-China Women's Federation Hong Kong Delegates Association Limited, among others.

Mr. CHAN Tze Ching Ignatius BBS, JP

*Independent Non-executive Director
Chairman of the Nomination Committee
Audit Committee Member
Remuneration Committee Member
Sustainability Committee Member*

Aged 68, was appointed as an Independent Non-executive Director of the Company on 8 June 2023. Mr. Chan obtained a Bachelor of Business Administration degree from University of Hawaii, United States and obtained a Master of Business Administration degree from the same university. He is a Certified Public Accountant with the American Institute of Certified Public Accountants.

From 1980 to 2007, Mr. Chan held various positions in Citigroup, including Management Associate, Country Treasurer and Head of Sales and Trading, Head of Corporate Banking Business for Hong Kong, Country Officer for Taiwan, Chief Operating Officer for Greater China, Country Officer for Hong Kong and Head of Corporate and Investment Banking Business for Greater China. Mr. Chan worked briefly as Deputy Chief Executive for Bank of China (Hong Kong) Limited in 2008. He also held various board seats in listed companies, government statutory bodies and non-governmental organizations. In particular, Mr. Chan served as the chairman of Hong Kong Polytechnic University Council, a senior adviser of CVC Capital Partners Limited, a member of The Financial Reporting Council, a member of the Standing Committee on Judicial Salaries and Conditions of Service and an independent non-executive director, the chairman of Panel Member Selection Committee, member of Audit Committee, Nomination and Governance Committee, Risk Committee and Risk Management Committee (statutory) of Hong Kong Exchanges and Clearing Limited (listed in Hong Kong).

Mr. Chan is currently a senior adviser of The Bank of East Asia Limited, a non-independent non-executive director of Affin Bank Berhad (listed in Malaysia), an independent non-executive director of Mongolian Mining Corporation (listed in Hong Kong), a board member of The Community Chest of Hong Kong, the chairman of Hospital Governing Committee of Hong Kong Red Cross Blood Transfusion Service, board adviser of Hong Kong New Territories General Chamber of Commerce and honorary advisory vice president of Hong Kong Institute of Bankers.

Directors and Organisation (continued)

Mr. CHAN Fan GBS, JP

Independent Non-executive Director
Chairman of the Remuneration Committee
Audit Committee Member
Nomination Committee Member
Sustainability Committee Member

Aged 67, was appointed as an Independent Non-executive Director of the Company on 6 June 2024. Mr. Chan obtained a Bachelor in Science (Engineering) and Master in Business Administration from the University of Hong Kong, and Master in Medical Physics from the University of Aberdeen, United Kingdom. He attended the Advanced Management Programme at the Harvard Business School, Strategic Management of Regulatory and Enforcement Agencies at the Harvard Kennedy School, National Studies at the Tsinghua University and the Chinese Academy of Governance. Mr. Chan is a Fellow of the Hong Kong Academy of Engineering and the Hong Kong Institution of Engineers and an Honorary Fellow of the Institution of Mechanical Engineers, United Kingdom.

Mr. Chan is currently a Hong Kong Deputy to the National People's Congress, a Vice President of the Hong Kong Institution of Engineers, a member of the Court and Council of the University of Hong Kong, an Honorary Professor of the Education University of Hong Kong and an Honorary Advisor of the Hong Kong Federation of Electrical and Mechanical Contractors. Mr. Chan is the Founding Chairman of the Association for Engineering and Medical Volunteer Services, Vice-Chairman of Admissions, Budgets and Allocations Committee of The Community Chest of Hong Kong, Member of the Advisory Committee for Innovation and Technology for Aging of the Hong Kong Council of Social Service. Mr. Chan also serves as an independent non-executive director, the chairman of remuneration committee, and member of audit committee, nomination committee and corporate governance committee of China Resources Land Limited (listed in Hong Kong).

From July 2017 to June 2022, Mr. Chan was the Secretary for Transport and Housing of the Hong Kong Special Administrative Region government, overseeing policy and strategy, development and implementation of housing, logistics, air services, land and maritime transport, the Chairman of the Hong Kong Housing Authority, the Hong Kong Maritime and Port Board, the Hong Kong Logistics Development Council and the Aviation Development and Three-runway System Advisory Committee; and a non-executive director of MTR

Corporation Limited (listed in Hong Kong) while serving as a board member of the Airport Authority Hong Kong and the Hong Kong Mortgage Corporation Limited. Prior to that, Mr. Chan was the Director of Electrical and Mechanical Services of the Hong Kong Special Administrative Region government, spearheading policy initiatives and law enforcement on energy efficiency and safety of railway, tramway, ropeway, gas, electricity, lift, escalator and nuclear power; and providing professional advice and engineering services.

Senior Management

Mr. YANG Weidong

Senior Vice President

Aged 55, graduated from Anhui Jianzhu University, and obtained a degree of Master of Business Administration from University of South Australia and was awarded the title of Senior Engineer. Mr. Yang joined the Group in 1999. He has been a director of certain subsidiaries of the Group since 2007. Mr. Yang has over 35 years' experience in investment, construction engineering and project management.

Mr. ZHANG Jie

Senior Vice President

Aged 41, graduated from Tianjin University, and obtained a degree of Master of Business Administration from the University of Macau and was awarded the title of Senior Engineer. Mr. Zhang joined the Group in 2007. He has been a director of certain subsidiaries of the Group since 2018. Mr. Zhang has over 18 years' experience in construction engineering, investment and human resources management.

Mr. LUO Haichuan

Vice President

Aged 45, graduated from Harbin Institute of Technology, and obtained a degree of Master of Business Administration from Hong Kong Baptist University and was awarded the title of Senior Engineer. Mr. Luo joined the Group in 2003. He has been a director of certain subsidiaries of the Group since 2011. Mr. Luo acted as an executive director of CSC Development from September 2015 to August 2018. He has over 22 years' experience in human resources management and investment and financing.

Directors and Organisation (continued)

Mr. ZHAO Xiaoqi

Vice President, General Legal Counsel

Aged 50, graduated from Tsing Hua University, and obtained a degree of Master of Business Administration from Renmin University of China and was awarded the title of Senior Economist. Mr. Zhao joined CSCEC in 1997 and was seconded to the Group in 2001. He has been a director of certain subsidiaries of the Group since 2010. Mr. Zhao has over 28 years' experience in human resources management and legal affairs.

Mr. ZHAO Shaoran

Financial Controller

Aged 44, graduated from Zhongnan University of Economics and Law in Accounting, and obtained a degree of Master of Management. Mr. Zhao joined the Group in 2006. He served successively as the head of Finance and Treasury Department and the head of Corporate Finance Department of COHL during the period from 2018 to 2023. He has been the Financial Controller and a director of certain subsidiaries of the Group since 2023. Mr. Zhao has over 19 years' experience in corporate finance, accounting and investment management.

Mr. LIU Guobing

Vice President

Aged 47, graduated from Southeast University and was awarded the title of Senior Engineer. Mr. Liu joined CSCEC in 2000 and was seconded to COHL Group in 2005. He has been a director of certain subsidiaries of COLI for the period from December 2008 to February 2014 and a director of certain subsidiaries of COGO for the period from February 2014 to July 2018, and was seconded to the Group in 2023. Mr. Liu has over 24 years' experience in investment, planning and real estate development.

Mr. HUANG Jiang

Vice President

Aged 50, graduated from Chongqing Jianzhu University (now known as Chongqing University), and obtained a degree of Master in Project Management from The Hong Kong Polytechnic University and a degree of Executive Master of Business Administration from Nankai University and was awarded the title of Senior Engineer. Mr. Huang joined CSCEC in 1997 and was seconded to the Group in 2000. He has been a director of certain subsidiaries of the Group since 2007. Currently, Mr. Huang is a non-executive director of CSC Development. He has over 28 years' experience in contract and project management.

Mr. TIAN Shuchen

Investment Director

Aged 59, graduated from Dalian University of Technology. He is a member of the Chartered Institute of Building (UK). Mr. Tian joined CSCEC in 1988 and was seconded to the Group in 1991, and served as an Executive Director of the Company for the period from 12 August 2010 to 22 December 2021. He has been a director of certain subsidiaries of the Group since 2003. Mr. Tian has over 37 years' experience in investment, construction engineering and project management.

Mr. CHAN Han Pan BBS, JP

Assistant President

Aged 49, graduated from the School of Engineering of The Hong Kong University of Science and Technology, and obtained a degree of Master of Science in Materials of Science and Engineering from The Hong Kong University of Science and Technology and a doctorate degree in Laws from Tsinghua University. Mr. Chan joined the Group in 2020. He has been a director of a subsidiary of the Group since 2020. Mr. Chan has, over the years, devoted untiring efforts in public and community services and holds multiple public offices. He is currently serving as a member of Legislative Council of the Hong Kong Special Administrative Region, and a member of Hong Kong region of Anhui Province of the 10th, 11th and 13th Chinese People's Political Consultative Conference. Mr. Chan has over 21 years' experience in innovation and technology, engineering consulting and community affairs.

Directors and Organisation (continued)

Mr. ZHANG Ming

Assistant President

Aged 42, graduated from Harbin Institute of Technology, and obtained a degree of Master of Construction and Real Estate from The Hong Kong Polytechnic University and was awarded the title of Senior Engineer. Mr. Zhang joined CSCEC in 2006 and was seconded to the Group in 2010. He has been a director of certain subsidiaries of the Group since 2016. Mr. Zhang has over 19 years' experience in construction engineering, administration and human resources management.

Mr. ZHOU Zhike

Investor Relations Director

Aged 41, graduated from Huazhong University of Science and Technology and University of Nottingham in UK, and obtained a degree of Master of Management. Mr. Zhou is a CFA (Chartered Financial Analyst) charterholder. Mr. Zhou joined COHL Group in 2007 and was seconded to the Group in 2014. He has been a director of a subsidiary of the Group since 2019. Mr. Zhou has over 17 years' experience in capital market, corporate finance and corporate strategy. He had been awarded as "Best Investor Relations Officer" in All-Asia Executive Team Poll (Industrial Sector) by Institutional Investors for 10 consecutive years.

Mr. MI Xiang

Assistant President

Aged 49, graduated from Northwest Institute of Architecture Engineering (now known as Chang'an University), and obtained a degree of Master of Project Management in Xi'an Jiaotong University and was awarded the title of Senior Engineer. Mr. Mi joined the Group in 2003. He has been a director of certain subsidiaries of the Group since 2009. Mr. Mi has over 27 years' experience in construction engineering and project management.

Mr. ZHANG Zongjun

Assistant President

Aged 49, graduated from Chang'an University, and was awarded the title of Senior Engineer. Mr. Zhang joined CSCEC in 2001 and was seconded to the Group in 2005. He has been a director of certain subsidiaries of the Group since 2014. Mr. Zhang has over 23 years' experience in prefabricated building, intelligent building, modular integrated construction and engineering management.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

The board of directors of the Company (the “Board”) recognises that good corporate governance is essential to the success of the Company and enhances the shareholders’ value. The Board is committed to maintain a high standard of business ethics, a healthy corporate culture and a good corporate governance practice.

Throughout the year ended 31 December 2024, the Company has applied and complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

Corporate strategy, business model and culture

The Group adheres to the core values of “Customer-oriented, Quality Assurance, Value Creation” and inherits the business concept of “Exercising Caution in Details and Implementation; Building a Strong Foundation to Seek Greater Success”, strictly abides by the industry standard, upholds the heart of dedication, consciously shoulders the corporate mission of “We Manage Happiness”, and strives for growth and continuous innovation. With the continuous enhancement of individuals’ values and the perfect release of team creative energy, the Group aims to developing into an international enterprise and becoming a new role model of “harmonious and win-win” with shareholders, employees and society in the new era. The Group will continuously move towards the goal of becoming a world-class comprehensive enterprise group integrating “Technology, Investment, Construction and Asset Operation”.

Adhering to the corporate spirit of “Integrity, Innovation, Transcendence, Win-win Solution” after more than 40 years of development, the Group has developed businesses in four major segments of “Chinese mainland, Hong Kong, Macau and Overseas”, implemented technology-empowered strategy and built a four-in-one business model integrating “Technology + Investment + Construction + Asset Operation” which fully utilized the advantages of the whole industrial chain and comprehensively promoted high-quality corporate development.

Board of Directors

The Board governs the Group and is responsible for overall management of the Group’s business. It focuses on the overall strategies, policies and business plans of the Group, and monitors the financial performance, internal controls and risk management (including sustainability risk management) of the Group. Executive directors and senior management are responsible for the day-to-day operations of the Group while non-executive directors are responsible for scrutinizing the Group’s performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

The composition of the Board and the attendance of each director in the Board Meetings, annual general meeting (“AGM”) and extraordinary general meeting (“EGM”) during the year ended 31 December 2024 are set out below:

Name	Attended/Eligible to Attend		
	Board Meetings	AGM	EGM
Chairman and Executive Director			
Zhang Haipeng	5/5	1/1	2/2
Non-executive Director			
Yan Jianguo	5/5	1/1	2/2
Executive Directors			
Wang Xiaoguang (<i>Chief Executive Officer</i>)	5/5	1/1	2/2
Hung Cheung Shew	5/5	1/1	2/2
Independent Non-executive Directors			
Raymond Leung Hai Ming (<i>retired on 6 June 2024</i>)	3/3	1/1	1/1
Wong Wai Ching	5/5	1/1	2/2
Chan Tze Ching Ignatius	5/5	1/1	2/2
Chan Fan (<i>appointed on 6 June 2024</i>)	2/2	N/A	1/1

Corporate Governance Report (continued)

Biographical information of the directors is set out in the “Directors and Organisation” section of the 2024 Annual Report of the Company. An updated list of directors containing biographical information and identifying the independent non-executive directors is maintained on the website of the Company. The Company has also maintained an updated list of directors and their role and function on the websites of Hong Kong Exchanges and Clearing Limited (“HKEx”) and the Company.

During the year, five Board meetings were held. Board meetings were held to approve the annual, interim and quarterly results of the Company; to consider the payment of final dividends, to approve the payment of interim dividends and the forfeiture of unclaimed dividends; to discuss the operational status and annual budget of the Company; to consider and approve the significant and connected transactions of the Company, the appointment of independent non-executive director, chairman and member of Board committees of the Company, the remuneration of independent non-executive director, framework of sustainability report, sustainability report and other reports, Code of Business Ethics, the change of Hong Kong branch share registrar and transfer office of the Company. Throughout the year, directors also participated in the consideration and approval of non-routine issues of the Company by way of circulated resolutions with supporting explanatory write-up. Senior management at all times answered the non-routine issues enquiries made by the Board.

All directors are given draft notice and agenda for all Board meetings and Board committees meetings for comments, consideration and inclusion of any matters for deliberation at the meetings.

The Board convenes Board meetings regularly. The date for holding each meeting will be determined in advance with a notice of not less than 14 days so that directors entitled to attend the meeting can spare time to attend in person and have sufficient time to include items that are in the agenda for discussion. To ensure that all directors have sufficient information for discussion, the meeting documents will be submitted to all directors three days before the meeting is convened.

All directors keep contact with the company secretary and can obtain the services provided by the company secretary so as to ensure compliance with the procedure of the Board meetings and all applicable laws, rules and regulations. In case of any changes in the governance and compliance laws, rules and regulations, the company secretary will release the latest information to the Board.

The company secretary is responsible for compiling and drafting the minutes of the Board and the Board committee meetings, and will send the first draft of the minutes within reasonable time after each meeting to the participated directors for comments. The minutes of the meetings are prepared with details of the decisions reached, any concerns raised and dissenting views expressed. All directors are entitled to inspect the minutes of the Board and the Board committee meetings. Directors can seek independent professional advice for performing their duties at the expense of the Company. If the subject under discussion at a Board meeting involves conflict of interests of substantial shareholders or directors and the Board considers that the conflict of interests is material, the matter would be dealt with by a physical meeting rather than a written resolution. The Board will ensure that there are sufficient independent directors participating in discussing about and voting on the relevant resolution. Those interested directors shall abstain from voting on the relevant resolution.

The Company has arranged directors’ and officers’ liability insurance in respect of any legal action against directors.

Directors at all times have full access to information of the Company. The Board is provided monthly operating information which contain the up-to-date performance and information of the Company. Directors can access information from senior management independently.

Other than non-executive directors, all executive directors are appointed on a full-time basis and have sufficient time to deal with the affairs of the Company. All directors are required to discharge their responsibilities as directors of the Company and their common law duties as directors. Not less than one-third of the Board is independent non-executive directors. The Board/its Nomination Committee will review the Board composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The Company will give an appropriate introduction about the Group’s businesses and operations and policies to each newly appointed director.

Corporate Governance Report (continued)

Directors have disclosed their number and nature of offices held in public companies or organisations and other significant commitment in their biographical information. They are also reminded to notify the Company in a timely manner and biannually confirm to the Company any change of such information. The Company reported the changes in its annual report and interim report.

As part of the continuous professional development programme, the directors of the Company namely Mr. Zhang Haipeng, Mr. Yan Jianguo, Mr. Wang Xiaoguang, Mr. Hung Cheung Shew, Ms. Wong Wai Ching, Mr. Chan Tze Ching Ignatius and Mr. Chan Fan read the materials in relation to legal, compliance and regulatory updates, environmental, social and governance, and responsibility for corporate leadership during the year. In addition, individual directors also participated in other seminars and/or read relevant materials relating to the roles, functions and duties of a listed company director, environmental, social and governance, and further enhancement of their professional developments. Directors had provided the company secretary with their training records for the year under review.

Mr. Chan Fan was appointed as an independent non-executive director of the Company with effect from 6 June 2024. Mr. Chan obtained the legal advice pursuant to Rule 3.09D of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") on 4 June 2024 and confirmed that he understood his obligations as a director of the Company.

There is no family or other material relationships among members of the Board.

The Company is aware that effective communication can increase productivity and improve teamwork. The Company regularly convened meetings for the executive directors, senior management, middle management, worksites management and management of overseas subsidiaries (by video-conference). During the meetings, the relevant parties reported the Company's overall work progress, delivered the Company's strategy, reviewed the strength and weakness of the Company's work-in-progress and provided sufficient time for the participants to raise questions and express their opinions, ensuring adequate communication between different levels of management.

Chairman and Chief Executive Officer

Chairman and chief executive officer are two key aspects of the management of the Company. Chairman performs the management of the Board and chief executive officer performs the day-to-day management of the business. Clear division of these responsibilities is in place to ensure balance of power and authority so as to avoid concentration of power on the same individual.

Mr. Zhang Haipeng is the Chairman and Executive Director of the Company. He is responsible for leading the Board and ensures all directors are provided with appropriate and sufficient information before Board meetings so that the Board can operate effectively and perform its duties. Mr. Zhang promotes culture of openness and encourages directors to voice their views. He also meets independent non-executive directors without the executive directors present and ensures good corporate governance practices and procedures of the Company.

Mr. Wang Xiaoguang is Executive Director and the Chief Executive Officer of the Company. He is responsible for the operations of the Group. Mr. Wang together with other executive directors jointly implement the policies adopted by the Board and are responsible to the Board for the overall operation and administration of the Group. He also works with senior management in deciding the Group's risk level and risk appetite; developing risk management strategies and implementing appropriate action plans for managing and monitoring risks.

Corporate Governance Report (continued)

Non-executive Directors

All non-executive directors of the Company were not appointed for a specific term. Pursuant to the Articles of Association of the Company, all directors (including non-executive directors) appointed by the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall be eligible for re-election at that meeting. All directors shall be subject to retirement by rotation at least once every three years and the retiring director shall be eligible for re-election.

During the year, the Company has complied with Rules 3.10 and 3.10(A) of the Listing Rules. Non-executive directors possess appropriate professional qualifications and experience or appropriate accounting or relevant financial management expertise. All independent non-executive directors comply with the independence guideline under Rule 3.13 of the Listing Rules and have submitted annual confirmations of their independence to the Board pursuant to Rule 3.13 of the Listing Rules.

The Board as well as the Nomination Committee have reviewed the independence of all independent non-executive directors and have concluded that all of them are independent within the definition of the Listing Rules.

The Company has established board independence evaluation mechanism on 25 October 2022 which is designed to ensure a strong independent element on the Board and allows the Board to effectively exercise independent judgment to better safeguard shareholders' interests.

Remuneration Committee

The Company has established a Remuneration Committee on 9 June 2005. The major responsibilities of the Remuneration Committee include approving the overall remuneration policy of the Group, reviewing and approving the remuneration of individual executive directors and senior management of the Company, and ensuring that no director participates in the discussion on his/her own remuneration. The Board has adopted written terms of reference for the Remuneration Committee, which defined the role, authority and function of the Remuneration Committee. The terms of reference are posted on the websites of HKEx and the Company.

During the year, two Remuneration Committee meetings were held and the individual attendance of each director is set out below:

Name	Attended/ Eligible to Attend
Raymond Leung Hai Ming (<i>Chairman</i>) (<i>retired on 6 June 2024</i>)	2/2
Chan Fan (<i>Chairman</i>) (<i>appointed on 6 June 2024</i>)	N/A
Wong Wai Ching	2/2
Chan Tze Ching Ignatius	2/2

During the meetings, the Remuneration Committee approved remuneration proposal and annual bonus proposal of the Company, and salary adjustment proposal of the executive directors and senior management of the Company; considered and made recommendation to the Board on the remuneration of the newly proposed independent non-executive director of the Company and the chairman of board committee of the Company.

Corporate Governance Report (continued)

The human resources department reviews the remuneration data of the market and formulates the remuneration policy of the Group and then proposes to the Remuneration Committee for consideration and approval. The remuneration of directors and senior management of the Company is determined with reference to the remuneration policy of the Group and based on individual skills, knowledge, performance and contribution, the overall performance of the Group, the prevailing economic environment and the market trend.

The remuneration payable to directors and members of senior management by band are set out in the notes to the consolidated financial statements of the Company's 2024 Annual Report.

Nomination Committee

The Company has established a Nomination Committee on 20 March 2006. The major responsibilities of the Nomination Committee include reviewing the structure and the composition of the Board, and making recommendation to the Board on matters relating to directors' nomination, appointment or re-appointment and succession on regular basis. The Board has adopted written terms of reference for the Nomination Committee, which defined the role, authority and function of the Nomination Committee. The terms of reference are posted on the websites of HKEx and the Company.

During the year, two Nomination Committee meetings were held and the individual attendance of each director is set out below:

Name	Attended/ Eligible to Attend
Chan Tze Ching Ignatius (<i>Chairman</i>)	2/2
Raymond Leung Hai Ming (<i>retired on 6 June 2024</i>)	2/2
Wong Wai Ching	2/2
Chan Fan (<i>appointed on 6 June 2024</i>)	N/A

During the meetings, the Nomination Committee reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board; assessed the independence of the independent non-executive directors; considered the gender diversity and relevant disclosure; reviewed and considered and made recommendation to the Board on the re-election of the retiring Directors at the annual general meeting, the appointment of independent non-executive director, chairman and member of Board committees of the Company.

The Board adopted a Board Diversity Policy on 14 August 2013 and a revised Board Diversity Policy on 25 October 2022 which sets out the approach to achieve diversity on the Board. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, educational background, professional experience, knowledge, cultural background and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, supporting the gender diversity of the Board and setting the target for the gender ratio of the Board in a timely manner. The Board should ensure that any changes to the Board's composition can be managed without undue disruption. The Board should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient calibre and number for their views to carry weight. Nomination Committee will review Board Diversity Policy on an annual basis to ensure its effectiveness. The Board Diversity Policy is posted on the website of the Company.

As at 31 December 2024, the Board comprises seven directors. Six directors are male and one director is female. Two directors are under the age group of 41 to 50; one is under the age group of 51 to 60; and four are over 60. Four directors have served the Board below 5 years and three have served the Board between 5 and 15 years.

Corporate Governance Report (continued)

The Board contains individuals who have diverse educational background, professional experience, knowledge and culture. The Board members possess Chinese mainland/Hong Kong/Macau construction and related industry experience, global market experience, other listed companies' board roles experience, corporate executive experience, public and community services experience, professional investment, construction and engineering management experience, professional accounting, banking and finance experience, and transport and housing services experience. All these experiences can enhance the Board decision making capacity, improves effectiveness in dealing with changes and reduces likelihood of group thinking. All Board appointments are based on meritocracy.

The Board currently has seven members with one of whom being a female member. The Company pays close attention to the objective of board diversity (including gender diversity) and ensures at least one director of a different gender in the Board. If the Nomination Committee deems it necessary in the future, it will further identify suitable female candidate to join the Board through various channels in due course.

The Nomination Committee strives to enhance the level of Board diversity and governance when refreshing and renewing Board membership. The Nomination Committee will continue to consider Board diversity and governance and identify suitable candidates based on merit, skill and experience and the development of the Group. The Board has also adopted a Director Nomination Policy which sets out the criteria and process in the nomination and appointment of directors and ensures that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company.

As at 31 December 2024, the male-to-female ratio of the Group's employees (including senior management) was approximately 4:1. The Group will continue to conduct its recruitment based on the principles of diversity and equal opportunities.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties of the Company. The Board has adopted written terms of reference for its corporate governance functions which include:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

The Company understands that corporate governance is an important part of sustainable development. It is committed to improving its governance standards and fully understands that good corporate governance is closely related to environmental, social and governance performance. The Group is led by the Board which is responsible for formulating the Group's overall strategy to oversee business development, financial performance and governance effectiveness.

During the year, the Board reviewed the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report and considered and adopted Code of Business Ethics.

Corporate Governance Report (continued)

The Board adopted the Code of Business Ethics on 26 April 2024 which outlines the fundamental ethical principles and standards of conduct that the Company must adhere to in its operations to ensure compliance with the law. The Code clarifies the basic requirements and behavioral norms of the Group and all employees in terms of production operations, business dealings, social activities, etc., so that employees can increase their awareness and make behaviors consistent with professional ethics when performing their duties, and conduct their duties in a law-abiding, honest, fair and upright manner.

The Board adopted a Whistleblowing Policy on 25 October 2022 which aims to enable the employees of the Group and those who deal with the Group to raise concerns, in confidence and anonymity, with the Company about possible improprieties in matters related to the Group, in order to help detect and deter misconduct or malpractice or unethical acts in the Group. The Company encourages reporting of concerns and actual or suspected misconduct or malpractice or unethical acts (e.g. corruption) by any employee of the Group and/or external parties in any matter related to the Group. The Audit Committee of the Company shall review regularly the Whistleblowing Policy to improve its effectiveness and employee confidence in the process.

The Board also adopted an Anti-corruption Policy on 25 October 2022. The Company takes a zero-tolerance approach towards all forms of bribery and corruption and is committed to observing and upholding high standards of business integrity, honesty, fairness, impartiality and transparency in all its business dealings at all times. The Company strictly prohibits any form of fraud or bribery, and is committed to prevention, deterrence, detection, reporting and investigation of all forms of fraud and bribery. The Company shall review regularly the Anti-corruption Policy to improve its effectiveness.

Audit Committee

The Company has established an Audit Committee on 1 June 2005. The major responsibilities of the Audit Committee include reviewing and overseeing the financial information of the Company, reviewing the financial reporting system, reviewing the risk management and internal control systems of the Company, and reviewing the relationship between the Company and auditor. The Board has adopted written terms of reference for the Audit Committee, which defined the role, authority and function of the Audit Committee. The terms of reference are posted on the websites of HKEx and the Company.

During the year, four Audit Committee meetings were held and the individual attendance of each director is set out below:

Name	Attended/ Eligible to Attend
Wong Wai Ching (<i>Chairlady</i>)	4/4
Raymond Leung Hai Ming (<i>retired on 6 June 2024</i>)	2/2
Chan Tze Ching Ignatius	4/4
Chan Fan (<i>appointed on 6 June 2024</i>)	2/2

During the meetings, the Audit Committee reviewed and considered the Group's audited accounts and Audit Committee Report for the year ended 31 December 2023; the connected transactions report, internal audit report, 2024 unaudited quarterly results, unaudited accounts for the six months ended 30 June 2024 and the audit services fees in respect of the financial year ended 31 December 2024, and made recommendation to the Board on the re-appointment of auditor of the Company and the fixing of its remuneration. The external auditor, Ernst & Young, Hong Kong ("EY"), was invited to attend 2023 annual results meeting and 2024 unaudited third quarter results meeting and discussed audit plan for 2024 Group results with the Audit Committee. During the year, the proposed non-assurance service provided by EY was reviewed and approved by the Audit Committee by way of circulated resolutions in writing.

Corporate Governance Report (continued)

During the year, the Company conducted a review and considered that the Company maintained adequate qualified accountants to oversee its accounting and financial reporting function and other accounting related issues in accordance with the relevant laws, rules and regulations.

Auditor's Remuneration

The Company's external auditor is EY. For the financial year ended 31 December 2024, the fees paid or payable to EY and other firms of the worldwide network of EY in respect of services provided to the Group amounted to approximately HK\$12,817,600, including audit services fee of the Group of approximately HK\$12,134,140 and non-audit services fee of approximately HK\$683,460. The non-audit fees included tax services and other services for ad hoc projects.

Sustainability Committee

The Company has established a Sustainability Committee on 25 March 2020. The major responsibilities of the Sustainability Committee include monitoring and reviewing the sustainability goals, priorities and policies, reviewing the Group's risk appetite, tolerance and strategy, reviewing and assessing sustainability performance and risks of the Group, and considering and making recommendation to the Board on sustainability reporting and assurance. The Board has adopted written terms of reference for the Sustainability Committee, which defined the role, authority and function of the Sustainability Committee. The terms of reference are posted on the websites of HKEx and the Company.

During the year, two Sustainability Committee meetings were held and the individual attendance of each director is set out below:

Name	Attended/ Eligible to Attend
Wang Xiaoguang (<i>Chairman</i>)	2/2
Zhang Haipeng	2/2
Raymond Leung Hai Ming (<i>retired on 6 June 2024</i>)	2/2
Wong Wai Ching	2/2
Chan Tze Ching Ignatius	2/2
Chan Fan (<i>appointed on 6 June 2024</i>)	N/A

During the meetings, the Sustainability Committee considered and made recommendation to the Board on the framework of sustainability report, sustainability report and Code of Business Ethics of the Company. In addition, the appointments and fees of external independent consultants of the Company were reviewed and approved by the Sustainability Committee by way of circulated resolutions in writing.

Directors' Securities Transactions

The Company has adopted a model code for securities transactions by directors and relevant employees (the "Securities Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules. Directors and relevant employees of the Company are required to comply with the Securities Code. Reminders are sent to directors and relevant employees that they should not deal in the securities of the Company during the "black-out-period" specified in the Securities Code and before publishing any inside information announcement. Directors and relevant employees are required to notify the Company and obtained a dated written acknowledgement before dealing in the securities of the Company. After making enquiries by the Company, all directors and relevant employees confirmed that they have complied with the Securities Code during the year.

Corporate Governance Report (continued)

Accountability and Audit

It is the responsibility of the Board to present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.

The management provided sufficient explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The directors acknowledge that they are responsible for preparing accounts for each financial period which give a true and fair view of the state of affairs of the Group. In preparing the accounts for the year ended 31 December 2024, the directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; and prepared accounts on a going concern basis.

The reporting responsibilities of EY, the external auditor of the Company, are stated in the Independent Auditor's Report of the 2024 Annual Report of the Company.

The Board presents a balanced, clear and understandable assessment on annual and interim reports, other inside information announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. The Board confirmed that the Company has an effective process for financial reporting and Listing Rules compliance.

Company Secretary

The company secretary supports the chairman, Board and Board committees by ensuring good information flow and Board policies and procedures are followed. The company secretary is an employee of the Company and is appointed by the Board. The company secretary reports to the chairman and all directors may call upon him for advice and assistance at any time in respect of his duties.

During the year, the company secretary of the Company attended sufficient professional training as required under Rule 3.29 of the Listing Rules.

Risk Management and Internal Control

The Board is responsible for the Company's risk management and internal control system. The Company reviewed the effectiveness of its risk management and internal control system and considered the system is effective and adequate. The Company ensures that the system can withstand changes in its operation and the external environment in respect of strategic risk, financial risk, operational risk, compliance risk and sustainability risk, and mitigate the Company's risk exposure so as to safeguard the shareholders' investment and the Company's assets. Risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company recognises that risk management is the responsibility of all of our people. The Company has established an organisation structure with defined levels of responsibility which facilitates the Company to assign roles and responsibilities at strategic level and operational level of risk management clearly. It makes the Company's process used to identify, assess and manage risks effectively. The Board is responsible for determining the business strategies and objectives of the Company, and evaluating and determining the nature and extent of risk it is willing to take in achieving the Company's strategy and objective. The Board oversees management in the design, implementation and monitoring of the risk management and internal control system. Executive directors review the change in the nature and extent of the Company's significant risks from time to time, and the Company's ability to respond to change in its business and external environment. Senior management is responsible for evaluating, managing and reviewing potential risks. Ensuring the Company's risks be managed properly, it communicates, consults and provides guidance to business segment. Senior management is also responsible to track progress of mitigation plan of material risks. Business segment is responsible to identify, analyse and evaluate potential operational risk. It monitors and implements mitigating activity to minimise the operational risk.

Corporate Governance Report (continued)

The Company's Risk Management Control Committee focuses on strategic risk, financial risk, market risk and operational risk of the Company. The Committee is chaired by the Chief Executive Officer and includes executive directors and the management from investment, operations, finance departments, etc. The Committee aims to continually identify and strengthen the risk management of the Company, and build up a risk aware and control conscious culture throughout the Company. Departmental reports and periodical reports were submitted to the Risk Management Control Committee for review.

The Company's Audit Department reviews the adequacy and effectiveness of the Company's risk management and internal control system. The Audit Department is independent of all business segment and is directly responsible for the chairman or chief executive officer of the Company so as to ensure the neutrality of control. It adopts a risk-based approach and control-based approach, operates on an on-going basis and covers all major operations of the Company on a rotational basis. It sets audit planning yearly, and focus on auditing business segments' financial management, operation management and internal control. It assists business segment to implement risk management and better its system. The Audit Department reports and makes recommendation to the chairman or chief executive officer of the Company if there is material system deficiency or control weakness identified. It records the results and reports to the Audit Committee.

Executive directors and senior management convene meetings periodically to evaluate and review potential risks. In respect of identified risks, they make agreed remedial action plan and prompt follow up to ensure that risks are properly managed and defects are mitigated. Each executive director provides updated information on change of business environment and external environment to senior management which enhances the risk control quality. Risk Management Control Committee and Audit Department perform independent risk evaluation continuously to enhance the risk management quality. Through the division of work and periodic meetings, the Company was informed of material risks which may affect the performance regularly.

The Audit Department presents at least one consolidated summary report to the Board annually. The consolidated summary report covers the business risk of the Company and any significant control failure or weakness identified during the year (including impact). The Audit Department member attends Audit Committee meeting at least once a year; and reports its works during the year to the Audit Committee members.

The Company establishes a holistic risk management and internal control system. It requires each business segment to modify its own risk management and internal control system based on its local business environment. The Company requires each business segment to review and evaluate the effectiveness of the system on a continuous basis to ensure its effectiveness. The Audit Department performs on-going monitoring on each main business segment, and evaluates the procedure and action of its risk management and internal control system to enhance the quality and effectiveness.

During the year, the Audit Department inspected, investigated and assessed several subsidiaries of the Group. It reviewed and assessed their systems on investment and operation management; contracting and cost management; financial management; administrative management, etc. It issued independent and objective internal audit report with recommendation to the chairman or chief executive officer of the Company and relevant business segments to improve deficiencies. Corrective actions were taken on findings and no significant control failure which might affect shareholders' interests was identified. Amongst them, in order to further improving and monitoring the quality of the Group's risk management and internal control system, the Audit Department performed economic responsibility audit on the senior management of several subsidiaries, comprehensive management audit on several subsidiaries and investment projects, and financial revenue and expenditure audit as well as risk management and internal control audit on insurance business. The Audit Department also reviewed the Group's continuing connected transactions for the year ended 31 December 2024 and confirmed that the transactions were conducted in accordance with the pricing policies and framework agreements; and on normal commercial terms. A continuing connected transactions report was prepared by the Audit Department and reported to the Audit Committee.

Corporate Governance Report (continued)

The Company has an inside information disclosure policy to ensure potential inside information being captured and maintained confidentiality until disclosure and disseminated properly.

The Company considered that the risk management and internal control system has adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function. The Company will continue to conduct a review of the effectiveness of its risk management and internal control system at least once a year. The review covers all material controls, including financial, operational and compliance controls.

Shareholders' Rights

Convening of Extraordinary General Meeting on Requisition by Shareholders

The Board may whenever it thinks fit call extraordinary general meetings. Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Directing Shareholders' Enquiries to the Board

The annual report and the Company's website provide the contact details of the Company. Shareholders may at any time send their enquiries and concerns to the Board in writing. Shareholders may also make enquiries with the Board at the general meetings of the Company.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Cayman Islands Companies Laws or the Articles of Association of the Company. Shareholders who wish to propose a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

The procedures for appointment, election and removal of directors are set out in the website of the Company.

Communication with Shareholders

The Board has adopted a Shareholders' Communication Policy on 30 March 2012 and a revised Shareholders' Communication Policy on 25 October 2022 which sets out the various channels and platforms adopted by the Company to communicate with the shareholders. The Company believes that effective communication with its shareholders is essential for ensuring that shareholders are provided with timely access to important information about the Company, including its financial performance, strategic goals and plans, material developments, governance and risk profile, in order to enable shareholders to exercise their rights in an informed manner.

Corporate Governance Report (continued)

The Company has established various communication channels with shareholders. These include general meetings, annual report and interim report, notice, announcement and circular. In addition, the Company updates its website (www.csci.com.hk) from time to time to keep the shareholders updated information of the Company's recent development. Investors' presentations are also uploaded to the Company's website for all stakeholders' perusal. For any queries, shareholders may send their enquiries to Tricor Standard Limited, the branch share registrar of the Company in Hong Kong, by email at is-enquiries@hk.tricorglobal.com or to the Corporate Finance Department of the Company at csci.ir@cohl.com.

General meeting is a main channel of communication between directors and shareholders. During the year of 2024, the Company held three general meetings by electronic means where shareholders were allowed to raise questions through online meeting system, and the Board would answer questions in a timely manner after receiving them.

An AGM was held on 6 June 2024. The notice of meeting, the Company's annual report and the circular containing information on the proposed resolutions were sent to shareholders more than 20 clear business days prior to the meeting. The chairmen/chairlady and members of the audit, remuneration, nomination and sustainability committees were available to answer questions from the shareholders at the meeting. At the meeting, separate resolution was proposed by the chairman of the meeting in respect of each substantially separate issue and voting on each resolution was conducted by poll. The results of the poll were posted on the websites of HKEx and the Company on the same date of the meeting.

EGMs were held on 3 January 2024 and 18 December 2024 respectively. The notice of meeting and the circular containing information on the proposed resolution were sent to shareholders more than 10 clear business days prior to each meeting. The chairman of the meeting and members of the independent board committee were available to answer questions from the shareholders at each meeting. At each meeting, the resolution(s) was/were proposed by the chairman of the meeting and voting on resolution(s) was/were conducted by poll. The result of the poll was posted on the websites of HKEx and the Company on the same date of the meeting.

The Board considered that the implementation of the Shareholders' Communication Policy is effective.

During the year, there was no change to the memorandum and articles of association of the Company.

Investor Relations

The Company has been striving to maintain high transparency and communications with shareholders and investors through diversified communication channels. The Company holds press conferences and analyst briefing sessions from time to time to provide the latest business information of the Company to investors. The website of the Company (www.csci.com.hk) contains the latest data and information of the Group so that shareholders, investors and the public can obtain the information about the Company in a timely manner.

Hong Kong, 21 March 2025

DIRECTORS' REPORT

The directors of the Company (the “Directors”) present their report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding and providing corporate management services. The activities of its principal subsidiaries are set out in the audited consolidated financial statements.

The performance of the Group for the year by segments is set out in the audited consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2024 are set out in the audited consolidated financial statements.

An interim dividend of HK33 cents per share amounting to approximately HK\$1,662,414,000 was paid to the shareholders of the Company on 10 October 2024. The board of directors of the Company (the “Board”) recommended the payment of a final dividend of HK28.5 cents per share to the shareholders whose names appear on the register of members on 20 June 2025, amounting to approximately HK\$1,435,721,000.

Dividend Policy

The dividend policy of the Company is to allow shareholders of the Company to participate in the profits of the Group whilst retaining adequate reserves for its future growth. Subject to compliance with applicable laws, rules, regulations and the articles of association of the Company, in deciding whether to propose any dividend payout, the Board will take into account, among other things, financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends and any other factors that the Board may consider relevant.

Business Review and Performance

The business review of the Group for the year ended 31 December 2024 is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis”.

The environmental and social matters of the Group together with an account of the key relationships with its employees, customers and suppliers for the year ended 31 December 2024 are set out in the 2024 Sustainability Report of the Company, which is published on the websites of Hong Kong Exchanges and Clearing Limited and the Company on the same date as that of the publication of 2024 Annual Report of the Company. The Company complied with all the provisions set out in the Environmental, Social and Governance Reporting Guide.

Directors' Report (continued)

Major Risk Management

Under the internal control and risk management framework of the Group, the Risk Management Control Committee identifies major risks in each operation segment, assesses its likely impact and evaluates the risk in order to develop effective control activities to mitigate the risks. The Group established a more detailed project risk rating system, and discussed and supervised implementation at regular monthly management meetings to ensure that operational risks are within controllable limits. Other than the financial risk management policies of the Group set out in the section headed "Management Discussion and Analysis" of the 2024 Annual Report of the Company, the Group was also exposed to major risk factors including construction risk, infrastructure investment risk, overseas business risk and compliance risk.

(1) Construction risk

The Group was exposed to construction risk in relation to technology, costs, duration of works, environmental protection and safety involved in the construction business. The Group monitored and evaluated the price of key materials regularly, conducted timely analyses and made bold decisions. With effective cooperation between tender, procurement, construction and other departments, the Group kept updating the procurement plans and efficiently controlled the scale and procedures of procurement in line with construction progress. The Group controlled its material cost of tender projects through centralised procurement and mitigated price risk by setting fixed unit price for auxiliary materials. As for special construction process and materials, the construction defects risk and price risk had been shifted to the sub-contractors who are responsible for assigned works with material supply. Materials involving significant safety and social influence were managed by the Group directly so as to strictly control the quality risks. Under the unique management model of "5+3" (i.e. coordinated management by the five elements of safety, environmental protection, quality, progress and cost, and the three systems of flow guarantee system, procedure guarantee system and liability guarantee system), the Group was able to control the construction risks efficiently.

(2) Infrastructure investment risk

In respect of the infrastructure investment business, the Group carried out comprehensive risk control regarding the whole cycle towards project development, implementation, buy-back and operation. For new development projects, the Group adhered to the selection criteria, conducted thorough researches, investigation and strict decision making processes to control the investment risks from scratch. For projects in progress, the Group monitored project progress and quality along with the implementation of the buy-back guarantee conditions. In respect of the forthcoming buy-back projects, the Group conducted preparation works in advance to ensure the recovery of investments as planned. For operating projects, the Group focused on safety management and proactively communicated with the government authorities for favorable policy terms.

(3) Overseas business risk

The Group undertook various projects overseas and hence was exposed to certain overseas political and regulatory risks. The Group had taken initiative to review cautiously the overseas operations and focused its resources on the exploration of core cities in order to avoid political and regulatory risks.

(4) Compliance risk

The Group paid high attention to the enactment and amendment of laws and regulations of each operation region which may cause legal risks to the business of the Group and reviewed the compliance status of relevant business of the Group in a timely manner to ensure that all business operations are in compliance with laws and regulations.

Directors' Report (continued)

Compliance with Relevant Laws and Regulations

The construction industry is regulated by the local authorities in which the business units operate. In general, contractors must comply with certain requirements mandated by the applicable laws and regulations and may be required to obtain permits or licences in order to carry on certain businesses such as general contracting, facade contracting, design and manufacturing, and construction supervision in certain countries or regions. Apart from the specific laws and regulations, the Group is also subject to the general laws and regulations governing the environment, employment, anti-competition and anti-corruption regardless of its nature of business.

In addition, the Company, as a listed company, is subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Codes on Takeovers and Mergers and Share Buy-backs and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Group seeks to ensure compliance with all relevant laws and regulations through various measures such as internal controls and approval procedures, trainings and oversight of various business units with the designated resources at different levels of the Group.

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects throughout the year ended 31 December 2024.

Charitable Donations

Charitable donations made by the Group during the year amounted to approximately HK\$3,098,000.

Investment Properties

Details of investment properties of the Group are set out in the audited consolidated financial statements.

Share Capital

Details of the share capital of the Company during the year are set out in note 38 to the audited consolidated financial statements.

On 14 March 2025, the Company allotted and issued 244,600,000 ordinary shares of the Company under the general mandate granted to the directors of the Company pursuant to a Subscription Agreement dated 11 March 2025 (details of which are set out in the announcements of the Company dated 11 March 2025 and 14 March 2025). Accordingly, the total issued share capital of the Company as at the date of this report was 5,282,216,668 ordinary shares of HK\$0.025 each.

Share Premium and Reserves

Details of movements during the year in the share premium and reserves of the Group are set out in the audited consolidated financial statements.

Distributable Reserves

Distributable reserves of the Company as at 31 December 2024 amounted to approximately HK\$20,878,578,000.

Directors' Report (continued)

Equity-linked Agreement

No equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the articles of association of the Company and the laws of Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the securities of the Company.

Financial Summary

A summary of the results, assets and liabilities of the Group for the past five financial years is set out in the section headed "Five Year Financial Summary".

Purchase, Sale or Redemption of the Listed Securities of the Group

Issue of Listed Securities

During the year, a subsidiary of the Company completed the public issuance of the following listed securities. The net proceeds, after deducting relevant fees and commission, amounted to approximately RMB8,899 million and were used by the subsidiaries of the Company to repay corporate debts and as general working capital:

Issue Date	Securities	Principal Amount (RMB)	Coupon Rate per annum	Maturity
28 February 2024	Medium-term notes issued and listed on the China Inter-bank Bond Market	2,000 million	2.84%	5 years
24 April 2024	Corporate bonds issued and listed on Shenzhen Stock Exchange	900 million	2.54%	5 years
17 July 2024	Medium-term notes issued and listed on the China Inter-bank Bond Market	2,000 million	2.30%	5 years
24 September 2024	Medium-term notes issued and listed on the China Inter-bank Bond Market	1,500 million	2.29%	3 + N years (Perpetual)
23 October 2024	Super short-term commercial papers issued and listed on the China Inter-bank Bond Market	1,000 million	1.94%	60 days
27 November 2024	Medium-term notes issued and listed on the China Inter-bank Bond Market	1,500 million	2.12%	3 years

Directors' Report (continued)

Redemption of Listed Securities

During the year, subsidiaries of the Company redeemed all of the following outstanding securities upon their maturity:

Redemption Date	Securities	Principal Amount	Coupon Rate per annum	Maturity
31 May 2024	Medium-term notes issued and listed on the China Inter-bank Bond Market on 31 May 2021	RMB1,000 million	3.52%	3 years
3 December 2024	Subordinated guaranteed perpetual capital securities issued and listed on The Stock Exchange of Hong Kong Limited and Chongwa (Macao) Financial Asset Exchange Co., Ltd. on 3 December 2019	USD500 million	4%	Perpetual
23 December 2024	Super short-term commercial papers issued and listed on the China Inter-bank Bond Market on 23 October 2024	RMB1,000 million	1.94%	60 days
29 December 2024	Medium-term notes issued and listed on the China Inter-bank Bond Market on 29 December 2021	RMB1,500 million	3.10%	3 years

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Group during the year ended 31 December 2024.

Directors

The Directors during the year and up to the date of this report were:

Chairman and Executive Director

Mr. Zhang Haipeng

Non-executive Director

Mr. Yan Jianguo

Executive Directors

Mr. Wang Xiaoguang (*Chief Executive Officer*)

Mr. Hung Cheung Shew

Independent Non-executive Directors

Dr. Raymond Leung Hai Ming (*retired on 6 June 2024*)

Ms. Wong Wai Ching

Mr. Chan Tze Ching Ignatius

Mr. Chan Fan (*appointed on 6 June 2024*)

Directors' Report (continued)

Pursuant to articles 87(1) and 87(2) of the articles of association of the Company, Mr. Yan Jianguo and Ms. Wong Wai Ching will retire by rotation at the forthcoming annual general meeting of the Company.

Pursuant to article 86(3) of the articles of association of the Company, Mr. Chan Fan shall hold office only until the next following annual general meeting of the Company, and shall be eligible for re-election at the forthcoming annual general meeting. In addition, as Mr. Ye Nan has been appointed as non-executive Director with effect from 22 March 2025, pursuant to article 86(3) of the articles of association of the Company, he shall hold office only until the next following annual general meeting of the Company, and shall be eligible for re-election at the forthcoming annual general meeting.

All the retiring Directors, being eligible, offer themselves for re-election.

The Directors' biographical information is set out in the section headed "Directors and Organisation" of this report.

Information regarding Directors' emoluments is set out in the audited consolidated financial statements.

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of director of the Company, as notified to the Company, is that Mr. Chan Fan was elected as a Fellow of the Hong Kong Academy of Engineering on 9 December 2024.

Confirmation of Independence

The Company has received from each of the independent non-executive Directors confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and still considers such Directors independent.

Directors' Service Contracts

No Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). All Directors (including non-executive Directors) are subject to retirement from office and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

Directors' Material Interests in Transactions, Arrangements or Contracts

No transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Report (continued)

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

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Listing Rules (the "Model Code") were as follows:

(a) Long positions in shares and underlying shares of the Company

Name of director	Capacity	Number of ordinary shares held	Approximate % of shares in issue ^{Note}
Zhang Haipeng	Personal interest/beneficial owner	50,000	0.0009
Hung Cheung Shew	Personal interest/beneficial owner	591,584	0.01

Note:

The percentage was calculated based on the total number of ordinary shares of the Company ("Shares") in issue as at 31 December 2024 (i.e. 5,037,616,668 Shares).

(b) Long positions in shares and underlying shares of associated corporations of the Company

(i) China Overseas Land & Investment Limited ("COLI")

Name of director	Capacity	Number of ordinary shares held	Approximate % of shares in issue of COLI ¹
Hung Cheung Shew	Personal interest/beneficial owner	7,095	0.0001
Chan Tze Ching Ignatius	Personal interest/beneficial owner	100,000	0.0009

(ii) China State Construction Development Holdings Limited ("CSCD")

Name of director	Capacity	Number of ordinary shares held	Approximate % of shares in issue of CSCD ²
Zhang Haipeng	Personal interest/beneficial owner	4,100,000	0.18
Wang Xiaoguang	Personal interest/beneficial owner	4,000,000	0.18
	Interest of spouse	1,080,000	0.05
Hung Cheung Shew	Personal interest/beneficial owner	30,000	0.001

Directors' Report (continued)

(iii) China Overseas Property Holdings Limited ("COPL")

Name of director	Capacity	Number of ordinary shares held	Approximate % of shares in issue of COPL ³
Hung Cheung Shew	Personal interest/beneficial owner	2,365	0.0001

(iv) China State Construction Engineering Corporation Limited ("CSCECL")

Name of director	Capacity	Number of shares held*	Approximate % of shares in issue of CSCECL ⁴
Zhang Haipeng	Personal interest/beneficial owner	240,000	0.0005
Wang Xiaoguang	Personal interest/beneficial owner	100,000	0.0002

* The Company was informed that shares were granted by CSCECL under its A-shares Restricted Stock Incentive Plan (Phases II and IV).

Notes:

1. The percentage was calculated based on the total number of ordinary shares of COLI in issue as at 31 December 2024 (i.e. 10,944,883,535 shares).
2. The percentage was calculated based on the total number of ordinary shares of CSCD in issue as at 31 December 2024 (i.e. 2,255,545,000 shares).
3. The percentage was calculated based on the total number of ordinary shares of COPL in issue as at 31 December 2024 (i.e. 3,283,960,460 shares).
4. The percentage was calculated based on the total number of ordinary shares of CSCECL in issue as at 31 December 2024 (i.e. 41,610,322,444 shares).

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

Save as disclosed above, at no time during the year ended 31 December 2024 was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, at no time during the year ended 31 December 2024, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporation (within the meaning of Part XV of the SFO), or had exercised any such rights.

Directors' Report (continued)

Interests and Short Positions of Substantial Shareholders/Other Persons

As at 31 December 2024, substantial shareholders (as defined in the Listing Rules) of the Company and other persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange, were as follows:

Long positions of substantial shareholders in the shares of the Company

Name of director	Capacity	Number of Shares held	Approximate % of Shares in issue ¹
China Overseas Holdings Limited ("COHL")	Beneficial owner/Interest of a controlled corporation ²	3,264,976,136	64.81
China State Construction Engineering Corporation Limited ("CSCECL")	Interest of a controlled corporation ³	3,264,976,136	64.81
中國建築集團有限公司 (China State Construction Engineering Corporation*) ("CSCEC")	Interest of a controlled corporation ⁴	3,264,976,136	64.81

* The English name is a translation from its Chinese name and is for identification purpose only.

Long positions of other persons in the shares of the Company

Name of shareholder	Capacity	Number of Shares held	Approximate % of Shares in issue ¹
GIC Private Limited	Investment manager	302,824,733	6.01

Notes:

1. The percentage has been adjusted based on the total number of ordinary shares of the Company ("Shares") in issue as at 31 December 2024 (i.e. 5,037,616,668 Shares).
2. Amongst the total number of 3,264,976,136 Shares held by COHL, 3,146,188,492 Shares were held as beneficial owner while the balance of 118,787,644 Shares were interests of its controlled corporation.
3. COHL was a direct wholly-owned subsidiary of CSCECL, thus CSCECL was deemed to be interested in 3,264,976,136 Shares directly and indirectly owned by COHL under the SFO.
4. CSCECL was approximately 57.03% held by CSCEC, thus CSCEC was deemed to be interested in 3,264,976,136 Shares indirectly owned by CSCECL under the SFO.

Save as disclosed above, as at 31 December 2024, there was no other person who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Directors' Report (continued)

Management Contracts

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

Major Customers and Suppliers

During the year, sales to the five largest customers of the Group accounted for less than 30% of the total sales of the Group for the year.

During the year, purchases from the five largest suppliers of the Group accounted for less than 30% of the total purchases of the Group for the year.

At no time during the year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) have an interest in any of the five largest customers or suppliers of the Group.

Connected and Related Party Transactions

Details of connected transactions are set out in the section headed "Connected Transactions" of the 2024 Annual Report of the Company. The related party transactions are disclosed in the audited consolidated financial statements.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of the issued shares of the Company as required under the Listing Rules.

Directors' Interest in Competing Business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that during the year and up to the date of this report, Mr. Zhang Haipeng, the Chairman and executive Director and Mr. Yan Jianguo, the non-executive Director, held directorship in the Company's holding company and/or its subsidiaries which are engaged in construction, property development, property management and related businesses.

The Board operates independently of the boards of directors of the above-mentioned companies. With the presence of independent non-executive Directors in the Board, the Group is capable of carrying on its business independently of, and at arm's length from, the businesses of these companies.

Permitted Indemnity Provisions

Pursuant to the articles of association of the Company, subject to the statutes, every Director shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he may sustain or incur in the execution of his duty, or supposed duty, or in relation thereto, provided that such indemnity does not extend to any matter in respect of any fraud or dishonesty by such Director. The Company has maintained directors and officers liability insurance during the year.

Directors' Report (continued)

Emolument Policy

The emolument policy of the employees of the Group was approved by the Remuneration Committee. The remuneration of employees was determined in accordance with individual's responsibility, competence and skills, experience, performance and market pay level.

The emoluments of the executive Directors are decided by the Remuneration Committee, having regard to the operating results of the Company, individual performance and comparable market trend. The emoluments of the independent non-executive Directors are in line with market practice. No individual should determine his/her own remuneration.

Retirement Benefit Scheme

With effect from 1 December 2000, the Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The employees of the subsidiaries of the Company established in the Chinese Mainland are required to participate in a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute a certain percentage of payroll costs to the retirement scheme. The only obligation of the Group with respect to these schemes is to make the required contributions under these schemes. During the year, the Group made contribution to the retirement schemes amounting to approximately HK\$442,587,000. No forfeited contributions under these schemes is available to reduce the contribution payable in future years.

Event after the Reporting Period

Details of the important event affecting the Company that have occurred since the end of the financial year is set out in note 52 to the audited consolidated financial statements.

Auditor

Ernst & Young ("EY") has acted as auditor of the Company for the past three years. EY will retire and, being eligible, offer themselves for re-appointment as auditor of the Company.

A resolution to re-appoint EY as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

China State Construction International Holdings Limited

Zhang Haipeng

Chairman and Executive Director

Hong Kong, 21 March 2025

CONNECTED TRANSACTIONS

A. Connected Transactions under the Listing Rules

A.1 Factoring Arrangement with 中建商業保理有限公司 (China Construction Commercial Factoring Company Limited*) (“CCCF”) regarding Zibo project

On 28 June 2024, 中建國際投資集團有限公司 (China State Construction International Investments Limited*) (“CSC International Investments”) (an indirect wholly-owned subsidiary of China State Construction International Holdings Limited (the “Company”)) entered into Factoring Arrangement, pursuant to which, on the same date, CSC International Investments (1) entered into Account Receivables Transfer Contract with 淄博海新建設有限公司 (Zibo Haixin Construction Company Limited*) (“ZHCCL”) (being a direct wholly-owned subsidiary of CSC International Investments); and (2) entered into Factoring Contracts with CCCF, in respect of transfer of the Account Receivables to CCCF for granting of (a) account receivable factoring service in a principal sum of RMB130 million (equivalent to approximately HK\$143 million) at a discount rate of 90.28% to CSC International Investments for a term of not exceeding 22 months from the drawdown date under Factoring Contract 1, and (b) account receivable factoring service in a principal sum of RMB70 million (equivalent to approximately HK\$77 million) at a discount rate of 90.28% to CSC International Investments for a term of not exceeding 22 months from the drawdown date under Factoring Contract 2 (the “Zibo Transaction”).

The consideration of the Account Receivables under the Account Receivables Transfer Contract was determined on arm’s length negotiations between CSC International Investments and ZHCCL with reference to, among other things, the book value of the Account Receivables, the repayment period of the Account Receivables, the terms of the Factoring Contracts and the credit worthiness of 淄博市淄川區羅村鎮人民政府 (People’s Government of Luocun Town, Zichuan District, Zibo City*) and 淄博市淄川區財金控股有限公司 (Zibo City Zichuan District Financial Holdings Co., Ltd.*) (the “Joint Debtors”).

The consideration of the Account Receivable 1 payable under the Factoring Contract 1 was determined on arm’s length negotiations between CSC International Investments and CCCF with reference to, among other things, the book value of the Account Receivable 1, the repayment period of the Account Receivable 1, the terms of the Factoring Contract 1 and the credit worthiness of the Joint Debtors.

The consideration of the Account Receivable 2 payable under the Factoring Contract 2 was determined on arm’s length negotiations between CSC International Investments and CCCF with reference to, among other things, the book value of the Account Receivable 2, the repayment period of the Account Receivable 2, the terms of the Factoring Contract 2 and the credit worthiness of the Joint Debtors.

As one or more of the applicable percentage ratios in respect of the Zibo Transaction exceeded 0.1% but were less than 5%, the Zibo Transaction are subject to reporting and announcement requirements but exempted from shareholders’ approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the Zibo Transaction was made on 28 June 2024.

Connected Transactions (continued)

A.2 Formation of Joint Venture Company

On 16 October 2024, 北京北排產業發展集團有限責任公司 (Beijing Beipai Industrial Development Group Co., Ltd.*) ("Beijing Beipai"), 北京城市排水集團有限責任公司 (Beijing Drainage Group Co., Ltd.*) ("Beijing Drainage"), 中建生態環境集團有限公司 (China State Construction Ecological Environment Group Co., Ltd.*) ("CSCEE"), 北京海耀建設發展有限公司 (Beijing Haiyao Construction Development Co., Ltd.*) ("Beijing Haiyao Construction"), 中建國際工程有限公司 (China State Construction International Engineering Co., Ltd.*) ("CSCIE"), 北京市市政工程設計研究總院有限公司 (Beijing General Municipal Engineering Design & Research Institute Co., Ltd.*) ("BMEDI") and 北京亦莊環境科技集團有限公司 (Beijing Yizhuang Environmental Technology Group Co., Ltd.*) ("Beijing Yizhuang Environment") (collectively, the "Parties") entered into a shareholders' agreement for the formation of a joint venture company in Beijing, the Chinese mainland (the "JV Company") (the "Shareholders' Agreement"). The JV Company was principally engaged in sewage treatment and recycling, water pollution control and municipal facilities management, etc.

According to the Shareholders' Agreement, the total registered capital of the JV Company was RMB760,792,800, and the contributions of the Parties were as follows:

Parties	Contributions to registered capital RMB	Shareholding proportion Approximately
Beijing Beipai	395,612,200	52%
Beijing Drainage	7,607,900	1%
CSCEE	74,557,700	9.8%
Beijing Haiyao Construction (a wholly-owned subsidiary of the Company)	266,277,500	35%
CSCIE (a wholly-owned subsidiary of the Company)	760,800	0.1%
BMEDI	760,800	0.1%
Beijing Yizhuang Environment	15,215,900	2%

The respective contribution of the Parties to the registered capital of the JV Company are determined after arm's length negotiations between the Parties with reference to the proposed capital requirements of the JV Company and the shareholding proportion of the Parties. The capital contributions of Beijing Haiyao Construction and CSCIE in the JV Company were funded by internal resources.

As one or more of the applicable percentage ratios in respect of the formation of the JV Company exceeded 0.1% but were less than 5%, the formation of the JV Company was subject to reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the Shareholders' Agreement was made on 16 October 2024.

Connected Transactions (continued)

A.3 Factoring Arrangement with CCCF regarding Wenzhou project

On 6 December 2024, CSC International Investments entered into Factoring Arrangement, pursuant to which, on the same date, CSC International Investments (1) entered into Account Receivable Transfer Contract 1 with 溫州海升建設發展有限公司 (Wenzhou Haisheng Construction Development Co., Ltd.*) ("Wenzhou Haisheng"); (2) entered into Account Receivable Transfer Contract 2 with 溫州海恒建設發展有限公司 (Wenzhou Haiheng Construction Development Co., Ltd.*), ("Wenzhou Haiheng"); and (3) entered into Factoring Contracts with CCCF, in respect of transfer of Account Receivables to CCCF for granting of (a) account receivable factoring service in a principal sum of RMB250 million (equivalent to approximately HK\$272 million) at a discount rate of 94.7% to CSC International Investments for a term of not exceeding 12 months from the drawdown date under Factoring Contract 1, and (b) account receivable factoring service in a principal sum of RMB194.2 million (equivalent to approximately HK\$211.1 million) at a discount rate of 94.7% to CSC International Investments for a term of not exceeding 12 months from the drawdown date under Factoring Contract 2 (the "Wenzhou Transaction").

The consideration of Account Receivable 1 under the Account Receivable Transfer Contract 1 was determined on arm's length negotiations between CSC International Investments and Wenzhou Haisheng with reference to, among other things, the book value of the Account Receivable 1, the repayment period of the Account Receivable 1, the terms of the Factoring Contract 1 and the credit worthiness of 溫州市鹿城區國有控股集團有限公司 (Wenzhou Lucheng District State-owned Holding Group Co., Ltd.*) (the "Debtor").

The consideration of Account Receivable 2 under the Account Receivable Transfer Contract 2 was determined on arm's length negotiations between CSC International Investments and Wenzhou Haiheng with reference to, among other things, the book value of the Account Receivable 2, the repayment period of the Account Receivable 2, the terms of the Factoring Contract 2 and the credit worthiness of the Debtor.

The consideration of the Account Receivable 1 payable under the Factoring Contract 1 was determined on arm's length negotiations between CSC International Investments and CCCF with reference to, among other things, the book value of the Account Receivable 1, the repayment period of the Account Receivable 1, the terms of the Factoring Contract 1 and the credit worthiness of the Debtor.

The consideration of the Account Receivable 2 payable under the Factoring Contract 2 was determined on arm's length negotiations between CSC International Investments and CCCF with reference to, among other things, the book value of the Account Receivable 2, the repayment period of the Account Receivable 2, the terms of the Factoring Contract 2 and the credit worthiness of the Debtor.

The Wenzhou Transaction together with the Zibo Transaction are related and to be completed within a 12-month period. Accordingly, these transactions were aggregated and treated as if they were one transaction (the "Aggregate Transactions"), and the aggregate figures of the Aggregate Transactions were used for calculating the applicable percentage ratios.

As all the applicable percentage ratios in respect of the Aggregate Transactions exceeded 0.1% but were less than 5%, the Wenzhou Transaction itself or the Aggregate Transactions were subject to reporting and announcement requirements but exempted from shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the Wenzhou Transaction was made on 6 December 2024.

Connected Transactions (continued)

B. Continuing Connected Transactions under the Listing Rules

B.1 CSCECL Construction Engagement Agreement (dated 20 October 2023)

(1 January 2024 to 31 December 2026)

On 20 October 2023, the Company and China State Construction Engineering Corporation Limited ("CSCECL", an intermediate holding company of the Company) entered into a CSCECL Construction Engagement Agreement whereby (i) the Company and its subsidiaries (the "Group") may engage CSCECL and its subsidiaries (the "CSCECL Group") as contractors for a term of three years commenced from 1 January 2024 and ending on 31 December 2026. Upon successful tender, the maximum total contract sum that may be awarded by the Group to the CSCECL Group under the CSCECL Construction Engagement Agreement for each of the financial years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB10,000 million, RMB11,000 million and RMB12,000 million respectively (the "CSCECL Construction Engagement Caps"); and (ii) the CSCECL Group may engage the Group as contractors for a term of three years commenced from 1 January 2024 and ending on 31 December 2026. Upon successful tender, the maximum total contract sum that may be awarded by the CSCECL Group to the Group under the CSCECL Construction Engagement Agreement for each of the financial years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB2,000 million, RMB2,500 million RMB3,000 million respectively (the "CSC Construction Engagement Caps").

In determining the pricing terms, the Group will review the costs information maintained by its in-house computer database for materials supplied and contract prices from contractors for the Group's previous projects and peripheral operation. Such information will assist the Group to conduct quantitative comparison between quotations obtained from contractors and materials suppliers.

As each of the CSCECL Construction Engagement Caps and the CSC Construction Engagement Caps exceeded 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the CSCECL Construction Engagement Agreement were subject to annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An announcement containing details of the CSCECL Construction Engagement Agreement was made on 20 October 2023 and a circular dated 14 December 2023 containing details of the CSCECL Construction Engagement Agreement was despatched to the shareholders of the Company. The CSCECL Construction Engagement Agreement was duly approved by the independent shareholders of the Company at an extraordinary general meeting held on 3 January 2024.

Connected Transactions (continued)

B.2 CSCD-CSCECL Sub-construction Engagement Agreement (dated 20 October 2023)

(1 January 2024 to 31 December 2026)

On 20 October 2023, China States Construction Development Holdings Limited ("CSC Development", a listed subsidiary of the Company) and CSCECL entered into a CSCD-CSCECL Sub-construction Engagement Agreement whereby the CSCECL Group may engage CSC Development and its subsidiaries (the "CSC Development Group") as its subcontractor for provision of exterior facade works to the CSCECL Group's construction works for a term of three years commenced from 1 January 2024 and ending on 31 December 2026. Upon successful tender, the maximum total contract sum that may be awarded by the CSCECL Group to the CSC Development Group under the CSCD-CSCECL Sub-construction Engagement Agreement for each of the financial years ending 31 December 2024, 2025 and 2026 shall not exceed HK\$1,200 million, HK\$1,500 million and HK\$1,500 million respectively (the "CSCD-CSCECL Works Caps").

In determining the pricing terms, the CSC Development Group will review the costs information maintained in its in-house database for materials supplied and contract prices from subcontractors for the CSC Development Group's previous projects and peripheral operation. Such information will assist the CSC Development Group in implementing quantitative comparison between preliminary quotations obtained from sub-contractors and materials suppliers.

On an aggregation basis, the applicable percentage ratios as defined under the Listing Rules in respect of the CSCD-CSCECL Works Caps exceeded 5%. As such, the transactions contemplated under the CSCD-CSCECL Sub-construction Engagement Agreement were subject to annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A joint announcement and a joint supplemental announcement containing details of the CSCD-CSCECL Sub-construction Engagement Agreement were made on 20 October 2023 and 31 October 2023 respectively, and a circular dated 14 December 2023 containing details of the CSCD-CSCECL Sub-construction Engagement Agreement was despatched to the shareholders of the Company. The CSCD-CSCECL Sub-construction Engagement Agreement was duly approved by the independent shareholders of the Company at an extraordinary general meeting held on 3 January 2024.

B.3 CSCD-COGO Framework Agreement (dated 24 March 2021)

(1 July 2021 to 30 June 2024)

On 24 March 2021, CSC Development and China Overseas Grand Oceans Group Limited ("COGO", an associate of the Company) entered into a CSCD-COGO Framework Agreement whereby COGO and its subsidiaries (the "COGO Group") may engage the CSC Development Group to provide management services for a term of three years commenced from 1 July 2021 and ending on 30 June 2024. Upon successful tender, the maximum total contract sum that may be awarded by the COGO Group to the CSC Development Group under the CSCD-COGO Framework Agreement for the period from 1 July 2021 to 31 December 2021 shall not exceed HK\$30 million, for each of the two financial years ended 31 December 2023 shall not exceed HK\$60 million, and for the period from 1 January 2024 to 30 June 2024 shall not exceed HK\$30 million (the "CSCD-COGO Engagement Caps").

In determining the pricing terms, the CSC Development Group will review the technical requirement, quantity and quality of works, costs information, pricing information of previous tenders and the possible risk factors associated with the project.

Connected Transactions (continued)

As the CSCD-COGO Engagement Caps were more than 0.1% but less than 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the COGO Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A joint announcement containing details of the CSCD-COGO Framework Agreement was made on 24 March 2021.

B.4 CSCD-COLI Works Framework Agreement (dated 29 March 2021)

(1 July 2021 to 30 June 2024)

New CSCD-COLI Works Framework Agreement (dated 29 April 2024)

(1 July 2024 to 30 June 2027)

On 29 March 2021, CSC Development and China Overseas Land & Investment Limited ("COLI", an associate of the Company) entered into a CSCD-COLI Works Framework Agreement whereby each of COLI and its subsidiaries (the "COLI Group") and the companies which respective share capital is held as to not less than 30% and not more than 50% by the COLI Group which are not members of the COLI Group, and their respective subsidiaries from time to time (excluding COGO and its subsidiaries) (the "Minority Controlled Group") may engage the CSC Development Group for the provision of contracting and engineering works, project management, supervision and consultancy services for the COLI Group's and the Minority Controlled Group's construction works as contractor or service provider (as the case may be) from time to time for a term of three years commenced from 1 July 2021 and ending on 30 June 2024. Upon successful tender, the maximum total contract sum that may be awarded by the COLI Group and the Minority Controlled Group to the CSC Development Group under the CSCD-COLI Works Framework Agreement for the period from 1 July 2021 to 31 December 2021 shall not exceed HK\$310 million, for the year ended 31 December 2022 shall not exceed HK\$310 million, for the year ending 31 December 2023 shall not exceed HK\$510 million, and for the period from 1 January 2024 to 30 June 2024 shall not exceed HK\$155 million (the "CSCD-COLI Works Engagement Caps").

In determining the pricing terms, the CSC Development Group will review the technical requirement, quantity and quality of works, costs information, pricing information of previous tenders and the possible risk factors associated with the project.

As the CSCD-COLI Works Engagement Caps were more than 0.1% but less than 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the CSCD-COLI Works Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A joint announcement containing details of the CSCD-COLI Works Framework Agreement was made on 29 March 2021.

Connected Transactions (continued)

On 29 April 2024, CSC Development and COLI entered into a New CSCD-COLI Works Framework Agreement whereby each of the COLI Group and the Minority Controlled Group may engage the CSC Development Group for the provision of exterior facade works for the respective property development projects of the COLI Group and the Minority Controlled Group, and provision of project supervision service for the respective property development projects of the COLI Group and the Minority Controlled Group in the Chinese mainland from time to time for a term of three years commenced from 1 July 2024 and ending on 30 June 2027. Upon successful tender, the maximum total contract sum that may be awarded by the COLI Group and the Minority Controlled Group to the CSC Development Group under the New CSCD-COLI Works Framework Agreement for the period from 1 July 2024 to 31 December 2024 shall not exceed HK\$505 million, for the year ended 31 December 2025 shall not exceed HK\$110 million, for the year ending 31 December 2026 shall not exceed HK\$660 million, and for the period from 1 January 2027 to 30 June 2027 shall not exceed HK\$110 million (the "New CSCD-COLI Works Caps").

Since all the applicable percentage ratios in respect of the highest New CSCD-COLI Works Cap were more than 0.1% but less than 5%, the transactions contemplated under the New CSCD-COLI Works Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A joint announcement containing details of the New CSCD-COLI Works Framework Agreement was made on 29 April 2024.

B.5 CSCECL Framework Agreement (dated 10 September 2021)

(1 January 2022 to 31 December 2024)

New CSCECL Framework Agreement (dated 4 November 2024)

(1 January 2025 to 31 December 2027)

On 10 September 2021, the Company and CSCECL entered into a CSCECL Framework Agreement whereby the parties agree that they (or their respective subsidiaries) may cooperate to enter into government or public sector contracts, or contracts for large-scale construction with single contract sum of exceeding HK\$2,000 million, awarded by tender ("Construction Main Contracts"), as joint venture main contractor for three financial years ending 31 December 2024. It is expected that the award of these contracts will generally be subject to a tendering process or such other prescribed contract award process as may be implemented by the relevant third-party developer/owner client in order to determine the contract sum of the relevant Construction Main Contracts. Upon successful tender, the maximum total contract sum that may be awarded jointly to the Company and CSCECL (or their respective subsidiaries) as joint venture main contractor for the financial year ended 31 December 2022 shall not exceed HK\$31,000 million, for the financial year ended 31 December 2023 shall not exceed HK\$33,000 million and for the financial year ended 31 December 2024 shall not exceed HK\$35,000 million (the "CSCECL Annual Caps").

In assessing the tender or contract award documents, the Group or the CSCECL Group will take into account factors including the technical requirements, quantity specifications, expected completion time, customer's expectations and possible risk factors associated with the Construction Main Contract.

As the CSCECL Annual Caps exceeded 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the CSCECL Framework Agreement were subject to annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Connected Transactions (continued)

An announcement containing details of the CSCECL Framework Agreement was made on 10 September 2021 and a circular dated 22 October 2021 containing details of the CSCECL Framework Agreement was despatched to the shareholders of the Company. The CSCECL Framework Agreement was duly approved by the independent shareholders of the Company at an extraordinary general meeting held on 11 November 2021.

On 4 November 2024, the Company and CSCECL entered into a New CSCECL Framework Agreement whereby the parties agree that they (or their respective subsidiaries) may cooperate to enter into Construction Main Contracts as joint venture main contractor for a term of three years commencing from 1 January 2025 and ending on 31 December 2027. It is expected that the award of the Construction Main Contracts will generally be subject to a tendering process or such other prescribed contract award process as may be implemented by the relevant third-party developer/owner client in order to determine the contract sum of the relevant Construction Main Contracts. Upon successful tender, the maximum total contract sum that may be awarded jointly to the Company and CSCECL (or their respective subsidiaries) as joint venture main contractor for the financial year ending 31 December 2025 shall not exceed HK\$28,000 million, for the financial year ending 31 December 2026 shall not exceed HK\$30,000 million and for the financial year ending 31 December 2027 shall not exceed HK\$32,000 million (the "New CSCECL Annual Caps").

In assessing the tender or contract award documents, the Group or the CSCECL Group will take into account factors including the technical requirements, quantity specifications, expected completion time, customer's expectations and possible risk factors associated with the Construction Main Contract.

As the New CSCECL Annual Caps exceeded 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the New CSCECL Framework Agreement were subject to annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An announcement containing details of the New CSCECL Framework Agreement was made on 4 November 2024 and a circular dated 29 November 2024 containing details of the New CSCECL Framework Agreement was despatched to the shareholders of the Company. The New CSCECL Framework Agreement was duly approved by the independent shareholders of the Company at an extraordinary general meeting held on 18 December 2024.

Connected Transactions (continued)

B.6 Financial Services Agreement (dated 6 December 2022)

(1 January 2023 to 31 December 2025)

On 6 December 2022, the Company and 中建財務有限公司 (China State Construction Finance Limited*) ("CSCF", a non-wholly owned subsidiary of CSCECL) entered into a Financial Services Agreement whereby CSCF agreed to provide the Group with a) deposit services, b) loan services, c) bill acceptance and discount services, and d) other financial services on a non-exclusive basis for a term of three years commenced from 1 January 2023 and ending on 31 December 2025 (both dates inclusive). Each of the maximum daily deposit balance (including interests accrued thereon) of the aggregated deposits placed by the Group with CSCF and the aggregate transaction amount of bill acceptance and discount services provided by CSCF to the Group shall not exceed RMB1,200 million respectively (the "CSCF Annual Cap") for each of the three years ending on 31 December 2025.

In determining the pricing terms, for a) deposit services: When determining the interest rates for deposits to be placed by the Group with CSCF, the Group shall obtain the interest rate from CSCF, and make reference to the interest rates of the same type of deposits quoted by not less than three major commercial banks in the Chinese mainland; b) loan services: The terms of loans provided to the Group by CSCF shall be no less favourable than the terms of the same type of loans provided by independent third party commercial banks which have existing cooperative relationships with the Group. When determining the interest rates for loans to be granted to the Group by CSCF, the Group shall obtain the interest rate from CSCF, and make reference to the interest rates of the same type of loans quoted by not less than three major commercial banks in the Chinese mainland; c) bill acceptance and discount services: When determining the service fees for bill acceptance services to be provided to the Group by CSCF, the Group shall obtain the service fees quotes from CSCF, and make reference to the service fees of the same type of services quoted by not less than three major commercial banks in the Chinese mainland; and d) other financial services: CSCF will offer other financial services to the Group, including centralized fund monitoring, entrusted loans, cross-border capital pooled-transmittance, other bill services, supply-chain financing services and guarantee services, and these services (except guarantee services) shall be free of charge. For guarantee services, the terms of guarantee services provided to the Group by CSCF shall be no less favourable than the terms of the same type of services provided by independent third party commercial banks which have existing cooperative relationships with the Group. When determining the service fees to be paid by the Group to CSCF, the Group shall obtain service fees quotes from CSCF, and make reference to the service fees of the same type of services quoted by not less than three major commercial banks in the Chinese mainland. All other financial services will not be subject to any security over the assets of the Group.

Since one or more of the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the CSCF Annual Cap for each year under the Financial Services Agreement exceeded 0.1% but were less than 5%, the provision of each of the deposit services and bill acceptance and discount services by CSCF to the Group under the Financial Services Agreement constituted continuing connected transaction of the Company subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio as defined under the Listing Rules calculated for the Company in respect of the annual cap for the deposit services for each year under the Financial Services Agreement exceeds 5% but was less than 25%, the provision of the deposit services by CSCF to the Group under the Financial Services Agreement constitutes discloseable transaction of the Company subject to notification, announcement and reporting requirements but exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Connected Transactions (continued)

The loan services to be provided by CSCF to the Group are on normal commercial terms or better (i.e. terms that are similar or more favourable than those offered by at least three major commercial banks in the Chinese mainland for the provision of comparable services) and are in the interest of the Group. No security over the assets of the Group is granted to CSCF in respect of the loan services. They were therefore exempt from all reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

The guarantee services to be provided by CSCF to the Group are on normal commercial terms or better (i.e. terms that are similar or more favourable than those offered by at least three major commercial banks in the Chinese mainland for the provision of comparable services) and are in the interest of the Group. No security over the assets of the Group is granted to CSCF in respect of the guarantee services. They were therefore exempt from all reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

CSCF will provide other financial services, including centralized fund monitoring, entrusted loans, cross-border capital pooled-transmittance, other bill services and supply-chain financing services, to the Group for free under the Financial Services Agreement. All of the applicable percentage ratios pursuant to the Listing Rules calculated for the Company in respect of the total fees payable by the Group to CSCF for the provision of other financial services by CSCF under the Financial Services Agreement were fall within the de minimis threshold and were exempt from all reporting, announcement and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

An announcement containing details of the Financial Services Agreement was made on 6 December 2022.

B.7 CSCD-COLI Connection Services Framework Agreement (dated 25 October 2022)

(1 January 2023 to 31 December 2025)

On 25 October 2022, COLI and CSC Development entered into a CSCD-COLI Connection Services Framework Agreement for a term of three years commenced from 1 January 2023 and ending on 31 December 2025, whereby the CSC Development Group (through 瀋陽皇姑熱電有限公司 (Shenyang Huanggu Thermoelectricity Company Limited*), an indirect wholly owned subsidiary of CSC Development) may provide heating pipes connection services for real estate project(s) located in the Chinese mainland and developed by COLI Group. Upon successful tender, the maximum total contract sum that may be awarded by the COLI Group to the CSC Development Group for each of the three years ending 31 December 2025 shall not exceed HK\$50 million (the "Engagement Cap").

In determining the pricing terms, the CSC Development Group will take into account the other comparable services providers, coverage, location, size and development status, capacity and cost of the connection.

As the Engagement Cap was more than 0.1% but less than 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the CSCD-COLI Connection Services Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the CSCD-COLI Connection Services Framework Agreement was made on 25 October 2022.

Connected Transactions (continued)

B.8 COLI Master Engagement Agreement (dated 25 October 2022)

(1 January 2023 to 31 December 2025)

On 25 October 2022, the Company and COLI entered into a COLI Master Engagement Agreement, pursuant to which (i) the Group may tender for construction works of the COLI Group and the Minority Controlled Group in the Chinese Mainland, Hong Kong and Macau as construction contractor from time to time for three financial years ending on 31 December 2025. Upon successful tender, the maximum total contract sum that may be awarded by the COLI Group to the Group for each of the three financial years ending 31 December 2025 shall not exceed HK\$9,000 million (the "COLI Sub-cap"), and upon successful tender, the maximum total contract sum that may be awarded by the Minority Controlled Group to the Group for each of the three financial years ending 31 December 2025 shall not exceed HK\$11,000 million (the "Minority Controlled Group Sub-cap", together with COLI Sub-cap, the "COLI Works Annual Cap").

In determining the pricing terms, the Group will review the technical requirement, quantity and quality of works, costs information, pricing information of previous tenders and the possible risk factors associated with the project.

As the COLI Works Annual Cap exceeded 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the COLI Master Engagement Agreement were subject to annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An announcement containing details of the COLI Master Engagement Agreement was made on 25 October 2022 and a circular dated 25 November 2022 containing details of the COLI Master Engagement Agreement was despatched to the shareholders of the Company. The COLI Master Engagement Agreement was duly approved by the independent shareholders of the Company at an extraordinary general meeting held on 21 December 2022.

B.9 COGO Master Engagement Agreement (dated 20 October 2023)

(1 January 2024 to 31 December 2026)

On 20 October 2023, the Company and COGO entered into a COGO Master Engagement Agreement whereby the Group may tender for the COGO Group's construction works in the Chinese mainland as construction contractor in accordance with the tendering procedures of the COGO Group from time to time for a term of three years commenced from 1 January 2024 and ending on 31 December 2026. Upon successful tender, the maximum total contract sum that may be awarded by the COGO Group to the Group under the COGO Master Engagement Agreement shall not exceed (i) RMB1,800 million for the year commenced from 1 January 2024 and ended on 31 December 2024; (ii) RMB1,800 million for the year commenced from 1 January 2025 and ending on 31 December 2025; and (iii) RMB1,800 million for the year commencing from 1 January 2026 and ending on 31 December 2026 (the "COGO Works Caps").

In determining the pricing terms, the Group will review the costs information maintained by its in-house computer database for materials supplied and contract prices from contractors for the Group's previous projects and peripheral operation. The information will assist the Group to conduct quantitative comparison between quotations obtained from contractors and materials suppliers.

Connected Transactions (continued)

On an aggregation basis, the applicable percentage ratios as defined under the Listing Rules in respect of the COGO Works Caps exceeded 5%. As such, the transactions contemplated under the COGO Master Engagement Agreement were subject to annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An announcement and a supplemental announcement containing details of the COGO Master Engagement Agreement were made on 20 October 2023 and 31 October 2023 respectively, and a circular dated 14 December 2023 containing details of the COGO Master Engagement Agreement was despatched to the shareholders of the Company. The COGO Master Engagement Agreement was duly approved by the independent shareholders of the Company at an extraordinary general meeting held on 3 January 2024.

B.10 COPL Services Agreement (dated 28 April 2023)

(1 July 2023 to 30 June 2026)

On 28 April 2023, the Company and China Overseas Property Holdings Limited ("COPL", an associate of the Company) entered into a COPL Services Agreement, whereby the COPL Group may participate from time to time in competitive tender in accordance with the tendering procedures of the Group to provide property management services and value-added services (including engineering, pre-delivery, move-in assistance, delivery inspection, engineering services quality monitoring and consulting services, as well as gardening, interior fine finishing and vetting of building plans) (the "Services") to the properties (including residential communities, commercial properties and other properties) owned and/or held by the Group in Chinese Mainland, Hong Kong, Macau and other locations; and the work sites owned and/or held by the Group in Chinese Mainland, Hong Kong and Macau for a term of three years commenced from 1 July 2023 and ending on 30 June 2026. Upon successful tender, the maximum total amounts payable for the Services by the Group to the COPL Group under the COPL Services Agreement for the period from 1 July 2023 to 31 December 2023 shall not exceed HK\$133 million, for the financial year ending 31 December 2024 shall not exceed HK\$308 million, for the financial year ending 31 December 2025 shall not exceed HK\$493 million and for the period from 1 January 2026 to 30 June 2026 shall not exceed HK\$299 million (the "COPL Services Caps").

As the COPL Services Caps were more than 0.1% but less than 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the COPL Services Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the COPL Services Agreement was made on 28 April 2023.

Connected Transactions (continued)

B.11 COLI Supply of Materials Framework Agreement (dated 28 April 2021)

Supplemental Agreement (dated 3 May 2022)

(1 July 2021 to 30 June 2024)

New COLI Supply of Materials Framework Agreement (dated 30 April 2024)

(1 July 2024 to 30 June 2027)

On 28 April 2021, the Company and COLI entered into a COLI Supply of Materials Framework Agreement whereby (i) the COLI Group may supply civil-works, electromechanical and renovation items, goods or materials (the "Materials") for the construction projects of the Group in the Chinese mainland (the "Projects") upon the Group's request in accordance with the tendering procedures of the Group from time to time for a term of three years commenced from 1 July 2021 and ending on 30 June 2024 (both dates inclusive) subject to the Supply of Materials Caps (as defined below); and (ii) the Group may engage the COLI Group as supplier of the Materials for the Projects upon the COLI Group's successful tender. Upon successful tender, the maximum total contract sums in respect of the supply of the Materials for the Projects that may be awarded by the Group to the COLI Group under the COLI Supply of Materials Framework Agreement for the period between 1 July 2021 and 31 December 2021 shall not exceed RMB150 million (approximately HK\$176 million), for the year ended 31 December 2022 shall not exceed RMB360 million (approximately HK\$424 million), for the year ended 31 December 2023 shall not exceed RMB430 million (approximately HK\$506 million), and for the period between 1 January 2024 and 30 June 2024 shall not exceed RMB260 million (approximately HK\$306 million) (the "Supply of Materials Cap(s)").

As the highest Supply of Materials Cap was more than 0.1% but less than 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the COLI Supply of Materials Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the COLI Supply of Materials Framework Agreement was made on 28 April 2021.

On 3 May 2022, the Company and COLI entered into a Supplemental Agreement to revise the Supply of Materials Caps by increasing from RMB360 million (approximately HK\$445 million) to RMB1,000 million (approximately HK\$1,200 million) for the year ended 31 December 2022, RMB430 million (approximately HK\$532 million) to RMB1,000 million (approximately HK\$1,200 million) for the year ending 31 December 2023, and RMB260 million (approximately HK\$321 million) to RMB500 million (approximately HK\$618 million) for the period between 1 January 2024 and 30 June 2024 (i.e. the Revised Supply of Materials Caps) taking into account the fact that more materials would be required to be supplied and the Supply of Materials Caps for the transactions contemplated under the COLI Supply of Materials Framework Agreement for the period from 1 January 2022 to 30 June 2024 might no longer be sufficient to support the business need of the Group.

As the highest Revised Supply of Materials Cap was more than 0.1% but less than 5% of the applicable percentage ratios calculated pursuant to the Listing Rules, the transactions contemplated under the Supplemental Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the Supplemental Agreement was made on 3 May 2022.

Connected Transactions (continued)

On 30 April 2024, the Company and COLI entered into a New COLI Supply of Materials Framework Agreement whereby (i) the COLI Group may supply the Materials for the Projects upon the Group's request in accordance with the tendering procedures of the Group from time to time for a term of three years commenced from 1 July 2024 and ending on 30 June 2027 (both dates inclusive); and (ii) the Group may engage the COLI Group as supplier of the Materials for the Projects upon the COLI Group's successful tender. Upon successful tender, the maximum total contract sums in respect of the supply of the Materials for the Projects that may be awarded by the Group to the COLI Group under the New COLI Supply of Materials Framework Agreement shall not exceed RMB500 million (approximately HK\$549 million) for the period between 1 July 2024 and 31 December 2024, RMB1,200 million (approximately HK\$1,319 million) for the year ending 31 December 2025, RMB1,400 million (approximately HK\$1,538 million) for the year ending 31 December 2026, and RMB900 million (approximately HK\$989 million) for the period between 1 January 2027 and 30 June 2027 (the "New Supply of Materials Cap(s)").

Since all the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest New Supply of Materials Cap were more than 0.1% but less than 5%, the transactions contemplated under the New COLI Supply of Materials Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

An announcement containing details of the New COLI Supply of Materials Framework Agreement was made on 30 April 2024.

B.12 CSCECL-CSCD Facade Construction Contracts Framework Agreement (dated 31 October 2024)

(1 December 2024 to 31 December 2026)

On 31 October 2024, CSCECL and CSC Development entered into a CSCECL-CSCD Facade Construction Contracts Framework Agreement whereby the parties agree that they (or their respective subsidiaries) may cooperate to enter into contract(s) for the facade construction awarded by tenderer, which is a third-party developer/owner client, as joint venture contractor or joint contractors (the "Facade Construction Contract(s)") upon and subject to the terms of the CSCECL-CSCD Facade Construction Contracts Framework Agreement and other agreements contemplated in the CSCECL-CSCD Facade Construction Contracts Framework Agreement.

Pursuant to the CSCECL-CSCD Facade Construction Contracts Framework Agreement, the maximum total contract sum that may be awarded jointly to CSCECL and CSC Development (or their respective subsidiaries) as joint venture contractor or joint contractors for the period from 1 December 2024 to 31 December 2024 and the financial years ending 31 December 2025 and 2026 shall not exceed HK\$1,200 million, HK\$1,200 million and HK\$1,200 million respectively (the "CSCECL-CSCD Facade Construction Contracts Cap").

Connected Transactions (continued)

In assessing the tender or contract award documents, CSCECL (or its subsidiary) or CSC Development (or its subsidiary) (as the case may be) will take into account factors including the technical requirements, quantity specifications, expected completion time, customer's expectation, possible risk factors associated with the Facade Construction Contract and the scoring criteria of the tendering process or contract award process.

Since all applicable percentage ratios in respect of the CSCECL-CSCD Facade Construction Contracts Cap were more than 0.1% but less than 5%, the transactions contemplated under the CSCECL-CSCD Facade Construction Contracts Framework Agreement were subject to annual review, reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A joint announcement containing details of the CSCECL-CSCD Facade Construction Contracts Framework Agreement was made on 31 October 2024.

* *The English names of the entities referred to above are translations from their Chinese names and are for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

Pursuant to Rule 14A.55 of the Listing Rules, the above continuing connected transactions have been approved by the Board and have been reviewed by the independent non-executive directors of the Company, who confirmed that these continuing connected transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the terms of the relevant agreements governing each of the continuing connected transactions on terms that were fair and reasonable and in the interests of the Company and its shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Connected Transactions (continued)

The auditor has confirmed in a letter to the Board that:

- (1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the relevant annual cap during the financial year ended 31 December 2024.

The Board confirms that the Company has complied with the disclosure requirements as required by the Listing Rules in relation to the aforementioned connected transactions/continuing connected transactions.

The continuing connected transactions disclosed above also constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions made during the year was disclosed in the notes to the consolidated financial statements. Certain items also constitute connected/continuing connected transactions as defined in Chapter 14A of the Listing Rules.

INDEPENDENT AUDITOR'S REPORT



To the shareholders of China State Construction International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China State Construction International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 220, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from construction works	
<p>For the year ended 31 December 2024, the Group recognised revenue from construction works of approximately HK\$107,000 million, including revenue from construction contracts, construction related investment projects and facade contracting business.</p> <p>The Group's revenue from construction works is recognised over time using the input method of which the progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.</p> <p>Most of the construction works take several years to complete and the scope of work may change during the construction period. Management estimates the revenue and budgeted costs at the commencement of the contracts and regularly assesses the progress of construction works as well as the financial impact of scope changes, claims, disputes and liquidated damages.</p> <p>Significant management judgements were required for estimations of revenue, budgeted costs as well as the progress of related construction works and these estimations had significant impact on the amount and timing of revenue recognised.</p> <p>The accounting policies and disclosures in relation to the revenue recognition from construction works are included in notes 4.27, 6.1 and 7 to the consolidated financial statements.</p>	<p>Our audit procedures to assess the revenue recognition from construction works included the following:</p> <ul style="list-style-type: none"> • understanding and evaluating the Group's process and control over contract revenue recognition and budget estimation; • testing the calculation of the revenue and profit recognised from construction contracts; • discussing with management and the respective project teams about the progress of major projects and the assumptions adopted in the forecast of contract costs, including estimated costs to completion and assessment of potential liquidated damages for major contracts; • testing, on a sample basis, the actual costs incurred on construction works during the reporting period; • testing, on a sample basis, the supporting documents of the budgets, which include sub-contracting contracts, material purchase contracts/invoices and price quotations, etc.; and • comparing last year's budget against the current year's budget or actual costs incurred for major contracts on a sampling basis.

Independent Auditor's Report (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of trade receivables and contract assets</p> <p>As at 31 December 2024, the Group had trade receivables and contract assets (including retention receivables) amounted to approximately HK\$156,000 million in aggregate, representing approximately 57% of the Group's total assets.</p> <p>Significant management judgement and estimates were required in assessing the recoverability of trade receivables and contract assets, including the assessment of the collectability from individual customers after taking into account their creditworthiness, whether they have financial difficulties, experience of default or delinquency in interest or principal payments, ageing analysis and forecast of future events and economic conditions.</p> <p>Management judgements have a significant impact on the level of loss allowance required for trade receivables and contract assets.</p> <p>The accounting policies and disclosures in relation to the recoverability of trade receivables and contract assets are included in notes 4.10, 4.17, 6.3, 27 and 31 to the consolidated financial statements.</p>	<p>Our audit procedures to assess the recoverability of trade receivables and contract assets included the following:</p> <ul style="list-style-type: none"> • understanding and evaluating the design and operating effectiveness of management control over the collection and the impairment assessment of the trade receivables and contract assets; • testing, on a sample basis, the ageing of trade receivables at year end; • testing, on a sample basis, subsequent settlements and the latest amounts certified by quantity surveyors appointed by customers; • in respect of material trade receivable and contract asset balances, inspecting relevant contracts and correspondence with the customers, and assessing their creditworthiness with reference to publicly available information, where applicable; • in respect of material trade receivable balances which are past due, inspecting correspondence with the customers, evaluating their historical progress payment records, assessing whether the customers are experiencing financial difficulties, and any default or delinquency in interest or principal payments, where applicable; and • obtaining and reviewing the expected credit loss calculation prepared by management.

Independent Auditor's Report (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of concession operating rights</p> <p>The Group's concession operating rights represent the rights to operate and charge for usage of toll expressways in Chinese mainland and are recognised as non-current assets with a net carrying amount of approximately HK\$2,838 million as at 31 December 2024.</p> <p>Management performs an impairment assessment of the carrying amount of concession operating rights when impairment indicators exist. Significant management judgement is required to determine the recoverable amounts of the concession operating rights. The Group engaged external valuer to perform valuation of the recoverable amounts of the concession operating rights as at 31 December 2024 and which considered information from a variety sources such as expectations of future traffic volumes, expected future toll fee levels, length of operating rights, maintenance costs and discount rates.</p> <p>The accounting policies and disclosures in relation to the impairment of concession operating rights are included in notes 4.9, 6.5 and 22 to the consolidated financial statements.</p>	<p>Our audit procedures to assess impairment of concession operating rights included the following:</p> <ul style="list-style-type: none"> • obtaining and reviewing the valuation reports prepared by the external valuers engaged by the Group; • assessing the external valuer's qualifications, experience and expertise and consider its objectivity and independence; • involving our internal valuation specialists to assist us in the assessment of the valuation methodology and discount rates adopted in the valuation; and • assessing the key assumptions adopted by management in the calculation of value-in-use, including the expected future traffic volumes, toll fee level projections, length of operating rights, and maintenance costs.

Independent Auditor's Report (continued)

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

Independent Auditor's Report (continued)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Cheuk Keung.

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

21 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	7	115,106,744	113,734,013
Costs of sales		(97,260,217)	(97,395,103)
Gross profit		17,846,527	16,338,910
Investment income, other income and other gains/(losses), net	9	231,358	647,339
Administrative, selling and other operating expenses		(2,821,887)	(2,622,901)
Share of profits of			
Joint ventures		637,704	629,969
Associates		267,555	314,539
Finance costs	10	(3,222,199)	(3,204,309)
Profit before tax		12,939,058	12,103,547
Income tax expenses, net	12	(2,862,248)	(2,390,599)
Profit for the year	13	10,076,810	9,712,948
Profit for the year attributable to:			
Owners of the Company		9,361,017	9,164,045
Holders of perpetual capital securities		370,816	304,788
Non-controlling interests		344,977	244,115
		10,076,810	9,712,948
Earnings per share (HK\$)	15		
Basic		1.86	1.82
Diluted		1.86	1.82

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Profit for the year		10,076,810	9,712,948
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Gain/(loss) on fair value changes of debt securities at fair value through other comprehensive income		4,974	(99,090)
Release of investment revaluation reserve to consolidated income statement upon disposal of debt securities at fair value through other comprehensive income		—	3,835
Impairment loss on debt securities at fair value through other comprehensive income		—	117,782
Exchange differences on translation of subsidiaries		(1,553,198)	(2,205,690)
Exchange differences on translation of joint ventures		(393,132)	(448,910)
Exchange differences on translation of associates		(71,023)	(86,535)
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Remeasurement loss on defined benefit obligations	42	(5,101)	—
Other comprehensive loss for the year, net of tax		(2,017,480)	(2,718,608)
Total comprehensive income for the year		8,059,330	6,994,340
Total comprehensive income for the year attributable to:			
Owners of the Company		7,390,595	6,512,094
Holders of perpetual capital securities		370,816	304,788
Non-controlling interests		297,919	177,458
		8,059,330	6,994,340

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current Assets			
Property, plant and equipment	16	6,179,698	5,664,826
Right-of-use assets	17	694,385	600,332
Investment properties	18	6,921,992	6,923,849
Interests in infrastructure project investments	19	3,307,468	3,651,302
Interests in joint ventures	20(a)	16,896,019	16,916,238
Interests in associates	21	6,504,886	6,116,328
Concession operating rights	22	2,838,305	3,066,257
Deferred tax assets	23	112,235	123,170
Trademark, project backlogs and licences	24	196,185	216,116
Goodwill	24	577,664	577,664
Financial assets at fair value through other comprehensive income	25	245,084	388,709
Amounts due from investee companies	26	14,658	222,047
Trade and other receivables	27	54,199,315	55,600,846
Loans to joint ventures	28	1,074,728	1,283,721
		99,762,622	101,351,405
Current Assets			
Interests in infrastructure project investments	19	658,594	525,589
Inventories	29	453,456	522,852
Properties under development	30	7,558,351	6,289,737
Properties held for sale		3,850,257	4,078,986
Contract assets	31	28,216,595	21,593,655
Trade and other receivables	27	91,944,822	75,414,120
Deposits and prepayments		1,060,035	970,266
Financial assets at fair value through other comprehensive income	25	7,704	—
Amounts due from joint ventures	28	6,256,680	8,989,059
Amounts due from associates	32	486,008	564,697
Amounts due from related companies	33	29,283	106,870
Tax recoverable		578,052	404,560
Bank balances and cash	34	30,741,030	28,462,889
		171,840,867	147,923,280

Consolidated Statement of Financial Position (continued)

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Current Liabilities			
Contract liabilities	31	8,951,257	9,926,742
Trade payables, other payables and accruals	35	89,540,419	74,884,549
Deposits received		39,512	49,129
Amounts due to joint ventures	28	1,052,333	1,184,331
Amounts due to associates	32	66,075	134,637
Amounts due to related companies	33	344,226	352,565
Tax payables		6,439,012	6,136,831
Bank borrowings	36	14,296,512	16,515,007
Corporate bonds	41	2,645,161	2,753,304
Loan from a fellow subsidiary	37	270,000	660,793
Loan from a joint venture	43	—	2,643,172
Lease liabilities	17	133,905	114,435
		123,778,412	115,355,495
Net Current Assets		48,062,455	32,567,785
Total Assets less Current Liabilities		147,825,077	133,919,190
Capital and Reserves			
Share capital	38	125,940	125,940
Share premium and reserves	39	65,896,843	61,597,479
Equity attributable to owners of the Company		66,022,783	61,723,419
Perpetual capital securities	40	7,734,584	10,017,782
Non-controlling interests		2,665,235	2,536,418
		76,422,602	74,277,619
Non-current Liabilities			
Bank borrowings	36	58,903,738	51,310,456
Guaranteed notes payable and corporate bonds	41	11,121,073	7,008,591
Contract liabilities	31	523,026	591,473
Defined benefit obligations	42	30,147	23,555
Deferred tax liabilities	23	629,167	590,736
Lease liabilities	17	195,324	116,760
		71,402,475	59,641,571
		147,825,077	133,919,190

On behalf of the Board

Zhang Haipeng
Director

Wang Xiaoguang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company			Perpetual capital securities HK\$'000 (Note 40)	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (Note 38)	Share premium and reserves HK\$'000 (Note 39)	Total HK\$'000			
At 1 January 2023	125,940	57,664,221	57,790,161	7,801,154	2,205,139	67,796,454
Profit for the year	—	9,164,045	9,164,045	304,788	244,115	9,712,948
Loss on fair value changes of debt securities at fair value through other comprehensive income	—	(99,090)	(99,090)	—	—	(99,090)
Release of investment revaluation reserve to consolidated income statement upon disposal of debt securities at fair value through other comprehensive income	—	3,835	3,835	—	—	3,835
Impairment loss on debt securities at fair value through other comprehensive income	—	117,782	117,782	—	—	117,782
Exchange differences on translation of subsidiaries	—	(2,139,033)	(2,139,033)	—	(66,657)	(2,205,690)
Exchange differences on translation of joint ventures	—	(448,910)	(448,910)	—	—	(448,910)
Exchange differences on translation of associates	—	(86,535)	(86,535)	—	—	(86,535)
Total comprehensive income for the year	—	6,512,094	6,512,094	304,788	177,458	6,994,340
Issuance of perpetual capital securities	—	—	—	2,200,440	—	2,200,440
Capital contribution relating to share-based payment borne by an intermediate holding company (Note 44)	—	6,037	6,037	—	533	6,570
Contribution from non-controlling interests of subsidiaries	—	—	—	—	205,360	205,360
Distribution paid on perpetual capital securities	—	—	—	(288,600)	—	(288,600)
Dividends paid to non-controlling shareholders of a subsidiary	—	—	—	—	(52,072)	(52,072)
2022 final dividend paid	—	(1,209,028)	(1,209,028)	—	—	(1,209,028)
2023 interim dividend paid	—	(1,385,345)	(1,385,345)	—	—	(1,385,345)
Transfer to special reserve	—	9,500	9,500	—	—	9,500
Total transactions with owners, recognised directly in equity	—	(2,578,836)	(2,578,836)	1,911,840	153,821	(513,175)
At 31 December 2023	125,940	61,597,479	61,723,419	10,017,782	2,536,418	74,277,619

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2024

	Attributable to owners of the Company			Perpetual capital securities HK\$'000 (Note 40)	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (Note 38)	Share premium and reserves HK\$'000 (Note 39)	Total HK\$'000			
At 1 January 2024	125,940	61,597,479	61,723,419	10,017,782	2,536,418	74,277,619
Profit for the year	—	9,361,017	9,361,017	370,816	344,977	10,076,810
Gain on fair value changes of debt securities at fair value through other comprehensive income	—	4,974	4,974	—	—	4,974
Exchange differences on translation of subsidiaries	—	(1,506,140)	(1,506,140)	—	(47,058)	(1,553,198)
Exchange differences on translation of joint ventures	—	(393,132)	(393,132)	—	—	(393,132)
Exchange differences on translation of associates	—	(71,023)	(71,023)	—	—	(71,023)
Remeasurement loss on defined benefit obligations (Note 42)	—	(5,101)	(5,101)	—	—	(5,101)
Total comprehensive income for the year	—	7,390,595	7,390,595	370,816	297,919	8,059,330
Issuance of perpetual capital securities	—	—	—	1,611,290	—	1,611,290
Capital contribution relating to share-based payment borne by an intermediate holding company (Note 44)	—	7,174	7,174	—	223	7,397
Contribution from non-controlling interests of subsidiaries	—	—	—	—	81,375	81,375
Redemption of perpetual capital securities	—	—	—	(3,900,000)	—	(3,900,000)
Distribution paid on perpetual capital securities	—	—	—	(365,304)	—	(365,304)
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	(125,582)	(125,582)
Disposal of subsidiaries	—	—	—	—	(125,118)	(125,118)
2023 final dividend paid	—	(1,435,721)	(1,435,721)	—	—	(1,435,721)
2024 interim dividend paid	—	(1,662,414)	(1,662,414)	—	—	(1,662,414)
Transfer to special reserve	—	(379)	(379)	—	—	(379)
Unclaimed dividends forfeited	—	109	109	—	—	109
Total transactions with owners, recognised directly in equity	—	(3,091,231)	(3,091,231)	(2,654,014)	(169,102)	(5,914,347)
At 31 December 2024	125,940	65,896,843	66,022,783	7,734,584	2,665,235	76,422,602

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Operating activities		
Profit before tax	12,939,058	12,103,547
Adjustments for:		
Finance costs	3,222,199	3,204,309
Interest income	(329,382)	(297,957)
Dividend income	(11,880)	(21,454)
Loss/(gain) on fair value changes of investment properties, net	159,337	(305,778)
Revaluation gain upon transfer from properties held for sale to investment properties	—	(121,144)
Gain on disposal of property, plant and equipment, net	(21,827)	(5,241)
Loss on disposal of financial assets at fair value through other comprehensive income	—	14,871
Gain on disposal of subsidiaries	(68,101)	—
Gain on disposal of an associate	—	(33,143)
Gain on disposal of investment properties	(992)	—
Share of profits of joint ventures	(637,704)	(629,969)
Share of profits of associates	(267,555)	(314,539)
Depreciation of property, plant and equipment	590,243	552,543
Depreciation of right-of-use assets	192,229	122,071
Amortisation of concession operating rights	157,964	161,674
Amortisation of trademark and licences	17,273	17,424
Allowance for doubtful debts on trade and other receivables, net	19,286	93,046
Impairment of debt securities at fair value through other comprehensive income	—	117,782
Share-based payment	7,397	6,570
Provision for defined benefit obligations	5,483	23,555
Operating cash flows before working capital changes	15,973,028	14,688,167
Decrease in income receivables from infrastructure project investments	104,340	1,052,362
Decrease in inventories	62,262	55,310
Increase in properties under development	(3,723,612)	(3,432,302)
Decrease in properties held for sale	847,538	1,045,081
Changes in net balances in contract assets/liabilities	(7,049,731)	(1,602,777)
Increase in trade and other receivables	(18,416,239)	(16,236,180)
Increase in deposits and prepayments	(90,868)	(108,146)
Increase in trade payables, other payables and accruals	16,855,723	6,881,170
Decrease in deposits received	(9,113)	(3,316)
Net cash from operations	4,553,328	2,339,369
Income taxes paid	(2,598,131)	(1,891,387)
Income taxes refunded	52,260	53,012
Net cash from operating activities	2,007,457	500,994

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Investing activities		
Interest received	309,414	283,783
Purchases of property, plant and equipment	(1,066,194)	(562,479)
Proceeds from disposal of property, plant and equipment	72,644	52,594
Proceeds from disposal of subsidiaries	196,597	—
Net movement of current accounts with joint ventures	1,212,494	(88,262)
Net movement of loans to joint ventures	216,312	(134,243)
Increase in investments in joint ventures	(4,095)	(471,806)
Dividends received from joint ventures	268,886	507,758
Net movement of current accounts with associates	(68,129)	78,000
(Increase)/decrease in investments in associates	(124,240)	752,520
Proceeds from disposal of an associate	—	499,131
Dividends received from associates	229,010	110,737
Net movement of current accounts with related companies	—	(90,397)
Repayment from an investee company	10,194	9,434
Purchases of an investment property	(26,966)	(146,703)
Payments for right-of-use assets	(85,327)	(2,942)
Proceeds from disposal of investment properties	3,983	—
Dividends received from equity securities at fair value through other comprehensive income	11,880	21,454
Proceeds from disposal of financial assets at fair value through other comprehensive income	—	46,938
(Increase)/decrease in pledged bank deposits and non-pledged time deposits with original maturity of over three months	(19,672)	308,073
Net cash from investing activities	1,136,791	1,173,590

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
Financing activities			
Finance costs paid		(3,272,557)	(3,308,833)
Dividends paid to owners of the Company		(3,098,135)	(2,594,373)
Dividends paid to non-controlling shareholders of subsidiaries		(125,582)	(52,072)
Contribution from non-controlling interests		81,375	205,360
Proceeds from issuance of perpetual capital securities, net		1,611,290	2,200,440
Distribution paid on perpetual capital securities		(365,304)	(288,600)
Redemption of perpetual capital securities		(3,900,000)	—
Proceeds from issuance of corporate bonds, net	45	8,062,923	1,230,425
Redemption of guaranteed notes payable and corporate bonds	45	(3,807,509)	(2,796,421)
New bank borrowings raised	45	48,997,048	34,695,271
Repayment of bank borrowings	45	(41,349,880)	(24,384,823)
Loan from a fellow subsidiary	45	270,000	—
Repayment of loan from a fellow subsidiary	45	(655,738)	(223,714)
Repayment of loan from a joint venture	45	(2,622,951)	—
Principal elements of lease payments	45	(174,074)	(134,273)
Net cash (used in)/from financing activities		(349,094)	4,548,387
Increase in cash and cash equivalents		2,795,154	6,222,971
Cash and cash equivalents at the beginning of the year		28,391,638	23,501,181
Effect of foreign exchange rate changes		(534,866)	(1,332,514)
Cash and cash equivalents at the end of the year		30,651,926	28,391,638
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		30,741,030	28,462,889
Less: Pledged bank deposits		(89,104)	(66,451)
Non-pledged time deposits with original maturity of over three months		—	(4,800)
		30,651,926	28,391,638

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. General information

China State Construction International Holdings Limited (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”) with effect from 8 July 2005. Its immediate holding company is China Overseas Holdings Limited, a company incorporated in Hong Kong. Its intermediate holding company and its ultimate holding company are China State Construction Engineering Corporation Limited (“CSCECL”), a joint stock company with its shares listed on the Shanghai Stock Exchange, and China State Construction Engineering Corporation (“CSCEC”), respectively, both of which are established in the People’s Republic of China (“China”) and controlled by the government of Chinese mainland (“PRC government”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, The Cayman Islands and 28th Floor, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong, respectively.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the construction business, infrastructure project investments, toll road operation, project consultancy services and facade contracting business. The principal activities of its principal subsidiaries, joint ventures and associates are set out in notes 51, 20(a) and 21 to the consolidated financial statements, respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated. The consolidated financial statements have been approved and authorised for issue by the Board of Directors on 21 March 2025.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income (“FVOCI”) and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3. Application of New Standard and Amendments to Existing Standards

(a) The adoption of amendments to existing standards

In the current year, the Group has adopted the following amendments to existing standards issued by the HKICPA.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the amendments that are applicable to the Group are described below:

- (i) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (ii) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of the implementation of the amendments, the Group has provided additional disclosures about its supplier finance arrangements in note 5.2 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3. Application of New Standard and Amendments to Existing Standards (continued)

(b) New and amendments to existing standards not yet effective

The Group has not early adopted the following new and amendments to existing standards (hereinafter collectively referred to as the “new and revised HKFRSs”) that have been issued but are not yet effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to HKFRS Accounting Standards Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

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

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

⁴ No mandatory effective date yet determined but available for adoption

The Group will adopt the above new and revised HKFRSs as and when they become effective. None of the above is expected to have a significant effect on the consolidated financial statements of the Group except HKFRS 18 as described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies

4.1 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2024.

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable risks and 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 the control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations — acquisition method

The Group applies the acquisition method to account for business combinations other than common control 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 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. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated income statement.

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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.1 Consolidation (continued)

(a) Subsidiaries (continued)

Business combinations — acquisition method (continued)

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 to the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in consolidated income statement. 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 ("OCI") 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 OCI are reclassified to consolidated income statement.

Separate financial statements

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.1 Consolidation (continued)

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to consolidated income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in OCI is recognised in OCI with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which include any long-term interests that, in substance, form part of the Group's net investment in the associates), including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profits of associates" in the consolidated income statement.

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

Gains and losses on dilution of equity interest in associates are recognised in the consolidated income statement.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.1 Consolidation (continued)

(c) Joint arrangements

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement.

Joint ventures

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

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in OCI. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which include any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for goodwill.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint operations

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.2 Segment reporting

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

4.3 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 (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (ii) income and expenses for each statement presenting profit or loss and other comprehensive income are translated at average exchange rate (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 rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in OCI.

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. Exchange differences arising are recognised in OCI.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.3 Foreign currency translation (continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in consolidated income statement. For all other partial disposal (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to consolidated income statement.

4.4 Property, plant and equipment

Land and buildings comprise mainly factories and offices. Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Freehold land	Not depreciated
Land and buildings	Over the shorter of the term of the relevant leases or 50 years
Heat and electricity supply facilities	Over the shorter of the licence operation period or 20 years
Machinery	3 to 10 years
Furniture, fixtures and equipment and motor vehicles	3 to 8 years

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Construction in progress represents buildings, heat and electricity supply facilities under construction and machinery pending installation, and is stated at cost less impairment losses. It will be reclassified to the relevant property, plant and equipment category upon completion and depreciation begins when the relevant assets are available for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.5 Leases

(a) The Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.5 Leases (continued)

(a) The Group as a lessee (continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate taken effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated income statement. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise information technology equipment and small items of office furniture.

(b) The Group as a lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.6 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss in "investment income, other income and other gains/(losses), net".

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

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with as movement in the asset revaluation reserve.

The Group transfers a property from properties held for sale/under development 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 the consolidated income statement.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

4.7 Interests in infrastructure project investments

Interests in infrastructure project investments represent loans advanced to joint ventures whereby the Group's return is predetermined in accordance with the provisions of the relevant agreements.

The Group's interests in the infrastructure project investments are classified as financial asset measured at amortised cost in accordance with HKFRS 9 and are stated at amortised cost using effective interest method. The carrying amount of such interests is reduced to recognise any identified impairment losses of individual investments.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.8 Services concession arrangements

(a) Consideration given by the grantor

A financial asset is recognised to the extent that (i) the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered; and (ii) the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (i) specified or determinable amounts or (ii) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements. The financial asset is accounted for in accordance with the policy set out for debt securities at amortised costs under "Investments and other financial assets" below.

An intangible asset (concession operating rights) is recognised to the extent that the Group receives a right to charge users of the public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

The intangible asset (concession operating rights) is accounted for in accordance with the policy set out for "Intangible assets" below. If the Group is paid partly by a financial asset and partly by an intangible asset, in which case, each component of the consideration is accounted for separately and the consideration received or receivable for both components shall be recognised initially at the fair value of the consideration received or receivable.

(b) Contractual obligations to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations which it must fulfil as a condition of its rights, that is (i) to maintain the toll roads it operates to a specified level of serviceability and/or (ii) to restore the toll roads to a specified condition before they are handed over to the grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore the toll roads, except for upgrade element, are recognised and measured in accordance with the policy set out for "Provisions" below.

4.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.9 Intangible assets (continued)

(b) Trademark, project backlogs and licences

Separately acquired licences are shown at historical cost. Trademark and project backlogs acquired in a business combination are recognised at fair value at the acquisition date.

Trademark and project backlogs that have a definite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and project backlogs over their estimated useful lives of 20 years or specific contract period respectively.

Licences that have indefinite useful lives are not amortised. They are subject to impairment testing annually or more frequently if events or changes in circumstances indicate a potential impairment. Licence that has a definite useful life is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licence over its estimated useful life of 25 years.

(c) Concession operating rights

The Group applies the intangible asset model to account for toll expressways. The concession grantors (the respective local governments) have not provided any contractual guarantees for the recovery of the amounts of construction costs incurred. The intangible assets correspond to the rights granted by the respective concession grantors to the Group to charge users of the toll road services and are recorded in the consolidated statement of financial position as "Concession operating rights".

When the Group has a right to operate, and charge for usage of a toll expressway as a consideration for providing construction services in a service concession arrangement, it recognises a concession intangible asset at fair value upon initial recognition. The concession operating rights are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation of concession operating rights is calculated to write off their costs, commencing from the date of commencement of commercial operation of the underlying toll expressways to the end of the respective concession periods of 30 years. The annual amortisation of concession operating rights is calculated by using the straight-line method over the concession periods.

Gains or losses arising from derecognition of a concession operating right are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement in the period when the asset is derecognised.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVOCI (debt);
- those to be measured subsequently at FVOCI (equity); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in OCI. For investments in equity securities that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity securities at FVOCI.

The Group reclassifies debt securities when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.10 Investments and other financial assets (continued)

(c) Measurement (continued)

Debt securities

Subsequent measurement of debt securities depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt securities:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in consolidated income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in consolidated income statement.
- **FVOCI (debt):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI (debt). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversals, interest income and foreign exchange gains and losses which are recognised in consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated income statement. Interest income from these financial assets is included in consolidated income statement using the effective interest rate method.

Equity securities

The Group subsequently measures all equity securities at fair value. Where the Group's management has elected to present fair value gains and losses on equity securities in OCI, there is no subsequent reclassification of fair value gains and losses to consolidated income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in consolidated income statement when the Group's right to receive payments is established.

(d) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.10 Investments and other financial assets (continued)

(d) Impairment (continued)

General approach (continued)

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

For debt securities at FVOCI, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt securities are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt securities.

Debt securities at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group determines the ECLs based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount are reported in the consolidated statement of financial position where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.12 Impairment of non-financial assets

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

4.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling expenses.

4.14 Properties held for sale

Properties acquired for subsequent resale are stated at the lower of cost and net realisable value. Net realisable value is determined by the management based on prevailing market conditions.

4.15 Properties under development

Properties under development comprise the cost of land, development expenditure and borrowing costs capitalised, and are carried at the lower of cost and net realisable value. Net realisable value takes into account the proceeds ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to complete. Upon completion, the properties are transferred to properties held for sale. Properties under development included in the current assets are expected to be realised in, or is intended for sale in the Group's normal operating cycle.

4.16 Amounts due from/to joint ventures, associates and related companies

Amounts due from joint ventures, associates and related companies are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Amounts due to joint ventures, associates and related companies are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.17 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.18 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4.19 Share capital

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

4.20 Trade payables, other payables and accruals

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

Trade payables, other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade payables in the consolidated statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows. There were no significant non-cash changes in the carrying amounts of these financial liabilities.

4.21 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 in the consolidated income statement over the period of the borrowings using the effective interest method.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.22 Borrowing costs

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

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

Relevant 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.

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

Borrowing costs include interest expense, interest in respect of lease liability 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.

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.

4.23 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In this case the tax is also recognised in OCI or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.23 Taxation (continued)

Deferred income 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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements except for deferred income 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.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements 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.

Deferred income tax assets are recognised to the extent that their future utilisation is probable. Deferred income tax arising from revaluation of investment properties is recognised on the rebuttable presumption that the recovery of the carrying amount of the properties would be through sale and calculated at the applicable tax rates.

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 income taxes assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.24 Provisions

Provisions for legal claims, service warranties and make good obligations 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 can be reliably estimated. 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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.25 Employee benefits

(a) Retirement benefits

The Group participates in mandatory provident fund schemes in Hong Kong which are defined contribution plan generally funded through payments to trustee-administered funds. The assets of the scheme are held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government in Chinese mainland, the subsidiaries in Chinese mainland participate in the municipal government contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of Chinese mainland is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme. The Group's contributions to the scheme are expensed as incurred.

(b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.25 Employee benefits (continued)

(c) Other employee benefits

Defined benefit plans

The Group's statutory obligation to pay long service payment in Hong Kong is a defined benefit plan. The cost of providing benefits relating to long service payment is determined using the projected unit credit actuarial valuation method. The liability recognised in the consolidated statement of financial position in respect of long service payment is the net obligation, representing the present value of the future long service payment benefits reduced by entitlements from accrued benefits arising from MPF contributions made by the Group.

Remeasurements arising from the defined benefit pension plans, comprising

- actuarial gains and losses; and
- investment returns associated with the MPF employer contributions and other experience adjustments (excluding amounts included in net interest on the net defined benefit liability)

are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under "costs of sales" and "administrative, selling and other operating expenses" in the consolidated income statement by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.26 Share-based payments

(a) Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in consolidated income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve. When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium.

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 option reserve will be transferred to retained profits.

(b) Share-based payment transactions among group entities

Incentive shares granted by an intermediate holding company to the employees of the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the fair value of incentive shares on the date of grant, is recognised as an expense over the vesting period, with a corresponding credit to equity.

At the end of each reporting period, the Group revises its estimates of the number of incentive shares that are expected to be vested. The impact of the revision of the original estimates, if any, is recognised in the consolidated income statement, with a corresponding adjustment to equity.

4.27 Revenue recognition

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time. Control of the good or service is transferred over time if the Group's performance:

- (a) Provides all of the benefits received and consumed simultaneously by the customer;
- (b) Creates or enhances an asset that the customer control as the Group performs; or
- (c) 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.27 Revenue recognition (continued)

If control of the good or service transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the good or service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- (a) Direct measurements of the value transferred by the Group to the customer; or
- (b) The Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs ("input method").

Incremental costs incurred to obtain a contract, if recoverable, are capitalised as contract related assets and subsequently amortised when the related revenue is recognised.

(a) Revenue from contracts with customers

(i) *Revenue from construction contracts*

Revenue from construction contracts is recognised when or as the construction projects are transferred to the customer. Depending on the terms of the contracts and the laws that are applicable to the contracts, control of the construction projects may transfer over time or at a point in time. If (1) the Group creates or enhances an asset that the customer controls as the asset is created or enhanced, or (2) construction projects have no alternative use to the Group contractually and the Group has an enforceable right to payment from the customers for performance completed to date, the Group satisfies the performance obligation over time and therefore, recognises revenue over time in accordance with the input method for measuring progress.

The excess of cumulative revenue recognised in consolidated income statement over the cumulative billings to customers is recognised as contract assets. The excess of cumulative billings to customers over the cumulative revenue recognised in consolidated income statement is recognised as contract liabilities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.27 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

(ii) *Thermoelectricity business*

Revenue from thermoelectricity business consists of revenue from the supply of heat, steam and electricity, and connection service income.

Revenue from the supply of heat, steam and electricity are recognised over time based upon output delivered and capacity provided at rates specified under contract terms.

Connection service income received and receivable, to the extent which is attributable to the initial pipeline construction and connection of transmission of heat and steam, is recognised over time upon the completion of services provided for the relevant connection works. Connection service attributable to the continuing heat and steam transmission is recorded as contract liabilities and recognised on a straight-line basis over the expected service period of heat and steam transmission to be rendered with reference to the term of the operating licence of the relevant entities.

(iii) *Toll revenue*

Toll revenue from road and bridge operations is recognised at the time when services are rendered.

(iv) *Sales of goods*

Revenue from sales of goods are recognised at a point in time when goods are delivered and title has been passed.

(v) *Services income*

Revenue from services income, including consultancy service incomes, commission income, technical service income and management service income, is recognised over time when the corresponding services are rendered.

(b) Revenue from other sources

(i) *Income from interests in infrastructure project investment*

Income from interests in infrastructure project investment is accrued on a time basis, by making reference to the carrying amount and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the infrastructure project to that project's net carrying amount at initial recognition.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.27 Revenue recognition (continued)

(b) Revenue from other sources (continued)

(ii) *Lease of machinery*

Income from lease of machinery is recognised on a straight-line basis over the terms of the relevant leases.

(iii) *Insurance income*

Revenue from insurance service is recognised proportionally over the period of coverage.

(iv) *Interest income generated from construction related investment projects*

Interest income from construction related investment projects is recognised on an accrual basis, making reference to the carrying amount and at the interest rate specified under contract terms.

(v) *Interest income*

Interest income on financial assets at amortised cost and debt securities at FVOCI (debt) is calculated using the effective interest method is recognised in the consolidated income statement as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(vi) *Dividend income*

Dividends are received from equity securities at FVOCI (equity). Dividends are recognised as investment income, other income and other gains/(losses), net in the consolidated income statement when the right to receive payment is established.

(vii) *Rental income*

Rental income is recognised in the consolidated income statement on a straight-line basis over the lease term.

4.28 Government grant

Government grant is recognised when the Group complied with prerequisite conditions and there is a reasonable assurance that the grant will be received.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.29 Contingent liabilities and contingent assets

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 measured reliably.

A contingent liability, other than that assumed in a business combination, 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.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

4.30 Insurance contracts

The Group assesses at the end of each reporting period the liabilities under its insurance contracts using current estimates of future cash flows. If the carrying amount of the relevant insurance liabilities is less than the best estimate of the expenditure required to settle the relevant insurance liabilities at the end of the reporting period, the Group recognises the entire difference in the consolidated income statement. These estimates are recognised only when the outflow is probable and the estimates can be reliably measured.

4.31 Dividends distribution

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.32 Contract related assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are reclassified to trade receivables when the right to the consideration becomes unconditional.

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of trade receivables. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfied its performance obligation.

The incremental costs of obtaining a contract with a customer are capitalised and presented as contract related assets, if the Group expects to recover those costs, and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognises an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognised exceeds the remaining amounts of consideration that the Group expects to receive less the costs that relate directly to providing those goods or services that have not been recognised as expenses.

4.33 Perpetual capital securities

Perpetual capital securities with no contracted obligation to repay its principal or to pay any distribution are classified as part of equity.

4.34 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4. Material accounting policies (continued)

4.34 Related parties (continued)

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

4.35 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in the consolidated financial statements. The Group will adjust the amounts recognised in the consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in the consolidated financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management

5.1 Financial instruments by category

	2024 HK\$'000	2023 HK\$'000
Financial assets		
Financial assets at amortised cost		
Interests in infrastructure project investments	3,966,062	4,176,891
Amounts due from investee companies	14,658	222,047
Loans to joint ventures	1,074,728	1,283,721
Amounts due from joint ventures	6,256,680	8,989,059
Amounts due from associates	486,008	564,697
Amounts due from related companies	29,283	106,870
Trade and other receivables	139,412,500	124,921,580
Deposits	24,719	29,138
Bank balances and cash	30,741,030	28,462,889
Financial assets at fair value through other comprehensive income	252,788	388,709
	182,258,456	169,145,601
	2024 HK\$'000	2023 HK\$'000
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables, other payables and accruals	89,540,419	74,884,549
Deposits received	39,512	49,129
Amounts due to joint ventures	1,052,333	1,184,331
Amounts due to associates	66,075	134,637
Amounts due to related companies	344,226	352,565
Bank borrowings	73,200,250	67,825,463
Guaranteed notes payable and corporate bonds	13,766,234	9,761,895
Loan from a fellow subsidiary	270,000	660,793
Loan from a joint venture	—	2,643,172
Lease liabilities	329,229	231,195
	178,608,278	157,727,729

The Group's exposure to various risks associated with the financial instruments is discussed below. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.2 Financial risk factors

The Group's activities expose itself to a variety of financial risks: market risk (including currency risk and interest rate 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.

(a) Market risk

(i) *Currency risk*

The Group and the Company undertake certain transactions denominated in foreign currencies, primarily with respect to the Renminbi ("RMB") and United States dollar ("US\$"), hence exposures to exchange rate fluctuation arise. The Group and the Company currently do not use any derivative contracts to hedge against their exposure to currency risk. The management manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and adjust the financing structure if needed.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

In view of the fact that HK\$ is pegged to US\$, the foreign currency exposure of operating units having HK\$ as functional currency on US\$ transactions and balances is minimal.

At 31 December 2024, if HK\$ had weakened/strengthened 5% (2023: 5%) against RMB with all other variables held constant, the consolidated profit before tax for the year would have been approximately HK\$14,109,000 higher/lower (2023: HK\$3,117,000 higher/lower).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.2 Financial risk factors (continued)

(a) Market risk (continued)

(ii) *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to floating rate trade and other receivables, floating rate bank borrowings and bank deposits. Interest rate risk on bank deposits is considered immaterial and therefore have been excluded from the sensitivity analysis below. The Group currently does not have any interest rate hedging policy. However, from time to time, if interest rate fluctuates significantly, appropriate measures would be taken to manage interest rate exposure. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate arising from its variable rate bank borrowings and borrowing rates offered by The People's Bank of China arising from its variable rate bank borrowings and trade and other receivables. For details of trade and other receivables and bank borrowings, please refer to notes 27 and 36, respectively, to the consolidated financial statements.

The Group is also exposed to fair value interest rate risk in relation to fixed interest debt securities, guaranteed notes payable and corporate bonds. Fair value interest rate risk on fixed interest debt securities is considered immaterial. Management will also consider hedging significant interest rate exposure should the need arises.

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate trade and other receivables and bank borrowings. The analysis is prepared assuming the amount of asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (2023: 50) basis points increase or decrease representing management's assessment of the reasonably possible change in interest rates is used.

If interest rates had been 50 (2023: 50) basis points higher/lower with all other variables held constant, the profit before tax would decrease/increase by approximately HK\$136,562,000 (2023: HK\$110,701,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.2 Financial risk factors (continued)

(b) Credit risk

As at 31 December 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances and cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or state-owned financial institutions in Chinese mainland.

The credit risk on amounts due from investee companies, joint ventures and associates, and loans to joint ventures is limited because the counterparties, which are engaged in property development, property investment and provision of construction services in Hong Kong, Chinese mainland and Macau, have strong financial positions.

The credit risk on interests in infrastructure project investments, contract assets, deposits and trade and other receivables is limited because the counterparties are mainly PRC government-related entities. The Group assessed the credit losses against interests in infrastructure project investments, contract assets, deposits and trade and other receivables and the related expected credit loss is insignificant to the consolidated financial statement of the Group.

Other than concentration of credit risk on bank balances and cash, interests in infrastructure project investments, amounts due from investee companies, joint ventures and associates, and long term trade receivables, the Group does not have any other significant concentration of credit risk. Trade receivables, loans to joint ventures and associates and financial assets at FVOCI (debt) consist of a large number of parties, spread across diverse industries and geographical areas.

Financial assets measured at amortised cost are all classified under Stage 1 for measurement of ECLs except for trade receivables and contract assets that do not contain a significant financing component which apply simplified approach in calculating ECLs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.2 Financial risk factors (continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year or on demand HK\$'000	Between one and two years HK\$'000	Between two and five years HK\$'000	Over five years HK\$'000	Total HK\$'000
The Group					
At 31 December 2024					
Trade payables, other payables and accruals*	75,981,542	6,771,580	6,787,297	—	89,540,419
Deposits received	39,512	—	—	—	39,512
Amounts due to joint ventures	1,052,333	—	—	—	1,052,333
Amounts due to associates	66,075	—	—	—	66,075
Amounts due to related companies	344,226	—	—	—	344,226
Bank borrowings	20,265,483	24,399,071	29,773,123	9,444,413	83,882,090
Guaranteed notes payable and corporate bonds	2,923,055	1,424,734	10,264,997	—	14,612,786
Loan from a fellow subsidiary	274,301	—	—	—	274,301
Lease liabilities	132,574	102,964	82,365	39,583	357,486
	101,079,101	32,698,349	46,907,782	9,483,996	190,169,228
The Group					
At 31 December 2023					
Trade payables, other payables and accruals	61,530,828	7,555,774	5,792,858	5,089	74,884,549
Deposits received	49,129	—	—	—	49,129
Amounts due to joint ventures	1,184,331	—	—	—	1,184,331
Amounts due to associates	134,637	—	—	—	134,637
Amounts due to related companies	352,565	—	—	—	352,565
Bank borrowings	20,390,814	20,528,395	31,642,397	6,726,222	79,287,828
Guaranteed notes payable and corporate bonds	3,044,449	2,874,933	4,524,193	—	10,443,575
Loans from a fellow subsidiary	671,319	—	—	—	671,319
Loan from a joint venture	2,666,316	—	—	—	2,666,316
Lease liabilities	119,183	70,466	40,748	11,785	242,182
	90,143,571	31,029,568	42,000,196	6,743,096	169,916,431

* Financial liabilities that are part of the supplier finance arrangements of HK\$3,625,374,000 were included in trade payables in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.3 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, redeem guaranteed notes payable, issue and redeem perpetual capital securities, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current bank borrowings, guaranteed notes payable and corporate bonds as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital represents the equity attributable to owners of the Company, perpetual capital securities and non-controlling interests.

The Group's overall strategy remains unchanged from prior year. The net gearing ratio is 73.6% (2023: 66.1%) as at 31 December 2024.

5.4 Fair value estimation

The table below analyses the Group's 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).

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 assets and liabilities that are measured at fair value at 31 December 2024 and 2023.

	At 31 December 2024			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Debt and equity securities at FVOCI				
Listed debt securities	197,849	—	—	197,849
Unlisted equity securities	—	—	54,939	54,939
	197,849	—	54,939	252,788

	At 31 December 2023			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Debt and equity securities at FVOCI				
Listed debt securities	192,875	—	—	192,875
Unlisted equity securities	—	—	195,834	195,834
	192,875	—	195,834	388,709

There were no transfers between the levels during the year (2023: Nil).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.4 Fair value estimation (continued)

The following table presents the changes in level 3 instruments for the years ended 31 December 2024 and 2023:

	Equity securities at FVOCI	
	2024 HK\$'000	2023 HK\$'000
At 1 January	195,834	195,947
Exchange adjustments	(84)	(113)
Transfer to interests in associates	(140,811)	—
At 31 December	54,939	195,834

The changes in fair value of the above financial instruments in level 3 were recognised in OCI.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1, which are classified as financial assets at FVOCI.

The fair value of financial instruments that are not traded in an active market 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.

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

Specific valuation techniques used to value financial instruments include:

- Market value provided by the issuers as their best estimate of the fair value of the investment.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The unobservable inputs of the valuation include estimated revenue and discount rate by reference to other investments that are substantially the same. Changing unobservable inputs used in the level 3 valuation to reasonable alternative assumptions would not change significantly the fair values recognised.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5. Financial risk management (continued)

5.4 Fair value estimation (continued)

The fair value of the following financial assets and liabilities approximate to their carrying amounts:

- Interests in infrastructure project investments
- Trade and other receivables and deposits
- Bank balances and cash
- Loans from/(to) joint ventures and a fellow subsidiary
- Amounts due from/(to) joint ventures, associates, related companies and investee companies
- Trade payables, other payables and accruals and deposits received
- Bank borrowings
- Guaranteed notes payable and corporate bonds

6. Critical accounting estimates and judgements

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

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

6.1 Progress of construction works

The Group recognises revenue according to the progress towards complete satisfaction of performance obligation of the individual contract of construction works. The progress is determined by the aggregated cost for the individual contract incurred at the end of the reporting period compared with the estimated budgeted cost. Management's estimation of the cost incurred to date and the budgeted cost is primarily based on construction budget and actual cost report prepared by internal quantity surveyors, where applicable. Corresponding revenue from contract work is also estimated by management based on the progress and budgeted revenue. Because of the nature of the activities undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group regularly reviews and revises the estimation of both contract revenue and contract cost in the budget prepared for each construction contract as the contract progresses.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6. Critical accounting estimates and judgements (continued)

6.2 Estimation of foreseeable losses in respect of construction works

Management estimates the amount of foreseeable losses of construction works based on the management budgets prepared for the construction works. Budgeted construction income is determined in accordance with the terms set out in the relevant contracts. Budgeted construction costs which mainly comprise sub-contracting charges and costs of materials are prepared by management on the basis of quotations from time to time provided by the major sub-contractors/suppliers/vendors involved and experience of management. A foreseeable loss is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. In order to keep the budget accurate and up-to-date, management conducts periodic review on the management budgets by comparing the budgeted amounts to the actual amounts incurred.

6.3 Recoverability of receivables, contract assets and amounts due from related parties

The provision for receivables, contract assets and amounts due from related parties are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6.4 Impairment of property, plant and equipment, trademark, project backlogs and licences, and goodwill

The Group regularly reviews whether there are any indications of impairment and recognises an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests annually for impairment for those intangible assets that have an indefinite useful life, i.e. goodwill and licences. The recoverable amounts have been determined based on the higher of the fair value less costs of disposal and value in use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

6.5 Impairment of concession operating rights

Determining whether concession operating rights are impaired requires an estimation of the recoverable amount. In measuring the recoverable amount of the concession operating rights, the Group has looked at the value in use, based on the following factors: the expected future traffic volumes, expected future toll fee level, length of operating rights, maintenance costs and discount rates (the "Relevant Factors").

In arriving at the recoverable amount of the concession operating rights, the management exercised their judgement with reference to these Relevant Factors in estimating the recoverable amounts of the toll road operating rights.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6. Critical accounting estimates and judgements (continued)

6.6 Estimate of fair value of investment properties

The fair values of investment properties involve certain assumptions of market rent, market price and capitalisation rate. Favourable or unfavourable changes to these assumptions would result in changes in the fair values of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognised in the consolidated income statement.

6.7 Income and deferred tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts and relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

7. Revenue

Revenue represents the revenue arising from construction contracts, construction related investment projects, facade contracting business, infrastructure operation, industrial plant reconstruction, project consultancy services, sales of building materials, machinery leasing, insurance contracts and rental income from investment properties.

An analysis of the revenue is as follows:

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue from construction contracts		47,533,524	40,215,032
Revenue from construction related investment projects	(a)	58,836,595	63,592,981
Revenue from facade contracting business		3,938,381	5,008,692
Revenue from infrastructure operation	(b)	723,535	774,979
Others	(c)	4,074,709	4,142,329
		115,106,744	113,734,013
Revenue from contracts with customers	(d)		
Timing of revenue recognition			
— Over time		108,289,919	106,429,594
— At a point in time		3,284,356	3,355,623
		111,574,275	109,785,217
Revenue from other sources			
— Interest income generated from construction related investment projects	(a)	2,842,934	3,287,939
— Others	(e)	689,535	660,857
		3,532,469	3,948,796
		115,106,744	113,734,013

Notes:

- (a) Revenue from construction related investment projects mainly comprises revenue generated from the provision of construction services under Public-Private-Partnership ("PPP") model and government targeted repurchase of resettlement housing project, and the corresponding interest income.
- (b) Revenue from infrastructure operation comprises revenue from thermoelectricity business and toll road operation.
- (c) Revenue from others mainly comprises revenue from industrial plant reconstruction, project consultancy services, sales of building materials, machinery leasing, insurance contracts and rental income from investment properties.
- (d) The revenue recognised for the years ended 31 December 2024 and 2023 are recognised over time, except for toll road operation, sales of building materials and industrial plant reconstruction of approximately HK\$132,930,000 (2023: HK\$151,649,000), HK\$2,182,285,000 (2023: HK\$2,221,708,000) and HK\$969,141,000 (2023: HK\$982,266,000), respectively, which were recognised at a point in time.
- (e) The amount mainly comprises revenue from machinery leasing, insurance contracts and rental income from investment properties.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

8. Segment information

The Group's reportable segments, based on information reported to the chief operating decision maker for the purposes of resources allocation and performance assessments, include (i) the Group's share of revenue and results of joint ventures, and (ii) geographical locations where the Group's subsidiaries operate, namely Chinese mainland (other than Hong Kong and Macau), Hong Kong and Macau.

China State Construction Development Holdings Limited ("CSC Development"), a limited liability company incorporated in the Cayman Islands and listed on the Main Board of the SEHK, and its subsidiaries (collectively referred to as the "CSC Development Group") are currently managed by a separate business team. The chief operating decision maker regards the CSC Development Group as a distinct reportable segment and assesses its performance based on its overall result.

Segment revenue and results for the years ended 31 December 2024 and 2023 are as follows:

	Segment revenue		Gross profit		Segment results	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Reportable segments						
Chinese mainland	60,419,209	66,185,389	14,167,558	12,854,800	12,811,411	11,557,993
Hong Kong and Macau	49,870,779	41,591,707	2,711,475	2,508,392	2,317,158	1,985,785
Hong Kong	41,086,699	30,821,983	1,516,489	1,543,500	1,216,404	1,025,539
Macau	8,784,080	10,769,724	1,194,986	964,892	1,100,754	960,246
CSC Development Group	4,816,756	5,956,917	967,494	975,718	786,607	812,558
	115,106,744	113,734,013	17,846,527	16,338,910	15,915,176	14,356,336
Share of revenue/results of joint ventures	3,505,680	3,717,868			637,704	629,969
Total	118,612,424	117,451,881			16,552,880	14,986,305
Unallocated corporate expense and income/gain, net					(727,279)	(26,131)
Gain on disposal of subsidiaries					68,101	—
Gain on disposal of an associate					—	33,143
Share of profits of associates					267,555	314,539
Finance costs					(3,222,199)	(3,204,309)
Profit before tax					12,939,058	12,103,547

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

8. Segment information (continued)

Measurement

Performance is measured based on segment result that is used by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment revenue of Hong Kong and Macau comprises the revenue mainly from construction contracts, machinery leasing, insurance contracts, rental income from investment properties and others while segment revenue of regions in Chinese mainland comprises the revenue from construction contracts, interest income and construction income generated from construction related investment projects, toll road operation, sales of building materials and industrial plant reconstruction.

Segment revenue of the CSC Development Group represents revenue from facade contracting business, project consultancy services, general contracting business, thermoelectricity business and operations management derived from Hong Kong, Macau, Chinese mainland and overseas operations.

The revenue, gross profit and results of the Group are allocated based on operations of the segments. Taxation is not allocated to reportable segments.

Operating and reportable segment results represent the profit/loss earned or incurred by each segment excluding non-recurring investment income, other income and other gains/(losses), net, finance costs, share of profits of associates and unallocated corporate expenses. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Amounts included in the measure of segment profit or loss:

	Chinese mainland		Hong Kong		Macau		CSC Development Group		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Allowance for)/reversal of allowance for doubtful debts on trade and other receivables	(19,286)	(97,518)	—	—	—	(15)	—	4,487	(19,286)	(93,046)
Depreciation and amortisation	(378,984)	(369,393)	(322,367)	(256,052)	(62,494)	(18,220)	(193,864)	(210,047)	(957,709)	(853,712)
Gain/(loss) on disposal of property, plant and equipment	4,389	2,079	6,500	3,249	—	—	10,938	(87)	21,827	5,241
(Loss)/gain on fair value changes of investment properties, net	(4,571)	76,432	(160,200)	1,000	5,434	228,267	—	79	(159,337)	305,778
Gain on disposal of investment properties	992	—	—	—	—	—	—	—	992	—
Impairment of debt securities at FVOCI	—	—	—	(117,782)	—	—	—	—	—	(117,782)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

8. Segment information (continued)

Other geographical information

	Non-current assets		Additions to property, plant and equipment	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Chinese mainland	9,137,007	8,629,639	635,644	340,790
Hong Kong	5,695,950	5,777,973	325,908	177,587
Macau	2,173,258	2,141,455	103,682	37,197
Others	402,014	499,977	960	6,905
	17,408,229	17,049,044	1,066,194	562,479

Non-current assets excluded financial assets at FVOCI, deferred tax assets, interests in infrastructure project investments, amounts due from investee companies, trade and other receivables, loans to joint ventures and interests in joint ventures and associates.

Investments in financial assets that are managed by the treasury department are not considered to be segment assets. These are investments in debt and equity securities that are classified as financial assets at FVOCI.

The information of the CSC Development Group was allocated to the Hong Kong, Macau, Chinese mainland and Others in accordance with the locations that the CSC Development Group operated in.

Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker for performance assessment and resource allocation. Accordingly, no segment assets and liabilities are presented.

Major customers' information

In 2024 and 2023, no revenue from sales to a single customer represents 10 percent or more of the Group's total revenue.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

9. Investment income, other income and other gains/(losses), net

	2024 HK\$'000	2023 HK\$'000
Interest income on:		
Bank deposits	299,409	266,932
Debt securities at FVOCI	9,099	15,691
Loans to joint ventures	18,627	13,835
Loans to associates	—	340
Deposits with a fellow subsidiary	2,247	1,159
Dividend income from equity securities at FVOCI	11,880	21,454
Gain on disposal of:		
Property, plant and equipment, net	21,827	5,241
Subsidiaries	68,101	—
An associate	—	33,143
Investment properties	992	—
(Loss)/gain on fair value changes of investment properties, net	(159,337)	305,778
Revaluation gain upon transfer from properties held for sale to investment properties	—	121,144
Service income	5,863	8,255
Others	(47,350)	(145,633)
	231,358	647,339

10. Finance costs

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	2,792,353	2,727,070
Interest on guaranteed notes payable and corporate bonds	390,974	357,045
Interest on loan from a joint venture	37,815	220,172
Interest on loans from fellow subsidiaries	10,526	19,399
Interest on lease liabilities	9,965	6,090
Others	31,126	823
	3,272,759	3,330,599
Less: Capitalised in the cost of qualifying assets	(50,560)	(126,290)
	3,222,199	3,204,309

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11. Benefits and interests of directors

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the eight (2023: eleven) directors were as follows:

		Other emoluments				Total emoluments HK\$'000
Notes	Fee HK\$'000	Salaries and allowances HK\$'000	Contributions to retirement	Performance related		
			benefit schemes HK\$'000	incentive payment HK\$'000 (Note (i))		
For the year ended 31 December 2024						
Non-executive Directors						
Yan Jianguo		—	—	—	—	—
Executive Directors						
Zhang Haipeng	(ii)	—	963	11	—	974
Wang Xiaoguang	(iii)	—	1,377	18	1,311	2,706
Hung Cheung Shew	(iv)	—	3,387	—	3,004	6,391
Independent Non-executive Directors						
Raymond Leung Hai Ming	(v)	177	—	—	—	177
Wong Wai Ching		410	—	—	—	410
Chan Tze Ching Ignatius	(vi)	410	—	—	—	410
Chan Fan	(vii)	234	—	—	—	234
		1,231	5,727	29	4,315	11,302
For the year ended 31 December 2023						
Non-executive Directors						
Yan Jianguo		—	—	—	—	—
Chen Xiaofeng	(viii)	—	—	—	—	—
Executive Directors						
Zhang Haipeng		—	1,847	18	2,923	4,788
Wang Xiaoguang	(iii)	—	1,307	15	2,347	3,669
Zhou Hancheng	(ix)	—	568	6	769	1,343
Hung Cheung Shew		—	4,060	17	3,271	7,348
Independent Non-executive Directors						
Adrian David Li Man Kiu	(x)	179	—	—	—	179
Raymond Leung Hai Ming	(v)	362	—	—	—	362
Lee Shing See	(x)	227	—	—	—	227
Wong Wai Ching		362	—	—	—	362
Chan Tze Ching Ignatius	(vi)	232	—	—	—	232
		1,362	7,782	56	9,310	18,510

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11. Benefits and interests of directors (continued)

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

Notes:

- (i) The performance related incentive payment is determined primarily based on the performance of each director and the profitability of the Group.
- (ii) Mr. Zhang Haipeng decided to waive his director's emoluments and ceased to receive any director's emolument with effect from 1 August 2024.
- (iii) Mr. Wang Xiaoguang was appointed as an executive director of the Company with effect from 24 February 2023.
- (iv) The monthly salary of Mr. Hung Cheung Shew has been adjusted to HK\$281,200 with effect from 1 February 2024.
- (v) Dr. Raymond Leung Hai Ming retired as an independent non-executive director of the Company with effect from 6 June 2024.
- (vi) Mr. Chan Tze Ching Ignatius was appointed as an independent non-executive director of the Company with effect from 8 June 2023.
- (vii) Mr. Chan Fan was appointed as an independent non-executive director of the Company with effect from 6 June 2024.
- (viii) Mr. Chen Xiaofeng resigned as a non-executive director of the Company with effect from 20 December 2023.
- (ix) Mr. Zhou Hancheng resigned as an executive director of the Company with effect from 21 April 2023.
- (x) Mr. Adrian David Li Man Kiu and Mr. Lee Shing See retired as independent non-executive directors of the Company with effect from 8 June 2023.

No emolument was paid by the Group to any of the directors as inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emolument during the years ended 31 December 2024 and 2023, except as mentioned in note 11(a)(ii) above.

Of the five individuals with the highest emoluments, one (2023: two) is director of the Group whose emolument is disclosed above. Details of the remuneration for the year of the remaining four (2023: three) highest paid employees who are neither a director nor chief executive of the Group are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and allowances	10,207	5,532
Contributions to retirement benefit schemes	54	54
Performance related incentive payments	2,157	7,951
	12,418	13,537

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11. Benefits and interests of directors (continued)

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

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	2024 HK\$'000	2023 HK\$'000
HK\$2,500,001 to HK\$3,000,000	2	—
HK\$3,000,001 to HK\$3,500,000	2	—
HK\$4,000,001 to HK\$4,500,000	—	2
HK\$4,500,001 to HK\$5,000,000	—	1
	4	3

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

12. Income tax expenses, net

	2024 HK\$'000	2023 HK\$'000
Current tax:		
Hong Kong profits tax	212,612	202,464
Other jurisdictions income tax	2,595,889	2,394,251
Chinese mainland land appreciation tax ("LAT")	41,110	24,367
Chinese mainland withholding income tax	168,475	—
	3,018,086	2,621,082
Over provision in prior years:		
Hong Kong profits tax	(81,787)	(152,964)
Other jurisdictions income tax	(126,674)	(153,653)
	(208,461)	(306,617)
Deferred tax, net (Note 23)	52,623	76,134
Income tax expenses for the year, net	2,862,248	2,390,599

Hong Kong profits tax is calculated at 16.5% (2023:16.5%) of the estimated assessable profits. Income taxes arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

12. Income tax expenses, net (continued)

The tax charge for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before tax	12,939,058	12,103,547
Share of profits of		
Joint ventures	(637,704)	(629,969)
Associates	(267,555)	(314,539)
	12,033,799	11,159,039
Tax at domestic income tax rate of 16.5% (2023: 16.5%)	1,985,577	1,841,241
Effect of different tax rates of profit arising from other jurisdictions	675,386	628,630
Chinese mainland withholding income tax	168,475	—
LAT	41,110	24,367
Tax effect of LAT	(6,783)	(4,021)
Tax effect of expenses not deductible for tax purpose	246,610	286,699
Tax effect of income not taxable for tax purpose	(136,011)	(185,910)
Tax effect of tax losses not recognised	220,284	191,332
Tax effect of utilisation of previously unrecognised tax losses	(77,610)	(64,458)
Overprovision in prior years	(208,461)	(306,617)
Others	(46,329)	(20,664)
Tax charge for the year	2,862,248	2,390,599

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

13. Profit for the year

	2024 HK\$'000	2023 HK\$'000
Profit for the year has been arrived at after charging/(crediting):		
Contracts costs	96,194,191	96,275,709
Cost of inventories sold	525,532	518,193
Cost of supply of heat, steam and electricity	316,508	379,871
Employee benefits expense (including directors' emoluments):		
Staff costs	6,936,904	6,318,011
Contributions to retirement benefit plans	442,587	401,363
Share-based payment	7,397	6,570
	7,386,888	6,725,944
Impairment of debt securities at FVOCI	—	117,782
Depreciation of property, plant and equipment	590,243	552,543
Depreciation of right-of-use assets	192,229	122,071
	782,472	674,614
Amortisation of concession operating rights (included in costs of sales)	157,964	161,674
Amortisation of trademark and licences (included in administrative, selling and other operating expenses)	17,273	17,424
Auditor's remuneration:		
Audit services	12,134	11,425
Non-audit services	683	1,122
	12,817	12,547
Short-term lease expense in respect of:		
Plant and machinery	241,785	134,911
Land and buildings	31,168	38,924
	272,953	173,835
Rental income from operating leases	(95,991)	(113,826)
Less: Direct operating expenses from property that generated rental income	26,943	33,024
Net rental income	(69,048)	(80,802)
Allowance for doubtful debts on trade and other receivables, net	19,286	93,046
Exchange (gain)/losses, net	(90,950)	161,809

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14. Dividends

	2024 HK\$'000	2023 HK\$'000
Dividends recognised as distributions during the year:		
2023 Final, paid — HK28.5 cents per share (2023: 2022 Final, paid — HK24 cents per share)	1,435,721	1,209,028
2024 Interim, paid — HK33 cents per share (2023: 2023 Interim, paid — HK27.5 cents per share)	1,662,414	1,385,345
	3,098,135	2,594,373

The final dividend of HK28.5 cents (2023: HK28.5 cents) per share amounting to approximately HK\$1,435,721,000 (2023: HK\$1,435,721,000) in aggregate, has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

15. Earnings per share

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

	2024 HK\$'000	2023 HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share	9,361,017	9,164,045

	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,037,617	5,037,617

Diluted earnings per share is the same as basic earnings per share as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

16. Property, plant and equipment

	Land and buildings HK\$'000	Heat and electricity supply facilities HK\$'000	Machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost							
At 1 January 2023	4,184,203	2,055,030	1,473,995	517,763	145,205	93,402	8,469,598
Exchange adjustments	(52,009)	(74,920)	(13,429)	(6,823)	(2,305)	(2,121)	(151,607)
Additions	165,112	12,891	179,350	135,082	23,300	46,744	562,479
Reclassification upon the completion of construction	12,639	10,029	1,403	—	—	(24,071)	—
Transfer between property, plant and equipment and investment properties, net	926,675	—	—	—	—	—	926,675
Disposals	(26,242)	—	(85,728)	(33,649)	(12,167)	—	(157,786)
At 31 December 2023 and 1 January 2024	5,210,378	2,003,030	1,555,591	612,373	154,033	113,954	9,649,359
Exchange adjustments	(95,665)	(48,631)	(22,032)	(23,631)	(1,564)	(9,650)	(201,173)
Additions	123,792	672	277,828	162,120	35,334	466,448	1,066,194
Reclassification upon the completion of construction	59,995	22,616	20,752	12,281	—	(115,644)	—
Transfer between property, plant and equipment and investment properties, net	9,000	—	—	—	—	—	9,000
Transfer from property held for sale	215,990	—	—	—	—	—	215,990
Disposal of subsidiaries	—	—	—	(274)	(317)	—	(591)
Disposals	(67,195)	—	(166,358)	(89,755)	(18,477)	—	(341,785)
At 31 December 2024	5,456,295	1,977,687	1,665,781	673,114	169,009	455,108	10,396,994
Depreciation							
At 1 January 2023	870,380	1,129,124	1,157,546	333,442	109,290	—	3,599,782
Exchange adjustments	(19,435)	(26,777)	(5,752)	(3,749)	(1,646)	—	(57,359)
Charge for the year	257,409	101,607	111,489	67,964	14,074	—	552,543
Disposals	(22,212)	—	(64,887)	(13,803)	(9,531)	—	(110,433)
At 31 December 2023 and 1 January 2024	1,086,142	1,203,954	1,198,396	383,854	112,187	—	3,984,533
Exchange adjustments	(20,864)	(32,397)	(7,034)	(4,713)	(1,212)	—	(66,220)
Charge for the year	310,141	71,017	108,260	84,259	16,566	—	590,243
Disposal of subsidiaries	—	—	—	(158)	(134)	—	(292)
Disposals	(22,022)	—	(163,105)	(89,755)	(16,086)	—	(290,968)
At 31 December 2024	1,353,397	1,242,574	1,136,517	373,487	111,321	—	4,217,296
Carrying values							
At 31 December 2024	4,102,898	735,113	529,264	299,627	57,688	455,108	6,179,698
At 31 December 2023	4,124,236	799,076	357,195	228,519	41,846	113,954	5,664,826

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

16. Property, plant and equipment (continued)

The carrying values of land and buildings shown above are situated on:

	2024 HK\$'000	2023 HK\$'000
Land and buildings in Hong Kong under medium term leases	1,939,389	2,018,092
Heat and electricity plants in Chinese mainland under medium term leases	169,018	190,279
Other premises in Chinese mainland under medium term leases	1,550,669	1,397,175
Freehold land in Macau	70,984	69,049
Freehold land in Canada	372,838	419,476
Land and buildings in United States of America under medium term leases	—	30,165
	4,102,898	4,124,236

At 31 December 2023, the carrying amount of the Group's land and buildings pledged as security for the Group's banking facilities is approximately HK\$14,735,000. At 31 December 2024, no land and buildings was pledged as security for the Group's banking facilities.

17. Leases

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 HK\$'000	2023 HK\$'000
Right-of-use assets		
Prepaid land lease payment (Note)	367,535	368,804
Others	326,850	231,528
	694,385	600,332
Lease liabilities		
Current	133,905	114,435
Non-current	195,324	116,760
	329,229	231,195

Note: The Group has prepaid land lease payment for leasehold land located in Chinese mainland with PRC government under medium term leases.

Additions to the right-of-use assets during the year were approximately HK\$366,096,000 (2023: HK\$166,505,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

17. Leases (continued)

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2024 HK\$'000	2023 HK\$'000
Depreciation charge of right-of-use assets		
Prepaid land lease payment	26,969	10,232
Others	165,260	111,839
	192,229	122,071

The total cash outflow for leases during the year was approximately HK\$532,354,000 (2023: HK\$311,050,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 to 9 years (2023: 1 to 9 years), but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

(d) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(e) Further information about the leasing activities of the Group as a lessor is disclosed in note 47 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

18. Investment properties

	Completed investment properties HK\$'000	Investment property under construction HK\$'000	Total HK\$'000
At 1 January 2023	5,724,272	1,356,000	7,080,272
Additions	—	146,703	146,703
Transfer between property, plant and equipment and investment properties, net	(926,675)	—	(926,675)
Transfer from properties held for sale	397,024	—	397,024
Transfer to right-of-use assets	(12,804)	—	(12,804)
Exchange adjustments	(66,449)	—	(66,449)
Change in fair value	78,481	227,297	305,778
At 31 December 2023 and 1 January 2024	5,193,849	1,730,000	6,923,849
Additions	—	26,966	26,966
Transfer between property, plant and equipment and investment properties, net	(9,000)	—	(9,000)
Transfer from properties held for sale	205,760	—	205,760
Disposals	(2,991)	—	(2,991)
Exchange adjustments	(63,255)	—	(63,255)
Change in fair value	(172,371)	13,034	(159,337)
Reclassification upon the completion of construction	1,770,000	(1,770,000)	—
At 31 December 2024	6,921,992	—	6,921,992

(a) Valuation process of the Group

The fair value of the investment properties has been arrived at based on an open market valuation performed by Jones Lang LaSalle Limited, CBRE Advisory Hong Kong Limited, KPMG, 廣東鑫光土地房地產與資產評估諮詢有限公司 and 深圳市深信資產評估土地房地產估價有限公司. They are independent qualified professional valuers not connected with the Group and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

For completed investment properties, the valuation included the use of inputs that are not based on an observable market data (level 3 assets). The valuations were arrived at using the approach of (i) applying capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence; and (ii) by making reference to comparables as available in the relevant market.

For the investment property under construction, the valuation was arrived at using the residual approach, which essentially involves determination of gross development value ("GDV").

All of the Group's leasehold property interests (i.e. right-of-use assets) to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

18. Investment properties (continued)

(b) Fair value measurements using significant unobservable inputs

The valuation for completed investment properties was arrived at by considering the capitalised income derived from the existing tenancies and the reversionary potential of the properties and, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions. All investment properties carried at fair value under level 3 valuation method as at 31 December 2024 and 2023.

In arriving at the value for the investment property under construction, the Group has adopted the residual approach, which essentially involves determination of GDV based on a hypothetical development scheme as at the date of valuation. The estimated development cost for the proposed development including construction costs and professional fees together with allowances on interest payment and developer's profit are deducted from the established GDV. The resultant figure is being the existing state of the property.

Information about fair value measurements using significant unobservable inputs

Description	Fair value at 31 December 2024 HK\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties				
Properties in Hong Kong	2,344,300	Market and Income Capitalisation Approach	(1) capitalisation rate (2) market rent per square foot per month (3) average market price per square foot for office portion	2.9% HK\$45-HK\$179 HK\$21,100
Properties in Macau	208,400	Income Capitalisation Approach	(1) capitalisation rate (2) market rent per square foot per month	3.0%-3.1% HK\$9-HK\$15
Property in Macau	1,770,000	Direct Comparison Approach	(1) market price per square foot	HK\$83,020-HK\$94,420
Properties in Chinese mainland	77,880	Direct Comparison Approach	(1) market price per square foot	RMB975-RMB3,597
Properties in Chinese mainland	2,521,412	Income Capitalisation Approach	(1) capitalisation rate (2) market rent per square foot per month	4.0%-6.5% RMB1-RMB16

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

18. Investment properties (continued)

(b) Fair value measurements using significant unobservable inputs (continued)

Information about fair value measurements using significant unobservable inputs (continued)

Description	Fair value at 31 December 2023 HK\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties				
Properties in Hong Kong	2,513,500	Market and Income Capitalisation Approach	(1) capitalisation rate (2) market rent per square foot per month (3) average market price per square foot for office portion	2.8% HK\$46-HK\$190 HK\$22,700
Properties in Macau	216,000	Income Capitalisation Approach	(1) capitalisation rate (2) market rent per square foot per month	3.0% HK\$10-HK\$15
Properties in Chinese mainland	85,913	Direct Comparison Approach	(1) market price per square foot	RMB1,022-RMB3,029
Properties in Chinese mainland	2,378,436	Income Capitalisation Approach	(1) capitalisation rate (2) market rent per square foot per month	3.0%-6.5% RMB1-RMB15
Investment property under construction				
Property in Macau	1,730,000	Residual Method	(1) estimated costs to completion (2) developer's profit margin	HK\$42,000,000 7%

For completed investment properties, prevailing market rents are estimated based on management and independent valuers' view of recent lettings transactions within the subject properties and other comparable properties. The higher the rent, the higher the fair value.

Capitalisation rates are estimated by independent valuers and management based on the risk profile of the properties being valued and the market conditions. The lower the rate, the higher the fair value.

At 31 December 2023, measurement of the fair value for investment property under construction is inversely correlated to the estimated costs to completed and the developer's profit margin.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

18. Investment properties (continued)

(c) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals receivable monthly. Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, please refer to note 47 to the consolidated financial statements for details.

19. Interests in infrastructure project investments

	2024 HK\$'000	2023 HK\$'000
Interests in infrastructure project investments	3,966,062	4,176,891
Less: Current portion	(658,594)	(525,589)
Non-current portion	3,307,468	3,651,302

Interests in infrastructure project investments represent funding denominated in RMB advanced to joint ventures for PPP infrastructure projects located in Chinese mainland. The Group is responsible to provide finance for the construction of the infrastructure of these projects, whereby the Group's return is predetermined in accordance with the provisions of the relevant agreements. The duration of the projects ranges from 5 to 22 years.

The effective interest rates on the infrastructure project investments range from 5.5% to 12.7% (2023: 6.6% to 14.9%) per annum. The interests in infrastructure project investments were not past due as at 31 December 2024 and 2023.

The directors reviewed individually the infrastructure projects' operations and financial positions as at 31 December 2024 and 2023 based on the present values of estimated future cash flows from those investments, discounted at their respective original effective interest rates.

At 31 December 2024, interests in infrastructure project investments of approximately HK\$1,572,903,000 (2023: HK\$1,578,414,000) had been pledged to secure banking facilities granted to the Group (Note 36).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

20. Interests in joint arrangements

(a) Joint ventures

	2024 HK\$'000	2023 HK\$'000
Cost of investments, unlisted	14,862,406	14,858,311
Share of post-acquisition profits and other comprehensive income, net of dividends	2,033,613	2,057,927
	16,896,019	16,916,238

Particulars regarding the principal joint ventures as at 31 December 2024 and 2023 are as follows:

Name of entity	Form of business structure	Place of incorporation/ operations	Percentage of interest held by the Group		Principal activities
			2024 %	2023 %	
Nanjing Changjiang Second Bridge Company Limited	Incorporated	Chinese mainland	65	65	Operation and management of a toll bridge
長沙中建國際發展有限公司	Incorporated	Chinese mainland	65	65	Infrastructure investment
中建(武漢光谷)建設有限公司	Incorporated	Chinese mainland	50	50	Infrastructure investment
中建(唐山曹妃甸)工程建設有限公司	Incorporated	Chinese mainland	72	72	Infrastructure investment
安徽蚌五高速公路投資管理有限公司	Incorporated	Chinese mainland	70	70	Infrastructure investment
貴州正習高速公路投資管理有限公司	Incorporated	Chinese mainland	30	30	Infrastructure investment
貴州中建秀印高速公路有限公司	Incorporated	Chinese mainland	50	50	Infrastructure investment
貴州雷榕高速公路投資管理有限公司	Incorporated	Chinese mainland	69	69	Infrastructure investment
曲阜尼山文旅置業有限責任公司	Incorporated	Chinese mainland	60	60	Infrastructure investment
上海臨博海薈城市建設發展有限公司	Incorporated	Chinese mainland	49	49	Infrastructure investment
中建國際(襄陽)建設有限公司	Incorporated	Chinese mainland	70	70	Infrastructure investment

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

20. Interests in joint arrangements (continued)

(a) Joint ventures (continued)

Aggregate information of joint ventures that are not individually material

Set out below is the aggregate financial information of joint ventures that are not individually material:

	2024 HK\$'000	2023 HK\$'000
Aggregate carrying value	16,896,019	16,916,238
Aggregate amounts of the Group's share:		
Post-tax profit from continuing operations	637,704	629,969
Other comprehensive loss	(393,132)	(448,910)
Total comprehensive income	244,572	181,059

There are no contingent liabilities relating to the Group's interests in joint ventures as at 31 December 2024 and 2023. At 31 December 2024, there are unpaid committed investments relating to the Group's interests in joint ventures of approximately HK\$380,301,000 (2023: HK\$752,952,000).

(b) Joint operations

In addition to the construction projects undertaken by certain joint ventures as listed above, the Group has also established joint arrangements with other contractors to undertake construction and engineering projects in the form of joint operations.

Particulars regarding the principal joint operations as at 31 December 2024 and 2023 are as follows:

Name of entity	Form of business structure	Place of incorporation/ operations	Percentage of interest held by the Group		Principal activities
			2024 %	2023 %	
Leighton — China State Joint Venture	Unincorporated	Hong Kong	49	49	Civil engineering works
Alchmex — Paul Y Joint Venture	Unincorporated	Hong Kong	55	55	Civil engineering works
AJA Joint Venture	Unincorporated	Hong Kong	31.2	31.2	Civil engineering works
AJC Joint Venture	Unincorporated	Hong Kong	30.5	30.5	Civil engineering works
CSME — Southa Joint Venture	Unincorporated	Hong Kong	51	51	Mechanical and electrical engineering works

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

21. Interests in associates

	2024 HK\$'000	2023 HK\$'000
Unlisted companies		
Cost of investments in associates	3,022,839	2,725,828
Share of post-acquisition profits and other comprehensive income, net of dividends	1,243,788	1,179,777
	4,266,627	3,905,605
Loans to associates	2,041,064	2,210,723
Amount due from an associate	197,195	—
	6,504,886	6,116,328

Included in the cost of investments in associates is goodwill of approximately HK\$494,000 (2023: HK\$494,000) arising from acquisitions of associates in prior years.

The loans to associates of approximately HK\$2,041,064,000 (2023: HK\$2,207,055,000) are unsecured, interest free and are not expected to be repaid within twelve months after the end of reporting period. The balances are denominated in HK\$ and RMB.

As at 31 December 2023, the remaining loans to associates are unsecured, interest bearing of 9.5% per annum and are not expected to be repaid within twelve months after the end of reporting period. The balances are denominated in RMB.

Amount due from an associate is unsecured, interest free and is not expected to be repaid within twelve months after the end of reporting period. The balance is denominated in HK\$.

Particulars regarding the principal associates as at 31 December 2024 and 2023 are follows:

Name of entity	Form of business structure	Place of incorporation/ operations	Class of shares held	Proportion of nominal value of issued share capital held by the Group		Principal activities
				2024 %	2023 %	
Fast Shift Investments Limited ("Fast Shift")	Incorporated	BVI/Macau	Non-voting class B [#]	29	29	Investment holding
澳門水泥廠有限公司	Incorporated	Macau	Ordinary	31.34	31.34	Manufacture and sale of ready-mixed concrete
Trillion Vantage Investments Limited ("Trillion Vantage")	Incorporated	BVI/Hong Kong	Ordinary	20	20	Investment holding
Macfull Limited	Incorporated	Hong Kong	Ordinary	20	20	Property development
六盤水董大公路投資開有限公司	Incorporated	Chinese mainland	Ordinary	25	25	Infrastructure investment
中建(泉州)城市發展有限公司	Incorporated	Chinese mainland	Ordinary	35	35	Property development
福州海建地產有限公司	Incorporated	Chinese mainland	Ordinary	50	50	Property development
株洲中海宏洋地產有限公司 (formerly known as 株洲中海地產有限公司)	Incorporated	Chinese mainland	Ordinary	30	30	Property development
珠海市海悅房地產開發有限公司 ("珠海市海悅")	Incorporated	Chinese mainland	Ordinary	20	20	Property development

Holder of non-voting class B shares of Fast Shift, through Fast Shift's interest in Nova Taipa — Urbanizações, Limitada ("NTUL"), is entitled to 29% (2023: 29%) of the economic benefits in or losses arising from the residential portion of Nova City Phase V in Macau owned and developed by NTUL.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

21. Interests in associates (continued)

During the year, share of profits of associates amounted to approximately HK\$78,184,000 (2023: HK\$163,831,000) was derived from Fast Shift, Trillion Vantage and 珠海市海悦. Set out below is the aggregate financial information of the Group's individually immaterial associates:

	2024 HK\$'000	2023 HK\$'000
Aggregate carrying value	4,266,627	3,905,605
Aggregate amounts of the Group's share:		
Post-tax profit from continuing operations	267,555	314,539
Other comprehensive loss	(71,023)	(86,535)
Total comprehensive income	196,532	228,004

There are no contingent liabilities relating to the Group's interests in associates as at 31 December 2024 and 2023.

22. Concession operating rights

	2024 HK\$'000	2023 HK\$'000
Cost		
At 1 January	6,167,934	6,362,957
Exchange adjustments	(144,995)	(195,023)
At 31 December	6,022,939	6,167,934
Amortisation and impairment		
At 1 January	3,101,677	3,034,891
Charge for the year	157,964	161,674
Exchange adjustments	(75,007)	(94,888)
At 31 December	3,184,634	3,101,677
Carrying values		
At 31 December	2,838,305	3,066,257

The concession operating rights relate to Shanxi Yangquan Yangwu Expressway (Yangquan to Yuxian section) and Class 1 Highway from Yangquan to Niangziguan, Shanxi Province with net carrying amounts of approximately HK\$2,838,305,000 (2023: HK\$3,066,257,000), both of which are located in Chinese mainland. The carrying amount is measured by the construction and other costs incurred by the Group plus estimated profit margin, which is calculated by making reference to similar projects undertaken in Chinese mainland. The Group has been granted by the relevant local government authorities the rights to operate the respective toll roads for 30 years from the date of approval by the local government. The operation of Shanxi Yangquan Yangwu Expressway (Yangquan to Yuxian section) is from 8 May 2011 to 7 May 2041 and Class 1 Highway from Yangquan to Niangziguan, Shanxi Province is from 22 July 2015 to 21 July 2045. According to the relevant government authorities' approval documents and the relevant regulations, the Group is responsible for construction of the toll expressways, acquisition of the related facilities and equipment, operations, management, maintenance and overhaul of the toll roads during the approved operating periods. The toll fees collected during the operating periods are attributable to the Group. The relevant concession operating rights and relevant assets are required to be returned to the local government authorities when the operating rights periods expire without any payments made to the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

22. Concession operating rights (continued)

At 31 December 2024 and 2023, the Group appointed an independent professional traffic consultant to perform traffic studies and an independent valuer to perform value-in-use calculation of Shanxi Yangquan Yangwu Express (Yangquan to Yuxian section) and Class 1 Highway from Yangquan to Niangziguan, Shanxi Province using income approach. The assessment relied on the key assumptions, including future traffic volumes, toll fee levels, length of operating rights, maintenance costs and discount rates. An average revenue growth rate of 11% to 13% (2023: 11% to 13%) and a pre-tax discount rate of 9% (2023: 10%) have been used in the value-in-use calculation.

23. Deferred taxation

The analysis of the Group's deferred tax liabilities/(assets) is as follows:

	Revaluation of investment properties HK\$'000	Accelerated tax depreciation HK\$'000	Concession operating rights HK\$'000	Deferred income HK\$'000	Undistributed earnings of Chinese mainland subsidiaries and joint ventures HK\$'000	Recognition of intangible assets on business combination HK\$'000	Revaluation of land HK\$'000	Tax losses HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2023	359,546	4,548	28,167	(99,374)	38,304	30,940	4,405	(2,572)	24,546	388,510
Exchange adjustments	(1,882)	(4)	(656)	3,161	—	—	—	—	2,303	2,922
Charged/(credited) to consolidated income statement (Note 12)	82,298	4,083	—	(8,303)	—	—	—	—	(1,944)	76,134
At 31 December 2023 and 1 January 2024	439,962	8,627	27,511	(104,516)	38,304	30,940	4,405	(2,572)	24,905	467,566
Exchange adjustments	(2,386)	—	(651)	2,472	—	—	—	—	(2,692)	(3,257)
Charged/(credited) to consolidated income statement (Note 12)	24,063	504	—	209	—	(14,402)	—	(6,742)	48,991	52,623
At 31 December 2024	461,639	9,131	26,860	(101,835)	38,304	16,538	4,405	(9,314)	71,204	516,932

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 HK\$'000	2023 HK\$'000
Deferred tax assets	112,235	123,170
Deferred tax liabilities	(629,167)	(590,736)
	(516,932)	(467,566)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$7,456,133,000 (2023: HK\$6,591,442,000) not recognised in the consolidated financial statements. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future taxable profit streams. Included in unrecognised tax losses are losses of approximately HK\$5,202,428,000 (2023: HK\$3,217,974,000) that will expire within five years. Other losses may be carried forward indefinitely.

Pursuant to the PRC Corporate Income Tax Law, withholding tax is levied on dividends declared to foreign investors from foreign enterprises established in Chinese mainland and applies to earnings after 31 December 2007. The aggregate amount of temporary differences attributable to the unremitted earnings associated with investments in subsidiaries and joint ventures in Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately HK\$44,313,586,000 (2023: HK\$42,720,135,000) as at 31 December 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

24. Trademark, project backlogs, licences and goodwill

	Trademark HK\$'000	Project backlogs HK\$'000	Licences HK\$'000	Goodwill HK\$'000	Total HK\$'000
Cost					
At 1 January 2023	216,708	45,359	177,297	577,664	1,017,028
Exchange adjustments	—	—	(5,161)	—	(5,161)
At 31 December 2023 and 1 January 2024	216,708	45,359	172,136	577,664	1,011,867
Exchange adjustments	—	—	(3,836)	—	(3,836)
At 31 December 2024	216,708	45,359	168,300	577,664	1,008,031
Amortisation					
At 1 January 2023	116,481	45,359	40,163	—	202,003
Charge for the year	10,835	—	6,589	—	17,424
Exchange adjustments	—	—	(1,340)	—	(1,340)
At 31 December 2023 and 1 January 2024	127,316	45,359	45,412	—	218,087
Charge for the year	10,835	—	6,438	—	17,273
Exchange adjustments	—	—	(1,178)	—	(1,178)
At 31 December 2024	138,151	45,359	50,672	—	234,182
Carrying values					
At 31 December 2024	78,557	—	117,628	577,664	773,849
At 31 December 2023	89,392	—	126,724	577,664	793,780

The intangible assets include trademark, project backlogs, construction licences and goodwill recognised from various acquisitions of subsidiaries by the Group.

The estimated useful lives of trademark and project backlogs of 20 and 3 years, respectively, are based on the terms of existing contracts and historical data.

A Chinese mainland construction licence was acquired as part of a business combination. It is recognised at its fair value at the date of acquisition and is subsequently amortised on a straight-line basis over its estimated useful life of 25 years. Its carrying amount is approximately HK\$107,678,000 (2023: HK\$116,774,000) as at 31 December 2024.

The construction licences with carrying amount of approximately HK\$9,950,000 (2023: HK\$9,950,000) were granted by the Works Branch, Development Bureau of the Hong Kong Special Administrative Region ("HKSAR"). The construction licences basically have no legal life but are renewable every year as long as the subsidiary holding the licences is able to comply with certain provisions and requirements set out by the Works Branch, Development Bureau of the HKSAR throughout the relevant period.

Goodwill is allocated to the Group's CGU of the CSC Development Group. For impairment assessment of goodwill, the recoverable amount of the CSC Development Group CGU as at the end of each reporting period is determined based on fair value less costs of disposal by making reference to its market share price.

Based on the impairment testing at the end of the reporting period, the management considers that there is no impairment of the Group's construction licences and goodwill.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

25. Financial assets at fair value through other comprehensive income

(a) Classification of equity and debt securities at FVOCI

Equity and debt securities at FVOCI comprise:

- Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers the classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) Equity securities at FVOCI

Equity securities at FVOCI comprise the following individual investments:

	2024 HK\$'000	2023 HK\$'000
Non-current assets		
Unlisted securities		
Equity securities (Note)	54,939	195,834

On disposal of these equity securities, any related balance within the investment revaluation reserve will be reclassified to retained profits.

Note: At 31 December 2023, an amount of approximately HK\$140,811,000 included in the carrying amount of equity securities are those issued by subsidiaries of China Overseas Land & Investment Ltd. ("COLI"), a fellow subsidiary of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

25. Financial assets at fair value through other comprehensive income (continued)

(c) Debt securities at FVOCI

Debt securities at FVOCI comprise the following individual investments:

	2024 HK\$'000	2023 HK\$'000
Non-current assets		
Listed securities		
Debt securities listed in Hong Kong (Note)	131,925	130,666
Debt securities listed in overseas	58,220	62,209
	190,145	192,875
Current assets		
Listed securities		
Debt securities listed in overseas	7,704	—

On disposal of these debt securities, any related balance within the investment revaluation reserve will be reclassified to consolidated income statement.

Note: At 31 December 2024, an amount of approximately HK\$47,384,000 (2023: HK\$45,767,000) included in the carrying amount of debt securities listed in Hong Kong, represents debentures issued by a subsidiary of COLI, a fellow subsidiary of the Group.

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities. None of these financial assets is past due. As at 31 December 2024, accumulated impairment loss on debt securities is HK\$182,721,000.

(d) Financial assets at FVOCI are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	—	140,811
RMB	3,459	3,543
US\$	197,849	192,875
Macao Pataca ("MOP")	51,480	51,480
	252,788	388,709

The financial assets were presented as non-current assets unless they matured, or management intended to dispose of them within twelve months from the end of the reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

26. Amounts due from investee companies

Amounts due from investee companies are unsecured, interest free and repayable on demand. No repayment is expected within next twelve months from the end of the reporting period.

At 31 December 2024, these amounts include advances to a subsidiary of COLI, a fellow subsidiary of the Group, amounting to approximately HK\$14,658,000 (2023: HK\$211,853,000).

27. Trade and other receivables

	Notes	2024 HK\$'000	2023 HK\$'000
Trade receivables and retention receivables		127,832,036	112,080,578
Less: Allowance for doubtful debts		(144,189)	(125,986)
		127,687,847	111,954,592
Other receivables		18,456,290	19,060,374
Trade and other receivables	(a)	146,144,137	131,014,966
Less: Current portion		(91,944,822)	(75,414,120)
Non-current portion	(b)	54,199,315	55,600,846

Notes:

- (a) Trade receivables and retention receivables include balances with related companies amounting to approximately HK\$3,647,554,000 (2023: HK\$3,606,773,000), which are unsecured, interest free and repayable in accordance with the terms of relevant agreements.
- (b) The balances of non-current portion are mainly attributable to certain construction related investment projects in Chinese mainland. Certain balances are interest bearing in accordance with the relevant contract terms. The amount is expected to be gradually and fully recovered from 2026 to 2034, with approximately HK\$23,029,133,000 in 2026, HK\$11,330,458,000 in 2027, HK\$6,170,457,000 in 2028 and HK\$13,669,267,000 in 2029 to 2034. As a result, they are classified as non-current.

The analysis of trade and other receivables, including the ageing analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date or the term of the related contract, is as follows:

	2024 HK\$'000	2023 HK\$'000
Trade receivables, net of allowance for doubtful debts, aged:		
0-30 days	7,878,273	5,124,691
31-90 days	7,743,895	8,655,847
Over 90 days (Note)	105,334,042	92,080,665
	120,956,210	105,861,203
Retention receivables	6,731,637	6,093,389
Other receivables	18,456,290	19,060,374
Trade and other receivables	146,144,137	131,014,966
Less: Current portion	(91,944,822)	(75,414,120)
Non-current portion	54,199,315	55,600,846

Note: Included in the receivables aged over 90 days are receivables attributable to the construction related investment projects amounting to approximately HK\$79,496,735,000 (2023: HK\$79,334,553,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

27. Trade and other receivables (continued)

Retention receivables are interest free and recoverable at the end of the retention period of individual construction contracts ranging from 1 to 2 years. At 31 December 2024, the amount of retention receivables expected to be recovered after more than one year is approximately HK\$3,003,614,000 (2023: HK\$3,309,066,000).

Except for the receivables arising from construction contracts, including construction related investment projects which are billed and payable in accordance with the terms of relevant agreements, the Group generally allows an average credit period of not exceeding 90 days to its trade customers and the retention receivables are recoverable upon the expiry of defect liability period of construction.

At 31 December 2024, trade receivables of approximately HK\$8,705,579,000 (2023: HK\$11,034,923,000) are pledged to secure banking facilities granted to the Group (Note 36).

Movement in the allowance for doubtful debts

	2024 HK\$'000	2023 HK\$'000
At 1 January	125,986	60,240
Exchange adjustments	(1,083)	(419)
Impairment losses recognised on receivables, net	19,286	93,046
Amount written off as uncollectible	—	(26,881)
At 31 December	144,189	125,986

Before accepting any new customer, the Group will assess the potential customer's credit quality and will define a credit limit. Limits attributed to customers are reviewed every year.

Other receivables

The analysis of other receivables is as follows:

	Notes	2024 HK\$'000	2023 HK\$'000
Payments for government targeted repurchase project	(a)	15,464,625	16,655,594
Bid and other deposits	(b)	923,281	1,671,975
Advances receivables	(c)	1,348,947	279,305
Others		719,437	453,500
		18,456,290	19,060,374

Notes:

- (a) The balance represents amounts paid to local governments for acquisitions of land for construction of government targeted repurchase projects. It will be reclassified to trade receivables over the period of the contract by reference to the progress towards completion satisfaction of that performance obligation.
- (b) The balance represents bid deposits, performance bonds, wage guarantee deposits and other deposits for construction related projects. These balances will be refunded upon completion of tender process or projects.
- (c) The balance represents construction and material purchase costs paid on behalf of sub-contractors and employers of construction related projects. It includes balances with fellow subsidiaries amounting to approximately HK\$90,313,000 (2023: HK\$95,371,000), which are unsecured, interest free and repayable on demand.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

27. Trade and other receivables (continued)

Trade and other receivables are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	8,483,538	4,340,183
RMB	136,519,629	125,847,771
MOP	953,785	595,100
US\$	52,796	59,249
Others	134,389	172,663
	146,144,137	131,014,966

28. Amounts due from/(to) joint ventures and loans to joint ventures

Amounts due from/(to) joint ventures are unsecured, interest free and repayable on demand. The balances are mainly denominated in RMB.

Loans to joint ventures is unsecured, carrying interest at 4.75% to 5.50% (2023: 4.75% to 5.50%) per annum and is not expected to be repaid within twelve months after the end of the reporting period. The balances are denominated in HK\$ and RMB (2023: HK\$ and RMB).

29. Inventories

	2024 HK\$'000	2023 HK\$'000
Raw materials and consumables	291,599	278,976
Work in progress	2,685	10,773
Finished goods	159,172	233,103
	453,456	522,852

30. Properties under development

	2024 HK\$'000	2023 HK\$'000
Properties under development	7,558,351	6,289,737

Included in the amount are properties under development of approximately HK\$6,191,858,000 (2023: HK\$4,910,353,000) not expected to be completed and ready for sale within twelve months from the end of the reporting period.

At 31 December 2024, no properties under development (2023: HK\$253,304,000) had been pledged to secure banking facilities granted to the Group (Note 36).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31. Contract assets and contract liabilities

The Group has recognised the following assets/(liabilities) related to contracts with customers:

	Notes	31 December 2024 HK\$'000	31 December 2023 HK\$'000	1 January 2023 HK\$'000
Contract assets related to construction services	(a)	28,216,595	21,593,655	18,777,148
Contract liabilities related to Construction services	(b)	(8,506,339)	(9,482,020)	(8,014,288)
Thermoelectricity business		(967,944)	(1,036,195)	(1,152,700)
		(9,474,283)	(10,518,215)	(9,166,988)
Less: Current portion		8,951,257	9,926,742	8,503,090
Non-current portion		(523,026)	(591,473)	(663,898)

Notes:

- (a) Contract assets are related to construction services and consist of unbilled amount resulting from construction when revenue recognised exceeds the amount billed to the customer.
- (b) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from construction services.

The following table shows the amount of the revenue recognised in the current reporting period which relates to contract liability balance at the beginning of the year and the amount relating to performance obligations that were satisfied in previous years:

	2024 HK\$'000	2023 HK\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Construction services	4,166,943	4,383,484
Thermoelectricity business	393,819	411,651
	4,560,762	4,795,135
Revenue recognised from performance obligations satisfied/partially satisfied in previous periods:		
Construction services	228,434	107,560

The following table shows the amount of unsatisfied performance obligations:

	2024 HK\$'000	2023 HK\$'000
Expected to be recognised within one year	114,753,226	120,953,642
Expected to be recognised after one year	77,684,743	96,685,850
	192,437,969	217,639,492

For all other contracts with an original expected duration of one year or less or are billed based on time incurred, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For retention receivables, please refer to note 27 to the consolidated financial statements for details.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

32. Amounts due from/(to) associates

Amounts due from/(to) associates are unsecured, interest free and repayable on demand. The balances are mainly denominated in RMB.

33. Amounts due from/(to) related companies

The amounts due from/(to) related companies are unsecured, interest free and repayable on demand. The balances are denominated in RMB.

34. Bank balances and cash

	Notes	2024 HK\$'000	2023 HK\$'000
Bank balances and cash		30,741,030	28,462,889
Less: Pledged bank deposits	(a)	(89,104)	(66,451)
Non-pledged time deposits with original maturity of over three months		—	(4,800)
Cash and cash equivalents	(b)	30,651,926	28,391,638

Notes:

(a) Bank deposits are pledged and earn interest at fixed rates of 0.10% (2023: 0.20%) per annum.

(b) Bank balances, excluding bank current accounts, earn interest at market rates ranging from 0.001% to 5.330% (2023: 0.001% to 5.630%) per annum. Bank balances comprise fixed deposits held by the Group with an original maturity of three months or less.

Bank balances include balances with a fellow subsidiary of the Group, which is a non-bank financial institution in Chinese mainland, amounting to approximately HK\$61,292,000 (2023: HK\$14,240,000).

Bank balances and cash are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	4,725,539	4,918,561
RMB	24,616,241	22,440,638
MOP	982,220	717,055
US\$	278,943	274,864
Others	138,087	111,771
	30,741,030	28,462,889

In respect of the balance denominated in RMB of the Group's subsidiaries incorporated in Chinese mainland, conversion into foreign currencies is subject to the Regulations of the People's Republic of China on the Management of Foreign Exchanges and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

35. Trade payables, other payables and accruals

An analysis of trade payables, other payables and accruals, including the ageing analysis of trade payables, presented based on the invoice date, is as follows:

	2024 HK\$'000	2023 HK\$'000
Trade payables, aged:		
0–30 days	62,361,019	45,951,489
31–90 days	935,805	2,594,005
Over 90 days	11,975,167	9,524,192
	75,271,991	58,069,686
Retention payables	7,845,511	7,092,650
Other payables and accruals	6,422,917	9,722,213
	89,540,419	74,884,549

Included in trade payables and retention payables are balances with related companies amounting to approximately HK\$13,328,545,000 (2023: HK\$13,390,721,000), which are unsecured, interest free and repayable in accordance with the terms of relevant agreements.

Other payables and accruals mainly comprise staff cost, other tax and other operating expenses payables. Included in other payables and accruals are balances with the immediate holding company and related companies amounting to approximately HK\$1,500,000 (2023: HK\$3,450,000) and HK\$350,498,000 (2023: HK\$424,566,000), respectively, which are unsecured, interest free and repayable on demand.

The average credit period on trade and construction cost payables is 60 days. At 31 December 2024, the amount of retention payables expected to be settled after more than one year is approximately HK\$3,899,389,000 (2023: HK\$3,800,702,000).

Trade payables, other payables and accruals are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	17,981,073	12,409,893
RMB	69,730,352	59,822,419
MOP	1,770,681	2,511,401
US\$	15,173	17,341
Others	43,140	123,495
	89,540,419	74,884,549

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

36. Bank borrowings

	2024 HK\$'000	2023 HK\$'000
Bank borrowings, secured	10,895,687	12,089,475
Bank borrowings, unsecured	62,304,563	55,735,988
	73,200,250	67,825,463
Less: Current portion	(14,296,512)	(16,515,007)
Non-current portion	58,903,738	51,310,456
Carrying amount repayable:		
Within one year or on demand	14,296,512	16,515,007
More than one year but not exceeding two years	22,679,708	17,789,729
More than two years but not more than five years	27,241,525	27,643,613
More than five years	8,982,505	5,877,114
	73,200,250	67,825,463

The fair values of bank borrowings approximate their carrying amounts as the impact of discounting is not significant.

The secured bank borrowings are secured by interests in infrastructure project investments, properties held for sale and trade receivables (2023: property, plant and equipment, interests in infrastructure project investments, properties under development and trade receivables). The unsecured bank borrowings included the bank borrowings with financial covenants which are required to be fulfilled by the Group to the banks.

Bank borrowings are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HK\$	14,710,339	10,346,196
RMB	58,489,911	57,469,217
Canadian Dollar ("CAD")	—	10,050
	73,200,250	67,825,463

The effective interest rates of bank borrowings are as follows:

	2024		2023			
	HK\$	RMB	CAD	HK\$	RMB	CAD
	%	%	%	%	%	%
Bank borrowings, secured	—	3.74	—	—	4.29	4.24
Bank borrowings, unsecured	4.99	3.02	—	5.19	3.35	—

Certain bank borrowings of HK\$10,815,148,000 (2023: HK\$4,493,350,000) which were classified as non-current liabilities as at the end of the reporting period is subject to covenants including leverage ratios, gearing ratios and minimum net assets requirements with respective applicable test dates on 31 December of each year until maturity. The Group considers there is no indication that it will have difficulties in complying with these covenants.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

37. Loan from a fellow subsidiary

As at 31 December 2023, loans from a fellow subsidiary is unsecured, carrying interests of 2.85% per annum and repayable on demand. The loans were fully repaid during the year ended 31 December 2024. The balance was denominated in RMB.

As at 31 December 2024, the loan from a fellow subsidiary is unsecured, carrying interest of 4.22% per annum and repayable within a year. The balance is denominated in HK\$.

38. Share capital

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.025 each	60,000,000,000	1,500,000
Issued and paid up:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	5,037,616,668	125,940

39. Share premium and reserves

	Share premium HK\$'000	Special reserve HK\$'000 (Note (a))	Capital redemption reserve HK\$'000 (Note (b))	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Statutory reserve HK\$'000 (Note (c))	Retained profits HK\$'000 (Note (d))	Total HK\$'000
At 1 January 2023	20,486,023	(6,308,247)	337	131,288	(2,519,618)	1,072,497	44,801,941	57,664,221
Profit for the year	—	—	—	—	—	—	9,164,045	9,164,045
Loss on fair value changes of debt securities at FVOCI	—	—	—	(99,090)	—	—	—	(99,090)
Release of investment revaluation reserve to consolidated income statement upon disposal of debt securities at FVOCI	—	—	—	3,835	—	—	—	3,835
Impairment loss on debt securities at FVOCI	—	—	—	117,782	—	—	—	117,782
Exchange differences on translation of subsidiaries	—	—	—	—	(2,139,033)	—	—	(2,139,033)
Exchange differences on translation of joint ventures	—	—	—	—	(448,910)	—	—	(448,910)
Exchange differences on translation of associates	—	—	—	—	(86,535)	—	—	(86,535)
Total comprehensive income/(loss) for the year	—	—	—	22,527	(2,674,478)	—	9,164,045	6,512,094
Capital contribution relating to share-based payment borne by an intermediate holding company (Note 44)	—	6,037	—	—	—	—	—	6,037
Lapse of incentive shares (Note 44)	—	(4,715)	—	—	—	—	4,715	—
Exercise of incentive shares (Note 44)	—	(41,586)	—	—	—	—	41,586	—
2022 final dividend paid	—	—	—	—	—	—	(1,209,028)	(1,209,028)
2023 interim dividend paid	—	—	—	—	—	—	(1,385,345)	(1,385,345)
Transfer to special reserve	—	139,326	—	—	—	—	(129,826)	9,500
Transfer to statutory reserve	—	—	—	—	—	1,172,445	(1,172,445)	—
Total transactions with owners, recognised directly in equity	—	99,062	—	—	—	1,172,445	(3,850,343)	(2,578,836)
At 31 December 2023	20,486,023	(6,209,185)	337	153,815	(5,194,096)	2,244,942	50,115,643	61,597,479

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

39. Share premium and reserves (continued)

	Share premium HK\$'000	Special reserve HK\$'000 (Note (a))	Capital redemption reserve HK\$'000 (Note (b))	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Statutory reserve HK\$'000 (Note (c))	Retained profits HK\$'000 (Note (d))	Total HK\$'000
At 1 January 2024	20,486,023	(6,209,185)	337	153,815	(5,194,096)	2,244,942	50,115,643	61,597,479
Profit for the year	—	—	—	—	—	—	9,361,017	9,361,017
Gain on fair value changes of debt securities at FVOCI	—	—	—	4,974	—	—	—	4,974
Exchange differences on translation of subsidiaries	—	—	—	—	(1,506,140)	—	—	(1,506,140)
Exchange differences on translation of joint ventures	—	—	—	—	(393,132)	—	—	(393,132)
Exchange differences on translation of associates	—	—	—	—	(71,023)	—	—	(71,023)
Remeasurement loss on defined benefit obligations (Note 42)	—	—	—	—	—	—	(5,101)	(5,101)
Total comprehensive income/(loss) for the year	—	—	—	4,974	(1,970,295)	—	9,355,916	7,390,595
Capital contribution relating to share-based payment borne by an intermediate holding company (Note 44)	—	7,174	—	—	—	—	—	7,174
Cancel of incentive shares (Note 44)	—	(22,456)	—	—	—	—	22,456	—
2023 final dividend paid	—	—	—	—	—	—	(1,435,721)	(1,435,721)
2024 interim dividend paid	—	—	—	—	—	—	(1,662,414)	(1,662,414)
Transfer from special reserve	—	(50,906)	—	—	—	—	50,527	(379)
Transfer to statutory reserve	—	—	—	—	—	1,199,216	(1,199,216)	—
Unclaimed dividends forfeited	—	—	—	—	—	—	109	109
Transfer to retained earnings due to reclassification of equity security at FVOCI	—	—	—	(101,798)	—	—	101,798	—
Total transactions with owners, recognised directly in equity	—	(66,188)	—	(101,798)	—	1,199,216	(4,122,461)	(3,091,231)
At 31 December 2024	20,486,023	(6,275,373)	337	56,991	(7,164,391)	3,444,158	55,349,098	65,896,843

Notes:

- (a) Special reserve mainly represents merger reserve arose from business combinations under common control, reserve arose from the changes in shareholding of subsidiaries, capital contribution relating to share-based payment borne by an intermediate holding company, work safety funds and insurance general reserve.
- (b) Capital redemption reserve represents the amount by which the Company's issued share capital was diminished on cancellation of ordinary shares repurchased.
- (c) Statutory reserve of the Group represents a general and development fund reserve applicable to the overseas and Chinese mainland subsidiaries which were established in accordance with the relevant regulations.
- (d) Included in retained profits as at 31 December 2024 is the proposed 2024 final dividend of approximately HK\$1,435,721,000 (2023: HK\$1,435,721,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

40. Perpetual capital securities

On 3 December 2019, a subsidiary of the Group issued US\$500,000,000 4.0% subordinated perpetual capital securities (the "2019 Perpetual Capital Securities"). The 2019 Perpetual Capital Securities do not have maturity dates and the distribution payments can be deferred at the discretion of either the subsidiary or the Company. Therefore, the 2019 Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. When the subsidiary or the Company elects to declare dividends to their shareholders, the Group shall make distributions to the holders of 2019 Perpetual Capital Securities at the distribution rates as defined in the subscription agreements. On 3 December 2024, the Group redeemed all of the outstanding 2019 Perpetual Capital Securities.

On 9 June 2021, a subsidiary of the Group issued US\$500,000,000 3.4% subordinated perpetual capital securities (the "2021 Perpetual Capital Securities"). The 2021 Perpetual Capital Securities do not have maturity dates and the distribution payments can be deferred at the discretion of either the subsidiary or the Company. Therefore, the 2021 Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. When the subsidiary or the Company elects to declare dividends to their shareholders, the Group shall make distributions to the holders of 2021 Perpetual Capital Securities at the distribution rates as defined in the subscription agreements.

On 16 November 2023, a subsidiary of the Group issued RMB2,000,000,000 3.50% perpetual medium term notes (the "2023 Perpetual Medium Term Notes"). The 2023 Perpetual Medium Term Notes have a maturity of 3+N years and the distribution payments can be deferred at the discretion of either the subsidiary or the Company. Therefore, the 2023 Perpetual Medium Term Notes are classified as equity instruments and recorded in equity in the consolidated statement of financial position. When the subsidiary or the Company elects to declare dividends to their shareholders, the Group shall make distributions to the holders of 2023 Perpetual Medium Term Notes at the distribution rates as defined in the subscription agreements.

On 24 September 2024, a subsidiary of the Group issued RMB1,500,000,000 2.29% perpetual medium term notes (the "2024 Perpetual Medium Term Notes"). The 2024 Perpetual Medium Term Notes have a maturity of 3+N years and the distribution payments can be deferred at the discretion of either the subsidiary or the Company. Therefore, the 2024 Perpetual Medium Term Notes are classified as equity instruments and recorded in equity in the consolidated statement of financial position. When the subsidiary or the Company elects to declare dividends to their shareholders, the Group shall make distributions to the holders of 2024 Perpetual Medium Term Notes at the distribution rates as defined in the subscription agreements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

41. Guaranteed notes payable and corporate bonds

	Notes	2024 HK\$'000	2023 HK\$'000
US\$250,000,000 3.875% guaranteed notes	(a)	1,945,116	1,943,562
RMB1,000,000,000 3.52% corporate bonds	(b)	—	1,101,322
RMB1,500,000,000 3.10% corporate bonds	(c)	—	1,651,982
RMB960,000,000 2.98% corporate bonds	(d)	1,032,258	1,057,269
RMB1,500,000,000 3.09% corporate bonds	(e)	1,612,903	1,651,982
RMB1,040,000,000 2.70% corporate bonds	(f)	1,118,280	1,145,374
RMB1,100,000,000 2.88% corporate bonds	(g)	1,182,139	1,210,404
RMB2,000,000,000 2.84% corporate bonds	(h)	2,148,727	—
RMB900,000,000 2.54% corporate bonds	(i)	966,901	—
RMB2,000,000,000 2.30% corporate bonds	(j)	2,148,572	—
RMB1,500,000,000 2.12% corporate bonds	(k)	1,611,338	—
		13,766,234	9,761,895
Less: Current portion		(2,645,161)	(2,753,304)
Non-current portion		11,121,073	7,008,591

Notes:

- (a) In November 2017, a subsidiary of the Company issued guaranteed notes with an aggregate principal amount of US\$250,000,000 (the "2017 Notes"). The 2017 Notes bear fixed interest at the rate of 3.875% per annum payable semi-annually, are unconditionally and irrevocably guaranteed by the Company. The 2017 Notes shall become immediately due and payable in the event of the failure to perform or observe certain conditions set out in the trust deed which includes, inter alia, the negative pledge given by the Company and the said subsidiary. The 2017 Notes will mature on 29 November 2027 at the principal amount. The fair value of the 2017 Notes at 31 December 2024 was estimated at approximately HK\$1,885,826,000 (2023: HK\$1,847,996,000), which was determined based on the closing market price of the 2017 Notes at that date and is within level 1 of the fair value hierarchy.
- (b) On 31 May 2021, a subsidiary of the Company completed its public issuance of medium term notes (first phase) with a principal amount of RMB1,000,000,000 (the "2021 Bonds I") in Chinese mainland. The 2021 Bonds I have a maturity of 3 years and the coupon rate is 3.52% per annum. The 2021 Bonds I were listed on the China Inter-bank Bond Market. The 2021 Bonds I were matured and fully repaid on 31 May 2024 at the principal amount. The fair value of the 2021 Bonds I at 31 December 2023 was estimated at approximately HK\$1,104,967,000, which was determined based on the closing market price of the 2021 Bonds I at that date and was within level 1 of the fair value hierarchy.
- (c) On 29 December 2021, a subsidiary of the Company completed its public issuance of medium term notes (second phase) with a principal amount of RMB1,500,000,000 (the "2021 Bonds II") in Chinese mainland. The 2021 Bonds II have a maturity of 3 years and the coupon rate is 3.10% per annum. The 2021 Bonds II were listed on the China Inter-bank Bond Market. The 2021 Bonds II were matured and fully repaid on 29 December 2024 at the principal amount. The fair value of the 2021 Bonds II at 31 December 2023 was estimated at approximately HK\$1,658,128,000, which was determined based on the closing market price of the 2021 Bonds II at that date and was within level 1 of the fair value hierarchy.
- (d) On 2 April 2022, a subsidiary of the Company completed its public issuance of medium term notes (first phase) with a principal amount of RMB960,000,000 (the "2022 Bonds I") in Chinese mainland. The 2022 Bonds I have a maturity of 3 years and the coupon rate is 2.98% per annum. The 2022 Bonds I were listed on the China Inter-bank Bond Market. The 2022 Bonds I will mature on 2 April 2025 at the principal amount. The fair value of the 2022 Bonds I at 31 December 2024 was estimated at approximately HK\$1,035,551,000 (2023: HK\$1,060,018,000), which was determined based on the closing market price of the 2022 Bonds I at that date and is within level 1 of the fair value hierarchy.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

41. Guaranteed notes payable and corporate bonds (continued)

Notes: (continued)

- (e) On 27 April 2022, a subsidiary of the Company completed its public issuance of medium term notes (second phase) with a principal amount of RMB1,500,000,000 (the "2022 Bonds II") in Chinese mainland. The 2022 Bonds II have a maturity of 3 years and the coupon rate is 3.09% per annum. The 2022 Bonds II were listed on the China Inter-bank Bond Market. The 2022 Bonds II will mature on 27 April 2025 at the principal amount. The fair value of the 2022 Bonds II at 31 December 2024 was estimated at approximately HK\$1,619,677,000 (2023:HK\$1,658,012,000), which was determined based on the closing market price of the 2022 Bonds II at that date and is within level 1 of the fair value hierarchy.
- (f) On 19 August 2022, a subsidiary of the Company completed its public issuance of medium term notes (third phase) with a principal amount of RMB1,040,000,000 (the "2022 Bonds III") in Chinese mainland. The 2022 Bonds III have a maturity of 5 years and the coupon rate is 2.70% per annum. The 2022 Bonds III were listed on the China Inter-bank Bond Market. The 2022 Bonds III will mature on 19 August 2027 at the principal amount. The fair value of the 2022 Bonds III at 31 December 2024 was estimated at approximately HK\$1,124,855,000 (2023:HK\$1,143,072,000), which was determined based on the closing market price of the 2022 Bonds III at that date and is within level 1 of the fair value hierarchy.
- (g) On 21 August 2023, a subsidiary of the Company completed its public issuance of medium term notes (first phase) with a principal amount of RMB1,100,000,000 (the "2023 Bonds") in Chinese mainland. The 2023 Bonds have a maturity of 3 years and the coupon rate is 2.88% per annum. The 2023 Bonds were listed on the Shenzhen Stock Exchange. The 2023 Bonds will mature on 22 August 2026 at the principal amount. The fair value of the 2023 Bonds at 31 December 2024 was estimated at approximately HK\$1,201,602,000 (2023: HK\$1,205,724,000), which was determined based on the closing market price of the 2023 Bonds at that date and is within level 1 of the fair value hierarchy.
- (h) On 28 February 2024, a subsidiary of the Company completed its public issuance of medium term notes (first phase) with a principal amount of RMB2,000,000,000 (the "2024 Bonds I") in Chinese mainland. The 2024 Bonds I have a maturity of 5 years and the coupon rate is 2.84% per annum. The 2024 Bonds I were listed on the China Inter-bank Bond Market. The 2024 Bonds I will mature on 28 February 2029 at the principal amount. The fair value of the 2024 Bonds I at 31 December 2024 was estimated at approximately HK\$2,222,495,000, which was determined based on the closing market price of the 2024 Bonds I at that date and is within level 1 of the fair value hierarchy.
- (i) On 24 April 2024, a subsidiary of the Company completed its public issuance of corporate bonds (first phase) with a principal amount of RMB900,000,000 (the "2024 Bonds II") in Chinese mainland. The 2024 Bonds II have a maturity of 5 years and the coupon rate is 2.54% per annum. The 2024 Bonds II were listed on the Shenzhen Stock Exchange. The 2024 Bonds II will mature on 24 April 2029 at the principal amount. The fair value of the 2024 Bonds II at 31 December 2024 was estimated at approximately HK\$975,377,000, which was determined based on the closing market price of the 2024 Bonds II at that date and is within level 1 of the fair value hierarchy.
- (j) On 17 July 2024, a subsidiary of the Company completed its public issuance of medium term notes (second phase) with a principal amount of RMB2,000,000,000 (the "2024 Bonds III") in Chinese mainland. The 2024 Bonds III have a maturity of 5 years and the coupon rate is 2.30% per annum. The 2024 Bonds III were listed on the China Inter-bank Bond Market. The 2024 Bonds III will mature on 19 July 2029 at the principal amount. The fair value of the 2024 Bonds III at 31 December 2024 was estimated at approximately HK\$2,178,194,000, which was determined based on the closing market price of the 2024 Bonds III at that date and is within level 1 of the fair value hierarchy.
- (k) On 27 November 2024, a subsidiary of the Company completed its public issuance of medium term notes (fourth phase) with a principal amount of RMB1,500,000,000 (the "2024 Bonds IV") in Chinese mainland. The 2024 Bonds IV have a maturity of 3 years and the coupon rate is 2.12% per annum. The 2024 Bonds IV were listed on the China Inter-bank Bond Market. The 2024 Bonds IV will mature on 29 November 2027 at the principal amount. The fair value of the 2024 Bonds IV at 31 December 2024 was estimated at approximately HK\$1,624,581,000, which was determined based on the closing market price of the 2024 Bonds IV at that date and is within level 1 of the fair value hierarchy.
- (l) On 23 October 2024, a subsidiary of the Company completed its public issuance of super short-term commercial papers with a principal amount of RMB1,000,000,000 (the "2024 Commercial Papers") in Chinese mainland. The 2024 Commercial Papers have a maturity of 60 days and the coupon rate is 1.94% per annum. The 2024 Commercial Papers were listed on the China Inter-bank Bond Market. The 2024 Commercial Papers were matured and fully repaid on 23 December 2024 at the principal amount.

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42. Defined benefit obligations

Long service payment

The Group is obligated to pay long service payment to qualifying employees in Hong Kong with a minimum of 5 years employment period upon retirement or termination of employment under certain circumstances, in accordance with the Hong Kong Employment Ordinance (the "Employment Ordinance"). Long service payment is calculated based on the last monthly salary of the employees and the number of years of service. There are provisions under the Employment Ordinance permitting employers to offset employees' long service payment against the accrued benefits attributable to employer's contributions to the MPF Scheme. In 2022, the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 (the "Amendment Bill") was enacted, such that the Company can no longer use accrued benefits arising from MPF mandatory employer contributions to offset employees' long service payment accrued as from the transition date in 2025. The enactment of the Amendment Bill is treated as a plan amendment. Except for the statutory right to offset as described above, the long service payment benefits are unfunded.

The liability recognised in the consolidated statement of financial position in respect of long service payment is the net obligation, representing the present value of the future long service payment benefits reduced by entitlements from accrued benefits arising from MPF contributions made by the Group.

The net long service payment obligation is exposed to interest rate risk, the risk of changes in the longevity at retirement or termination of employment for the Group's employees, expected rate of future salary increase and market risk associated with investment returns of employees' MPF Scheme.

The present value of the net defined benefit obligations was carried out on 31 December 2024 by Towers Watson Hong Kong Limited, an independent qualified professional valuer, using the projected unit credit actuarial valuation method.

The principal actuarial assumptions used as at the end of the reporting period are as follows:

	2024	2023
Discount rate (%)	3.6	3.5
Expected rate of salary increases (%)	4.0	4.0

Movements in the present value of the net defined benefit obligations are as follows:

	2024 HK\$'000	2023 HK\$'000
At 1 January	23,555	—
Service cost	5,483	23,555
Interest cost	740	—
Benefit paid	(4,732)	—
Remeasurements	5,101	—
At 31 December	30,147	23,555

43. Loan from a joint venture

Loan from a joint venture was unsecured, carrying interest at 6.8% (2023: 6.8%) per annum and was matured and fully repaid on 8 February 2024. The balance was denominated in HK\$.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

44. Share-based payments

Pursuant to the A-shares Restricted Stock Incentive Plan (Phase III) (the "Incentive Plan (Phase III)") of CSCECL, 18,870,000 incentive shares were granted to certain employees of the Company (including three directors and certain senior management) on 26 December 2018 (the "Grant Date (Phase III)") with an exercise price of RMB3.468 per share, subject to a lock-up period of two years' service from the Grant Date (Phase III) (the "Lock-Up Period (Phase III)"). During the Lock-Up Period (Phase III), these shares are not transferable, nor subject to any guarantee, indemnity or pledge. One-third of the awards are vested each year starting from the beginning of the third year on a time-apportionment basis since the Grant Date (Phase III). Subject to CSCECL's achievement of performance conditions and individual's key performance indicators, the restriction over these shares will be removed, otherwise, CSCECL has a constructive obligation to repurchase the ordinary shares in cash if the performance conditions of CSCECL or the individual's key performance indicators are not achieved.

The fair value of incentive shares on the Grant Date (Phase III) determined using a comparable generally accepted methodology was RMB2.112 per share. The significant inputs into the methodology include closing price of RMB5.58 per share on the Grant Date (Phase III), exercise price of RMB3.468 per share and share-based payments cap at 30% of respective two years' employees' remuneration.

In 2023, 5,130,000 incentive shares were exercised in accordance with the Incentive Plan (Phase III), no other incentive shares were lapsed or cancelled.

Pursuant to the A-shares Restricted Stock Incentive Plan (Phase IV) (the "Incentive Plan (Phase IV)") of CSCECL, 34,620,000 incentive shares were granted to certain employees of the Company (including three directors and certain senior management) on 23 December 2020 (the "Grant Date (Phase IV)") with an exercise price of RMB3.060 per share, subject to a lock-up period of two years' service from the Grant Date (Phase IV) (the "Lock-Up Period (Phase IV)"). During the Lock-Up Period (Phase IV), these shares are not transferable, nor subject to any guarantee, indemnity or pledge. One-third of the awards are vested each year starting from the beginning of the third year on a time-apportionment basis since the Grant Date (Phase IV). Subject to CSCECL's achievement of performance conditions and individual's key performance indicators, the restriction over these shares will be removed, otherwise, CSCECL has a constructive obligation to repurchase the ordinary shares in cash if the performance conditions of CSCECL or the individual's key performance indicators are not achieved.

The fair value of incentive shares on the Grant Date (Phase IV) determined using a comparable generally accepted methodology was RMB1.94 per share. The significant inputs into the methodology include closing price of RMB5 per share on the Grant Date (Phase IV), exercise price of RMB3.060 per share and share-based payments cap at 40% of respective two years' employees' remuneration.

In 2023, 11,250,000 incentive shares were exercised in accordance with the Incentive Plan (Phase IV). In addition, except for 820,000 incentive shares lapsed due to transfer or resignation of directors and employees, no other incentive shares were cancelled.

During the year, 23,300,000 incentive shares were cancelled in accordance with the Incentive Plan (Phase IV).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

45. Cash flow information

Reconciliation of liabilities arising from financing activities

	Liabilities from financing activities					
	Guaranteed notes payable and corporate bonds	Lease liabilities	Loan from a fellow subsidiary	Loan from a joint venture	Bank borrowings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	11,740,436	198,866	909,091	2,727,273	59,176,864	74,752,530
Cash flows	(1,565,996)	(134,273)	(223,714)	—	10,310,448	8,386,465
Exchange adjustments	(415,236)	(8,877)	(24,584)	(84,101)	(1,669,147)	(2,201,945)
Other non-cash movements	2,691	175,479	—	—	7,298	185,468
At 31 December 2023 and 1 January 2024	9,761,895	231,195	660,793	2,643,172	67,825,463	81,122,518
Cash flows	4,255,414	(174,074)	(385,738)	(2,622,951)	7,647,168	8,719,819
Exchange adjustments	(253,715)	(13,171)	(5,055)	(20,221)	(1,416,223)	(1,708,385)
Other non-cash movements	2,640	285,279	—	—	(856,158)	(568,239)
At 31 December 2024	13,766,234	329,229	270,000	—	73,200,250	87,565,713

46. Contingent liabilities

As at 31 December 2024, the Group provided guarantees amounted to approximately HK\$775,431,000 (2023: HK\$840,113,000) for the repayment of the mortgage bank loans granted to purchasers of the Group's properties.

The fair value of the guarantees is not significant and the directors of the Company consider that in the event of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made in these consolidated financial statements for the guarantees.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

47. Operating lease arrangements

The Group as lessor

The Group leases its investment properties under operating lease arrangements. All of the properties leased out have committed tenants for the next 1 to 10 years (2023: 1 to 8 years) without termination options granted to tenants.

At 31 December 2024 and 2023, the Group had contracted with tenants for the following future minimum lease payments:

	2024 HK\$'000	2023 HK\$'000
Within one year	83,857	110,482
After one year but within two years	52,220	63,124
After two years but within three years	28,204	39,814
After three years but within four years	16,824	31,830
After four years but within five years	16,573	6,737
After five years	31,763	20,099
	229,441	272,086

48. Commitments

At 31 December 2024 and 2023, the Group has the following commitments contracted but not provided for in the consolidated financial statements:

	2024 HK\$'000	2023 HK\$'000
Contracted but not provided for		
— construction in progress for property, plant and equipment	32,798	23,975

For unpaid committed investments relating to the Group's interests in joint ventures, please refer to note 20(a) for details.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

49. Related party transactions

(a) Transactions

Apart from the balances due from or to related parties detailed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with the immediate holding company, an intermediate holding company, fellow subsidiaries, a related company, associates and joint ventures during the year:

	2024 HK\$'000	2023 HK\$'000
Fellow subsidiaries		
Rental income	8,508	3,300
Rental expenses	1,588	1,523
Security service payments	19,980	28,694
Revenue from construction contracts	934,221	3,109,134
Project consultancy service income	18,504	51,013
Construction costs	4,418,932	6,423,585
Revenue from connection service	12,719	13,018
Insurance premium income	1,362	1,354
Interest income on debt securities at FVOCI	2,884	2,884
Interest income on deposits	2,247	1,159
Interest expenses	10,528	19,399
Management fee income	8,074	—
Management fee expenses	4,888	2,246
Sales of building materials	—	36,109
Purchase of construction materials	31,953	85,529
Associates		
Purchase of construction materials	372,983	685,692
Revenue from construction contracts	563,593	1,065,692
Interest income	—	340
Project consultancy service income	3,995	6,302
Joint ventures		
Revenue from construction contracts	1,853,812	3,220,521
Interest income	18,627	13,835
Interest expenses	37,815	220,172
The immediate holding company		
Insurance premium income	2,205	2,143
Intermediate holding company		
Revenue from construction contracts	159,416	1,270,098
Related company		
Revenue from construction contracts	2,280	14,738
Project consultancy service income	12,031	18,687

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

49. Related party transactions (continued)

(b) Significant transactions with other government-related entities in Chinese mainland

Certain of the Group's business are operated in an economic environment currently predominated by entities directly or indirectly owned, controlled or significantly influenced by the PRC government. In addition, the Group itself is part of a larger group of companies under CSCEC which is controlled by the PRC government.

Apart from transactions with its immediate holding company, intermediate holding company, fellow subsidiaries, related company, associates and joint ventures of the Group, the Group has entered into transactions with other government-related entities including but not limited to the following:

- Revenue from construction contract
- Investment income
- Finance costs

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not government-related.

Certain of the Company's subsidiaries had entered into various transactions with government-related entities, including general banking facilities transactions with certain banks and financial institutions which are government-related entities, in their ordinary course of business. In view of the nature of those banking transactions, the directors are of the opinion that separate disclosure would not be meaningful.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2024 HK\$'000	2023 HK\$'000
Short-term benefits	44,984	69,039
Post-employment benefits	281	265
	45,265	69,304

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Apart from transactions with associates and joint ventures, certain related party transactions also constitute connected transactions or continuing connected transactions under the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules") for which the disclosure requirements in accordance with Chapter 14A of the Listing Rules had been duly complied with.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

50. Company statement of financial position and reserve movement

	2024 HK\$'000	2023 HK\$'000
Non-current Assets		
Interests in subsidiaries	14,942,243	13,084,363
Current Assets		
Amounts due from subsidiaries	17,234,988	15,703,435
Amount due from a joint venture	—	3,120
Tax recoverable	—	3,172
Bank balances and cash	65,696	101,846
	17,300,684	15,811,573
Current Liabilities		
Other payables	35,701	35,200
Tax payable	456	—
Bank borrowings	3,497,144	4,913,009
Loan from a fellow subsidiary	270,000	—
	3,803,301	4,948,209
Net Current Assets	13,497,383	10,863,364
Total Assets less Current Liabilities	28,439,626	23,947,727
Capital and Reserves		
Share capital	125,940	125,940
Share premium and reserves (Note)	20,902,489	21,005,486
	21,028,429	21,131,426
Non-current Liabilities		
Bank borrowings	7,411,197	2,816,301
	28,439,626	23,947,727

On behalf of the Board

Zhang Haipeng
Director

Wang Xiaoguang
Director

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

50. Company statement of financial position and reserve movement (continued)

Note:

	Share premium HK\$'000	Special reserve HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2023	20,486,023	80,949	337	204,181	20,771,490
Profit and total comprehensive income for the year	—	—	—	2,823,622	2,823,622
Capital contribution relating to share-based payment borne by an intermediate holding company	—	4,747	—	—	4,747
Lapse of incentive shares	—	(4,715)	—	4,715	—
Exercise of incentive shares	—	(41,586)	—	41,586	—
2022 final dividend paid	—	—	—	(1,209,028)	(1,209,028)
2023 interim dividend paid	—	—	—	(1,385,345)	(1,385,345)
At 31 December 2023 and 1 January 2024	20,486,023	39,395	337	479,731	21,005,486
Profit and total comprehensive income for the year	—	—	—	2,988,394	2,988,394
Capital contribution relating to share-based payment borne by an intermediate holding company	—	6,635	—	—	6,635
Lapse of incentive shares	—	(688)	—	688	—
Exercise of incentive shares	—	(21,768)	—	21,768	—
2023 final dividend paid	—	—	—	(1,435,721)	(1,435,721)
2024 interim dividend paid	—	—	—	(1,662,414)	(1,662,414)
Unclaimed dividends forfeited	—	—	—	109	109
At 31 December 2024	20,486,023	23,574	337	392,555	20,902,489

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

51. Particulars of principal subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2024 and 2023 are as follows:

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid up share/ registered capital	Attributable equity interest held		Principal activities
			2024 %	2023 %	
Directly held by the Company:					
China Overseas Insurance Limited	Hong Kong	550,000,000 ordinary shares of HK\$550,000,000	100	100	Insurance business
China Overseas Insurance Services Limited	Hong Kong	500,000 ordinary shares of HK\$500,000	100	100	Insurance brokerage services
China State Construction Engineering (Hong Kong) Limited	Hong Kong	2,655,569,190 ordinary shares of HK\$2,655,569,190 and 844,430,810 non-voting deferred shares of HK\$844,430,810	100	100	Building construction, civil and foundation engineering works and investment holding
China State Construction Science and Technology Limited	Hong Kong	100 ordinary shares of HK\$100	100	100	Provision of related installation repairs and maintenance services
Add Treasure Holdings Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
Zetson Enterprises Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
China State Construction Finance (Cayman) I Limited	Cayman Islands/ Hong Kong	1 ordinary share of US\$1	100	100	Issuance of guaranteed notes
CS International Holdings Limited	Hong Kong	1 ordinary share of HK\$1	100	100	Investment holding
China State Construction International Investments Limited	Hong Kong	1 ordinary share of HK\$1	100	100	Investment holding
Ever Power Group Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
China State Construction Finance (Cayman) II Limited	Cayman Islands/ Hong Kong	1 ordinary share of US\$1	100	100	Issuance of guaranteed notes
China State Construction Finance (Cayman) III Limited	Cayman Islands/ Hong Kong	1 ordinary share of US\$1	100	100	Issuance of guaranteed notes
China State Construction Hailong Technology Group Limited	Cayman Islands/ Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
Indirectly held by the Company:					
China Overseas Building Construction Limited	Hong Kong	129,999,900 ordinary shares of HK\$1,299,999,000 and 100 non-voting deferred shares of HK\$1,000	100	100	Building construction, project management and investment holding
China Overseas (Hong Kong) Limited	Hong Kong	5,000,000 ordinary shares of HK\$50,000,000	100	100	Investment holding and provision of management services
China State Civil Engineering Limited	Hong Kong	1,999,900 ordinary shares of HK\$19,999,000 and 100 non-voting deferred shares of HK\$1,000	100	100	Civil engineering works, project management and investment holding
China State Foundation Engineering Limited	Hong Kong	249,500,000 ordinary shares of HK\$249,500,000 and 500,000 non-voting deferred shares of HK\$500,000	100	100	Foundation engineering works and project management
China State Machinery Limited	Hong Kong	2 ordinary shares of HK\$2	100	100	Lease of plant and machinery

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

51. Particulars of principal subsidiaries (continued)

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid up share/ registered capital	Attributable equity		Principal activities
			interest held		
			2024 %	2023 %	
Indirectly held by the Company: (continued)					
China State Mechanical & Electrical Engineering Limited	Hong Kong	100,000,000 ordinary shares of HK\$100,000,000	100	100	Mechanical and electrical engineering works and project management
CSCEC Trade Mark Limited	Hong Kong	2 ordinary shares of HK\$2	100	100	Holding of trade marks
China Overseas Foundation Engineering Limited	Hong Kong	1 ordinary share of HK\$1	100	100	Property investment
Eastgood Investments Limited	Hong Kong	2 ordinary shares of HK\$2	100	100	Investment holding
China Overseas Mechanical & Electrical Engineering Limited	Hong Kong	100 ordinary shares of HK\$100	100	100	Mechanical and electrical engineering works and project management
Far East Facade (Hong Kong) Limited	Hong Kong	900,000 ordinary shares of HK\$188,952,242 and 5,000 non-voting deferred shares of HK\$500,000	70.78	70.78	Design, manufacture and installation of curtain walls, aluminium windows and other related products
Speedclass Development Limited	Hong Kong	100 ordinary shares of HK\$100	100	100	Project management
Treasure Construction Engineering Limited	Hong Kong	150,000,000 ordinary shares of HK\$150,000,000	70.78	70.78	Building construction
Transcendence Company Limited	Hong Kong	1 ordinary share of HK\$1	100	100	Sales and distribution of construction materials
Barkgate Enterprises Limited	BVI/Hong Kong	200 ordinary shares of US\$1 each	100	100	Investment holding
China Overseas Public Utility Investment Limited	BVI	1 ordinary share of US\$1	70.78	70.78	Investment holding
China Overseas Ports Investment Company Limited	BVI/Hong Kong	64,100,000 ordinary shares of US\$1 each	100	100	Investment holding
China Overseas Technology Holdings Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
Citycharm Investments Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
China State Hailong Construction Technology Company Limited	Hong Kong	1 ordinary share of HK\$1	100	100	Manufacturing and sales of precast structures
Fuller Sky Enterprises Limited	BVI	1 ordinary share of US\$1	70.78	70.78	Investment holding
Perfect Castle Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
Oceanic Empire Holdings Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
Value Idea Investments Limited	BVI	1 ordinary share of US\$1	70.78	70.78	Investment holding
Weedon International Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
Gamma Windows and Walls International Inc.	Canada	100 common shares of CAD53,362.36 each	66.27	66.27	Design, manufacture and installation of curtain walls, aluminium windows and other related products
China State Construction Development Holdings Limited (iii)	Cayman Islands/ Hong Kong	2,255,545,000 ordinary shares of HK\$0.01 each	70.78	70.78	Investment holding
Alchmex International Construction Limited	United Kingdom/ Hong Kong	20,000,000 ordinary shares of GBP1 each	100	100	Building construction, civil and marine engineering works, project and construction management

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

51. Particulars of principal subsidiaries (continued)

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid up share/ registered capital	Attributable equity interest held		Principal activities
			2024	2023	
			%	%	
Indirectly held by the Company: (continued)					
Far East Facade (UK) Limited	United Kingdom	1 ordinary share of GBP1	70.78	70.78	Design, manufacture and installation of curtain walls, aluminium windows and other related products
China Construction Engineering (Macau) Company Limited	Macau	MOP300,000,000	100	100	Building construction, civil engineering works and investment holding
COHL (Macao) Commercial and Industrial Company Limited	Macau	MOP200,000	100	100	Investment holding
CSFE (Macau) Limited	Macau	MOP200,000	100	100	Foundation engineering works
CSME (Macau) Limited	Macau	MOP200,000	100	100	Mechanical and electrical engineering works and investment holding
Far East Facade (Macau) Limited	Macau	MOP25,000	70.78	70.78	Installation of curtain walls, aluminium windows and other related products
C.S.H.K. Dubai Contracting L.L.C.	United Arab Emirates	1,000 ordinary shares of AED1,000 each	100	100	Building construction and road contracting
Gamma North Corporation	United States of America	1 share of US\$1	66.27	66.27	Manufacture of curtain walls, aluminium windows and other related products
Gamma USA, Inc.	United States of America	1,000 shares of US\$0.001 each	66.27	66.27	Design, manufacture and installation of curtain walls, aluminium windows and other related products
Precious Deluxe Global Limited	BVI/Hong Kong	1 ordinary share of US\$1	100	100	Investment holding
On Success Development Limited	Hong Kong	10,000 shares of HK\$1 each	100	100	Property investment
Advocate Properties Limited	Hong Kong	10,000,000 shares of HK\$1 each	100	100	Investment holding
中建投資(珠海)有限公司 (i) (ii)	Chinese mainland	HK\$250,000,000	100	100	Property investment and management
瀋陽皇姑熱電有限公司 (i) (ii)	Chinese mainland	RMB680,660,000	70.78	70.78	Generation and supply of heat and electricity and investment holding
中海建築有限公司 (i) (ii)	Chinese mainland	RMB350,000,000	100	100	Building construction, civil engineering works and investment holding
中海監理有限公司 (ii)	Chinese mainland	RMB50,000,000	70.78	70.78	Provision of project consultancy service

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

51. Particulars of principal subsidiaries (continued)

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid up share/ registered capital	Attributable equity interest held		Principal activities
			2024 %	2023 %	
Indirectly held by the Company: (continued)					
中建海龍科技有限公司 (i) (ii)	Chinese mainland	RMB100,000,000	100	100	Manufacturing and sales of precast structures
安徽海龍建築工業有限公司 (ii)	Chinese mainland	RMB10,000,000	100	100	Manufacturing and sales of precast structures
山東海龍建築科技有限公司 (ii)	Chinese mainland	RMB30,000,000	100	100	Manufacturing and sales of precast structures
宿州海龍建築科技有限公司 (i) (ii)	Chinese mainland	RMB10,000,000	100	100	Manufacturing and sales of precast structures
中建陽泉基礎設施投資有限公司 (i) (ii)	Chinese mainland	RMB100,000,000	100	100	Infrastructure construction and operation
陽泉市陽五高速公路投資管理有限公司 (ii)	Chinese mainland	RMB202,000,000	100	100	Infrastructure construction and operation
深圳市中建宏達投資有限公司 (ii)	Chinese mainland	RMB200,000,000	100	100	Investment holding
深圳市中海投資有限公司 (ii)	Chinese mainland	RMB500,000,000	100	100	Investment holding
中海創業投資(深圳)有限公司 (i) (ii)	Chinese mainland	US\$29,800,000	100	100	Investment holding
中建國際投資集團有限公司 (i) (ii)	Chinese mainland	US\$2,768,000,000	100	100	Investment holding
中海物流(深圳)有限公司 (ii)	Chinese mainland	RMB53,437,250	100	100	Property investment
上海力進鋁質工程有限公司 (ii)	Chinese mainland	RMB37,958,749	70.78	70.78	Design, manufacture and installation of curtain walls, aluminium windows and other related products
遠東幕牆(深圳)有限公司 (i) (ii)	Chinese mainland	HK\$70,000,000	70.78	70.78	Manufacture of curtain walls, aluminium windows and other related products
遠東光伏科技(廣東)有限公司 (i) (ii) (iv)	Chinese mainland	RMB5,000,000	70.78	—	Manufacture of building-integrated photovoltaics curtain walls and other related products
Far East Facade (Singapore) Pte. Limited (iv)	Singapore	2,000,000 ordinary shares of SGD2,000,000	70.78	—	Design, manufacture and installation of curtain walls, aluminium windows and other related products
中建興業投資(湖南)有限公司 (i) (ii)	Chinese mainland	RMB200,000,000	70.78	70.78	Investment holding
湖南遠東力進建築工程有限公司 (ii)	Chinese mainland	RMB50,000,000	70.78	70.78	Consultancy and construction service
中建國際工程有限公司 (i) (ii)	Chinese mainland	RMB1,500,000,000	100	100	Building construction, civil engineering works and investment holding

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

51. Particulars of principal subsidiaries (continued)

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid up share/ registered capital	Attributable equity interest held		Principal activities
			2024	2023	
			%	%	
Indirectly held by the Company: (continued)					
廣東海昱建設工程有限公司 (ii)	Chinese mainland	RMB140,000,000	100	100	Infrastructure investment
廣州海旭投資開發有限公司 (ii) (iv)	Chinese mainland	RMB50,000,000	100	—	Infrastructure investment
廣州海耀投資開發有限公司 (ii)	Chinese mainland	RMB50,000,000	100	100	Infrastructure investment
中建國際投資(山東)有限公司 (i) (ii)	Chinese mainland	RMB1,800,000,000	100	100	Infrastructure investment
廣東順德海德開發建設有限公司 (ii)	Chinese mainland	RMB50,000,000	100	100	Infrastructure investment
青島海創建築科技有限公司 (i) (ii)	Chinese mainland	RMB1,299,900,000	100	100	Infrastructure investment
溫州海澤建設發展有限公司 (i) (ii)	Chinese mainland	RMB262,586,531	100	100	Infrastructure investment
中建國際投資(杭州)有限公司 (i) (ii)	Chinese mainland	RMB741,124,000	100	100	Infrastructure investment
天津海嘉建設發展有限公司 (ii)	Chinese mainland	RMB800,000,000	100	100	Infrastructure investment
淄博海嘉建設有限公司 (i) (ii)	Chinese mainland	RMB1,090,394,534	100	100	Infrastructure investment
合肥海創建設有限公司 (i) (ii)	Chinese mainland	RMB1,078,000,000	100	100	Infrastructure investment
中建國際投資(河南)有限公司 (ii)	Chinese mainland	RMB200,000,000	100	100	Infrastructure investment
濟南海勝產業發展有限公司 (ii)	Chinese mainland	RMB981,700,000	100	100	Infrastructure investment
湖州海昱建設有限公司 (ii)	Chinese mainland	RMB10,000,000	90	90	Infrastructure investment
佛山海睿投資開發有限公司 (i) (ii) (iv)	Chinese mainland	RMB105,500,000	100	—	Infrastructure investment
長沙海嘉建設有限公司 (ii)	Chinese mainland	RMB692,000,000	90	90	Infrastructure investment
鹽城海勝建設發展有限公司 (i) (ii)	Chinese mainland	RMB513,000,000	100	100	Infrastructure investment
泰州海鑄置業有限公司 (i) (ii)	Chinese mainland	RMB313,700,000	100	100	Infrastructure investment
廬江海創建設有限公司 (ii)	Chinese mainland	RMB695,011,764	90	90	Infrastructure investment
南昌海博建設有限公司 (ii)	Chinese mainland	RMB100,000,000	95	95	Infrastructure investment
青島海新建築科技有限公司 (i) (ii)	Chinese mainland	RMB710,000,000	100	100	Infrastructure investment
淮安海嘉建設有限公司 (ii)	Chinese mainland	RMB608,810,000	100	100	Infrastructure investment
滁州海嘉同創建設管理有限公司 (ii)	Chinese mainland	RMB588,000,000	69	69	Infrastructure investment
淄博海新建設有限公司 (i) (ii)	Chinese mainland	RMB381,935,537	100	100	Infrastructure investment
溫州海勝置業有限公司 (ii)	Chinese mainland	RMB50,000,000	100	100	Infrastructure investment
溫州海昱建設發展有限公司 (i) (ii)	Chinese mainland	RMB526,000,000	100	100	Infrastructure investment
溫州海新建設發展有限公司 (i) (ii)	Chinese mainland	RMB50,000,000	100	100	Infrastructure investment
資陽海悅建設有限公司 (ii)	Chinese mainland	RMB100,000,000	100	100	Infrastructure investment
合肥海泓建設有限公司 (ii) (iv)	Chinese mainland	RMB630,000,000	90	—	Infrastructure investment
鄭州海河建設工程有限公司 (ii)	Chinese mainland	RMB200,000,000	100	100	Infrastructure investment
臨沂海嘉建設有限公司 (i) (ii)	Chinese mainland	RMB621,358,189	100	100	Infrastructure investment
淄博海勝建設有限公司 (i) (ii)	Chinese mainland	RMB394,000,000	100	100	Infrastructure investment
溫州海升建設發展有限公司 (ii)	Chinese mainland	RMB30,000,000	100	100	Infrastructure investment
青島海耀建設有限公司 (i) (ii)	Chinese mainland	RMB596,550,000	100	100	Infrastructure investment
廣州海致投資開發有限公司 (ii) (iv)	Chinese mainland	RMB10,000,000	100	—	Infrastructure investment
溫州海旭建築工程有限公司 (ii)	Chinese mainland	RMB332,500,000	100	100	Infrastructure investment
寧波海昱建設有限公司 (ii)	Chinese mainland	RMB643,844,086	100	100	Infrastructure investment

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

51. Particulars of principal subsidiaries (continued)

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid up share/ registered capital	Attributable equity interest held		Principal activities
			2024 %	2023 %	
Indirectly held by the Company: (continued)					
濰坊海悅建設有限公司 (i) (ii)	Chinese mainland	RMB345,133,544	100	100	Infrastructure investment
宿遷海勝建設發展有限公司 (i) (ii)	Chinese mainland	RMB357,224,800	100	100	Infrastructure investment
鄆西海嘉建設有限公司 (ii)	Chinese mainland	RMB100,000,000	75	75	Infrastructure investment
徐州海勝建設發展有限公司 (i) (ii)	Chinese mainland	RMB366,080,000	100	100	Infrastructure investment
江門海悅建設有限公司 (ii)	Chinese mainland	RMB100,000,000	100	100	Infrastructure investment
瑞安海晉建設發展有限公司 (i) (ii)	Chinese mainland	RMB402,000,000	100	100	Infrastructure investment
中海建築(臨沂)有限公司 (i) (ii)	Chinese mainland	RMB366,000,000	100	100	Infrastructure investment
溫州海築建設發展有限公司 (ii)	Chinese mainland	RMB253,846,121	100	100	Infrastructure investment
商丘海嘉建築工程有限公司 (ii)	Chinese mainland	RMB200,000,000	100	100	Infrastructure investment
安徽海嘉置業有限公司 (ii)	Chinese mainland	RMB400,000,000	100	100	Infrastructure investment
中海海耀建築(煙臺)有限公司 (ii)	Chinese mainland	RMB360,146,284	100	100	Infrastructure investment
廣東海領建設工程有限公司 (i) (ii)	Chinese mainland	RMB323,060,000	100	100	Infrastructure investment
徐州海銘置業有限公司 (i) (ii) (iv)	Chinese mainland	RMB262,000,000	100	—	Infrastructure investment
中建海嘉建設工程有限公司 (ii)	Chinese mainland	RMB130,000,000	100	100	Infrastructure investment
蕪湖海悅建設有限公司 (i) (ii)	Chinese mainland	RMB200,000,000	100	100	Infrastructure investment
長豐海勝建設有限公司 (ii)	Chinese mainland	RMB200,000,000	100	100	Infrastructure investment
福州海悅建設發展有限公司 (ii)	Chinese mainland	RMB50,000,000	100	100	Infrastructure investment
溫州海恒建設發展有限公司 (ii)	Chinese mainland	RMB40,000,000	100	100	Infrastructure investment
武漢海旭建設有限公司 (ii)	Chinese mainland	RMB63,000,000	100	100	Infrastructure investment

Notes:

- (i) Registered as foreign owned enterprise
- (ii) Limited liability company registered in Chinese mainland
- (iii) Listed company
- (iv) Incorporated in 2024

None of the subsidiaries had issued any debt securities outstanding at the end of the year or at any time during the year, except for China State Construction Finance (Cayman) II Limited and 中建國際投資集團有限公司, which have issued guaranteed notes payable and corporate bonds of US\$250,000,000 (2023: US\$250,000,000) and RMB11,000,000,000 (2023: RMB7,100,000,000, respectively (Note 41).

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Company's directors, result in particulars of excessive length.

52. Event after the reporting period

On 11 March 2025, the Company entered into a subscription agreement with an independent third party (the "Subscriber"), pursuant to which the Company agreed to issue, in pursuant to the General Mandate, and the Subscriber agreed to subscribe, an aggregate of 244,600,000 shares of the Company at a subscription price of HK\$12.26 per share for an aggregate cash consideration of HK\$2,998,796,000 (the "2025 Subscription"). The 2025 Subscription was completed on 14 March 2025. Details of which are set out in the Company's announcement dated 11 March 2025 and 14 March 2025.

FIVE YEAR FINANCIAL SUMMARY

Consolidated results

	For the year ended 31 December				
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000
Revenue	62,458,009	77,309,614	101,975,265	113,734,013	115,106,744
Profit before finance costs	8,342,932	10,901,326	13,160,974	14,363,348	15,255,998
Share of profits of					
Joint ventures	701,944	369,246	275,196	629,969	637,704
Associates	1,879,577	782,808	333,934	314,539	267,555
Finance costs	(2,679,977)	(2,668,202)	(2,991,419)	(3,204,309)	(3,222,199)
Profit before tax	8,244,476	9,385,178	10,778,685	12,103,547	12,939,058
Income tax expense, net	(1,760,302)	(1,949,294)	(2,309,221)	(2,390,599)	(2,862,248)
Profit for the year	6,484,174	7,435,884	8,469,464	9,712,948	10,076,810
Profit for the year attributable to:					
Owners of the Company	6,015,368	6,800,879	7,956,876	9,164,045	9,361,017
Holders of perpetual capital securities	407,246	465,132	295,824	304,788	370,816
Non-controlling interests	61,560	169,873	216,764	244,115	344,977
	6,484,174	7,435,884	8,469,464	9,712,948	10,076,810

Five Year Financial Summary (continued)

Consolidated net assets

	As at 31 December				2024 HK\$'000
	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	
NON-CURRENT ASSETS					
Property, plant and equipment	4,819,175	5,143,358	4,869,816	5,664,826	6,179,698
Right-of-use assets	571,372	554,978	570,025	600,332	694,385
Investment properties	4,643,331	5,126,232	7,080,272	6,923,849	6,921,992
Interests in infrastructure project investments	5,713,846	5,726,639	4,742,261	3,651,302	3,307,468
Interests in joint ventures	16,453,237	18,388,085	16,771,131	16,916,238	16,896,019
Interests in associates	6,829,830	9,347,225	7,482,593	6,116,328	6,504,886
Concession operating rights	3,812,526	3,784,772	3,328,066	3,066,257	2,838,305
Deferred tax assets	177,691	173,764	119,698	123,170	112,235
Trademark, project backlogs and licences	278,416	266,102	237,361	216,116	196,185
Goodwill	577,664	577,664	577,664	577,664	577,664
Financial assets at fair value through other comprehensive income	689,958	693,390	545,886	388,709	245,084
Amounts due from investee companies	211,806	211,806	231,481	222,047	14,658
Trade and other receivables	53,729,653	54,434,753	53,285,839	55,600,846	54,199,315
Loans to joint ventures	295,761	898,754	827,673	1,283,721	1,074,728
	98,804,266	105,327,522	100,669,766	101,351,405	99,762,622
CURRENT ASSETS	88,007,041	113,956,903	128,180,363	147,923,280	171,840,867
TOTAL ASSETS	186,811,307	219,284,425	228,850,129	249,274,685	271,603,489
NON-CURRENT LIABILITIES					
Bank borrowings	(35,488,761)	(47,848,335)	(45,457,207)	(51,310,456)	(58,903,738)
Guaranteed notes payables and corporate bonds	(9,179,000)	(8,095,418)	(8,760,252)	(7,008,591)	(11,121,073)
Contract liabilities	(656,125)	(667,106)	(663,898)	(591,473)	(523,026)
Defined benefit obligations	—	—	—	(23,555)	(30,147)
Deferred tax liabilities	(399,898)	(520,728)	(508,208)	(590,736)	(629,167)
Loan from a joint venture	(2,843,602)	(2,955,665)	(2,727,273)	—	—
Lease liabilities	(24,882)	(58,454)	(112,195)	(116,760)	(195,324)
	(48,592,268)	(60,145,706)	(58,229,033)	(59,641,571)	(71,402,475)
CURRENT LIABILITIES	(79,939,492)	(92,922,448)	(102,824,642)	(115,355,495)	(123,778,412)
TOTAL LIABILITIES	(128,531,760)	(153,068,154)	(161,053,675)	(174,997,066)	(195,180,887)
NET ASSETS	58,279,547	66,216,271	67,796,454	74,277,619	76,422,602

PARTICULARS OF MAJOR INVESTMENT PROPERTIES

Address	Use	Lease term	Approximate gross floor area (sq.ft)	Group's interest %
(a) 11th, 12th and 13th Floors, China Construction Commercial Building, Rua do Campo No: 78, Macau	Commercial	Freehold	11,603	100
(b) 1st, 2nd, 3rd, 13th, 14th, 22nd and 23rd Floors, Zhongjian Commercial Building, Yingbin Road South, Gongbei District, Zhuhai, Guangdong Province, Chinese mainland	Commercial	Medium term lease	60,692	100
(c) Shop A on Ground Floor and Car Parking Spaces, Nos. 1 to 24 on 1st Floor, Fu Po Garden, Estrada Marginal do Hipodromo No: 70-76, Macau	Commercial	Medium term lease	6,542	100
(d) Shops on Basement, Ground Floor and 1st Floor, Car Parking Spaces Nos. 1 to 6 on 1st Floor and Nos. 15 to 16 on 2nd Floor, Edificio Ou Va, Rua da Ribeira do Patane No: 109-115, Avenida Marginal do Patane No: 26-36, Macau	Commercial	Freehold	9,530	100
(e) Shops A, C and E on Ground Floor, Shops B and D on 1st Floor, office floors Rooms A, B, E, F on 4th Floor, Rooms B to D on 5th Floor, Rooms A to C and E to F on 6th Floor, Rooms A to E on 7th Floor, 8th Floor, Rooms B to F on 9th Floor, Rooms C to F on 11th Floor, Rooms A to B on 12th Floor, Rooms C to E on 15th Floor, 16th Floor, Rooms A to E on 18th Floor, 19th Floor and Rooms A to E on 20th Floor, 6 car parking spaces on basement floor and 61 car parking spaces on 2nd and 3rd Floors, China Overseas Building, 139 Hennessy Road and 138 Lockhart Road, Wanchai, Hong Kong	Commercial	Medium term lease	101,492	100
(f) Room 201-401, Building #1, 371 Ding Mao Qiao Road, Zhenjiang, Jiangsu Province, Chinese mainland	Commercial	Medium term lease	389,380	100
(g) Factory at Lot No. 8, north of Dabieshan Road, south of Yonghe Road, east of Yunshan Road, west of Shuishan Road, Yeji Economic Development Zone, Luan, Anhui Province, Chinese mainland	Industrial	Medium term lease	1,182,724	100

Particulars of Major Investment Properties (continued)

Address		Use	Lease term	Approximate gross floor area (sq.ft)	Group's interest %
(h)	Factory 1-7 and 15, south of Yinxing Road, east of Jingui Road, west of Small and Micro Poiner Park, Yeji Economic Development Zone, Luan, Anhui Province, Chinese mainland	Industrial	Medium term lease	890,753	100
(i)	Yao Li Factory, West of 2nd Industrial Road, Yao Li Industrial Zone, Yeji District, Luan, Anhui Province, Chinese mainland	Industrial	Medium term lease	340,898	100
(j)	China Overseas Logistics Centre, Mingzhu Road, Yantian District, Shenzhen, Guangdong Province, Chinese mainland	Industrial	Medium term lease	566,960	100
(k)	M8, Travessa do Roquete No. 11 and Rua de Se Nos. 9-13, Macau	Commercial	Freehold	79,933	100



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