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## **SITC International Holdings Company Limited**

**海豐國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1308)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **Financial Highlights**

- Revenue for the year ended 31 December 2024 was approximately US\$3,058.1 million, increased by approximately 25.9% as compared to approximately US\$2,429.0 million for the year ended 31 December 2023.
- Gross profit increased by approximately 83.4% from approximately US\$623.0 million for the year ended 31 December 2023 to approximately US\$1,142.8 million for the year ended 31 December 2024, which translated to an increase in gross profit margin to approximately 37.4% for the year ended 31 December 2024 from approximately 25.7% for the year ended 31 December 2023.
- Profit for the year ended 31 December 2024 increased by approximately 92.9% to approximately US\$1,034.3 million from approximately US\$536.2 million for the year ended 31 December 2023.
- Basic earnings per share for the year ended 31 December 2024 amounted to US\$0.39 (2023: US\$0.20).
- A final dividend of HK\$1.40 (equivalent to US\$0.18) per share was declared for the year ended 31 December 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of SITC International Holdings Company Limited (“**SITC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) as below.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
REVENUE	3	<b>3,058,059</b>	2,428,959
Cost of sales		<b>(1,915,242)</b>	(1,805,925)
Gross profit		<b>1,142,817</b>	623,034
Other income and gains, net		<b>45,002</b>	69,465
Administrative expenses		<b>(143,998)</b>	(136,047)
Other expenses, net		<b>(952)</b>	(4,085)
Finance costs	4	<b>(15,676)</b>	(18,753)
Share of profits and losses of:			
Joint ventures		<b>24,503</b>	20,013
Associates		<b>1,878</b>	(213)
PROFIT BEFORE TAX	5	<b>1,053,574</b>	553,414
Income tax	6	<b>(19,232)</b>	(17,240)
PROFIT FOR THE YEAR		<b><u>1,034,342</u></b>	<u>536,174</u>

	<i>Note</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
<b>OTHER COMPREHENSIVE LOSS</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments arising during the year		<b>(1,626)</b>	(2,861)
Reclassification adjustments for gains included in profit or loss	5	<u>          —</u>	<u>          (7,669)</u>
		<u><b>(1,626)</b></u>	<u>          (10,530)</u>
Exchange differences on translation of foreign operations		<b>2,933</b>	(5,823)
Share of other comprehensive loss of joint ventures		<b>(4,988)</b>	(4,591)
Share of other comprehensive income/(loss) of associates		<u><b>1,880</b></u>	<u>          (372)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		<u><b>(1,801)</b></u>	<u>          (21,316)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX</b>		<u><b>(1,801)</b></u>	<u>          (21,316)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>1,032,541</b></u>	<u>          514,858</u>
Profit for the year attributable to:			
Shareholders of the Company		<b>1,028,325</b>	531,393
Non-controlling interests		<u><b>6,017</b></u>	<u>          4,781</u>
		<u><b>1,034,342</b></u>	<u>          536,174</u>

	<i>Note</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Total comprehensive income for the year attributable to:			
Shareholders of the Company		<b>1,024,179</b>	511,223
Non-controlling interests		<b>8,362</b>	3,635
		<b><u>1,032,541</u></b>	<u>514,858</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>			
Basic (US\$ per share)	8	<b><u>0.39</u></b>	<u>0.20</u>
Diluted (US\$ per share)		<b><u>0.38</u></b>	<u>0.20</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,827,726</b>	1,661,852
Right-of-use assets		<b>235,841</b>	215,463
Advance payments for the acquisition of vessels		<b>30,873</b>	70,833
Goodwill		<b>971</b>	998
Other intangible assets		<b>1,579</b>	1,579
Investments in joint ventures		<b>60,666</b>	57,965
Investments in associates		<b>13,892</b>	12,604
Derivative financial instruments		<b>3,006</b>	4,584
		<hr/>	<hr/>
Total non-current assets		<b>2,174,554</b>	2,025,878
<b>CURRENT ASSETS</b>			
Bunkers		<b>46,980</b>	43,324
Trade receivables	9	<b>174,671</b>	113,333
Prepayments, deposits and other receivables		<b>54,396</b>	37,340
Derivative financial instruments		<b>2,288</b>	1,485
Financial assets at fair value through profit or loss		<b>690</b>	14,780
Cash and bank balances		<b>744,494</b>	416,323
		<hr/>	<hr/>
Total current assets		<b>1,023,519</b>	626,585
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>233,680</b>	203,514
Other payables and accruals		<b>143,332</b>	137,265
Derivative financial instruments		<b>1,001</b>	–
Bank borrowings		<b>114,981</b>	104,219
Lease liabilities		<b>45,980</b>	50,937
Income tax payables		<b>5,782</b>	7,065
		<hr/>	<hr/>
Total current liabilities		<b>544,756</b>	503,000
		<hr/>	<hr/>
NET CURRENT ASSETS		<b>478,763</b>	123,585
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>2,653,317</b>	2,149,463
		<hr/>	<hr/>

	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u><b>2,653,317</b></u>	<u>2,149,463</u>
NON-CURRENT LIABILITIES		
Bank borrowings	<b>51,876</b>	64,815
Lease liabilities	<b>175,984</b>	150,733
Provision for reinstatement costs	<b>3,953</b>	<u>2,857</u>
Total non-current liabilities	<u><b>231,813</b></u>	<u>218,405</u>
Net assets	<u><b>2,421,504</b></u>	<u>1,931,058</u>
EQUITY		
<b>Equity attributable to shareholders of the Company</b>		
Issued capital	<b>34,641</b>	34,583
Reserves	<b>2,369,595</b>	<u>1,879,953</u>
	<b>2,404,236</b>	1,914,536
Non-controlling interests	<b>17,268</b>	<u>16,522</u>
Total equity	<u><b>2,421,504</b></u>	<u>1,931,058</u>

## 1.1 BASIS OF PREPARATION

These financial statements 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. They have been prepared under the historical cost convention, except for derivative financial instruments and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in the United States dollars (the “US\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reverse; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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 revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) 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.



- (c) 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 the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

## 2. OPERATING SEGMENT INFORMATION

### Year ended 31 December 2024 and 2023

The Group's operating income was derived from the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, container vessel leasing, land leasing and other services. For the purposes of resource allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment.

### Geographical information

The Group's non-current assets are primarily dominated by its vessels. The directors of the Company consider that the nature of the Group's business and the way in which costs are allocated preclude a meaningful allocation of vessels, their operating profits and related capital expenditure to specific geographical areas as defined under HKFRS 8 *Operating Segments* issued by the HKICPA. These vessels are primarily utilised across the geographical markets for shipment of cargoes throughout Asia. Accordingly, geographical information is only presented for revenue.

The following revenue information by geographical area is based on the locations of customers:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Greater China*	1,473,885	942,529
Southeast Asia	879,335	790,401
Japan	520,960	527,012
Others	183,879	169,017
	<u>3,058,059</u>	<u>2,428,959</u>
Total revenue	<u>3,058,059</u>	<u>2,428,959</u>

\* Greater China includes Chinese Mainland, Hong Kong and Taiwan.

### Major customer information disclosure

During the year, there were no sales to any single customer which contributed 10% or more of the Group's revenue (2023: Nil).

### 3. REVENUE

An analysis of the Group's revenue is as follows:

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Revenue from contracts with customers	<b>3,055,862</b>	2,422,168
Revenue from other sources:		
Vessels time charter income	–	4,722
Other rental income	<b>2,197</b>	2,069
	<hr/>	<hr/>
Subtotal	<b>2,197</b>	6,791
	<hr/>	<hr/>
Total	<b>3,058,059</b>	2,428,959
	<hr/> <hr/>	<hr/> <hr/>

### 4. FINANCE COSTS

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Interest on bank borrowings	<b>6,782</b>	9,410
Interest on lease liabilities	<b>8,774</b>	9,217
Increase in discounted amounts of provision for reinstatement costs arising from the passage of time	<b>120</b>	126
	<hr/>	<hr/>
Total finance costs	<b>15,676</b>	18,753
	<hr/> <hr/>	<hr/> <hr/>

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Cost of services provided:		
Cost of bunkers consumed	<b>327,288</b>	316,807
Others	<b>1,587,954</b>	1,489,118
	<hr/>	<hr/>
Total	<b>1,915,242</b>	1,805,925
Depreciation of property, plant and equipment	<b>110,999</b>	99,973
Less: Included in cost of services provided	<b>(106,787)</b>	(95,955)
	<hr/>	<hr/>
Total	<b>4,212</b>	4,018
Depreciation of right-of-use assets	<b>52,913</b>	58,788
Less: Included in cost of services provided	<b>(50,382)</b>	(56,173)
	<hr/>	<hr/>
Total	<b>2,531</b>	2,615
Lease payments not included in the measurement of lease liabilities	<b>102,621</b>	111,477
Less: Included in cost of services provided	<b>(99,778)</b>	(108,918)
	<hr/>	<hr/>
Total	<b>2,843</b>	2,559
Auditor's remuneration	<b>432</b>	421
Employee benefit expense (including directors' remuneration):		
Wages and salaries	<b>167,904</b>	168,592
Share award expense	<b>27,829</b>	28,429
Pension scheme contributions (defined contribution schemes)*	<b>13,832</b>	12,895
	<hr/>	<hr/>
Subtotal	<b>209,565</b>	209,916
Less: Included in cost of services provided	<b>(93,398)</b>	(101,152)
	<hr/>	<hr/>
Total	<b>116,167</b>	108,764

	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Impairment of trade receivables, net**	<b>634</b>	55
Fair value losses/(gains), net:		
Cash flow hedges (transfer from equity)	–	(7,669)
Derivative instruments – transaction not qualifying as hedges	<b>9**</b>	(447)
Financial assets at fair value through profit or loss	<b>(18)</b>	752**
	<u><u>          </u></u>	<u><u>          </u></u>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

\*\* These items are included in “Other expenses, net” on the face of the consolidated statement of profit or loss and other comprehensive income.

## 6. INCOME TAX

An analysis of the Group’s income tax is as follows:

	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Current:		
Hong Kong	<b>685</b>	647
Overprovision in prior years – Hong Kong	<b>(81)</b>	(41)
Chinese Mainland	<b>5,505</b>	4,962
Elsewhere	<b>13,123</b>	11,672
	<u>          </u>	<u>          </u>
Total tax expense for the year	<b>19,232</b>	17,240
	<u><u>          </u></u>	<u><u>          </u></u>

*Notes:*

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023:16.5%). Taxes on profits assessable in Chinese Mainland and elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

- (b) The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2024 in certain jurisdictions in which the Group operates.

The Group is in scope of the enacted or substantively enacted legislation and is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the financial year ended 31 December 2024. Based on the assessment carried out so far, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. Only few jurisdictions where the transitional safe harbour relief may not apply, and in jurisdictions where the transitional safe harbour may not apply, either Pillar Two legislation has not yet been enacted or substantively enacted, or any potential impact is not expected to be material. Hence, the Group does not expect a material top-up tax exposure in those jurisdictions yet. Quantitative information to indicate potential exposure to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to progress the assessment and expects to complete the assessment in the financial year 2025.

## 7. DIVIDENDS

	2024		2023	
	<i>HK\$'000</i>	<i>US\$'000 equivalent</i>	<i>HK\$'000</i>	<i>US\$'000 equivalent</i>
Interim – HK\$0.72 (equivalent to approximately US\$0.09) (2023: HK\$0.60, equivalent to approximately US\$0.08) per ordinary share	<b>1,931,841</b>	<b>247,817</b>	1,609,574	205,189
Special – HK\$0.40 (equivalent to approximately US\$0.05) (2023: Nil) per ordinary share	<b>1,074,848</b>	<b>138,311</b>	–	–
Proposed final – HK\$1.40 (equivalent to approximately US\$0.18) (2023: HK\$0.50, equivalent to approximately US\$0.06) per ordinary share	<b><u>3,762,162</u></b>	<b><u>483,674</u></b>	<u>1,341,332</u>	<u>171,422*</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

- \* These was a difference of US\$52,000 between the amount of the 2023 final dividend disclosed above and the amount disclosed in the consolidated financial statements for the year ended 31 December 2023, which arose from an increase in the amount of the 2023 final dividend translated in US\$ of US\$52,000, as a result of the difference in the exchange rate used for converting HK\$ into US\$ for the amount of the proposed 2023 final dividend disclosed in the consolidated financial statements for the year ended 31 December 2023 and that prevailing on the 2023 final dividend settlement date.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the year less shares held under the share award schemes of the Company.

The calculation of the diluted earnings per share is based on the profit for the year attributable to shareholders of the Company; and the weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue during the year as used in the basic earnings per share calculation; (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options into ordinary shares; and (iii) the weighted average number of ordinary shares assumed to have been awarded at no consideration on the deemed exercise of all rights of shares held under the share award schemes of the Company.

The calculations of the basic and diluted earnings per share amounts are based on:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
<b>Earnings</b>		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	<u>1,028,325</u>	<u>531,393</u>
	<b>Number of shares</b>	
	<b>2024</b>	<b>2023</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year less shares held under the share award schemes, used in the basic earnings per share calculation	<b>2,645,299,332</b>	2,647,318,962
Effect of dilution – weighted average number of ordinary shares:		
Share options	<b>312,396</b>	503,943
Shares held under the share award schemes	<u>38,579,924</u>	<u>35,286,976</u>
Weighted average number of ordinary shares during the year, used in the diluted earnings per share calculation	<u>2,684,191,652</u>	<u>2,683,109,881</u>

## 9. TRADE RECEIVABLES

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Within 1 month	<b>147,346</b>	92,187
1 to 2 months	<b>15,834</b>	13,756
2 to 3 months	<b>6,883</b>	4,609
Over 3 months	<b>4,608</b>	2,781
	<hr/>	<hr/>
Total	<b>174,671</b>	113,333
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## 10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Within 1 month	<b>177,660</b>	161,108
1 to 2 months	<b>23,260</b>	19,997
2 to 3 months	<b>6,931</b>	4,642
Over 3 months	<b>25,829</b>	17,767
	<hr/>	<hr/>
Total	<b>233,680</b>	203,514
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## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

SITC is one of Asia's leading shipping logistics companies that provides integrated transportation and logistics solutions.

### *Business Review*

The Group's business covers integrated shipping logistics services, such as the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, container vessel leasing, land leasing and other services. During the year ended 31 December 2024, the Group's business continued to provide container transportation and integrated logistics services that focused exclusively on the Asian market, as the Company believes that the Asian market will continue to experience healthy growth.

As at 31 December 2024, the Group operated 78 trade lanes, including 16 trade lanes through joint services and 24 trade lanes through container slot exchange arrangements. These trade lanes and land-based integrated logistics business network covered 81 major ports in various countries and regions including the Chinese Mainland, Japan, Korea, Taiwan, Hong Kong, Vietnam, Thailand, the Philippines, Cambodia, Indonesia, Singapore, Malaysia, Brunei, Bengal, Myanmar and India. As at 31 December 2024, the Group operated a fleet of 114 vessels with a total capacity of 180,255 TEU, comprised of 100 self-owned (164,845 TEU) and 14 chartered vessels (15,410 TEU), with an average age of 8.4 years. Of these 114 vessels, 90 were of less than 2,000 TEU, and 24 were of 2,000 TEU to 3,000 TEU. For the year ended 31 December 2024, US\$208.0 million out of US\$261.0 million of paid out capital expenditure were attributable to vessel purchases. In addition, the Group also operated (including through joint ventures) approximately 2,079,593 m<sup>2</sup> of depot and 153,075 m<sup>2</sup> of warehousing space.

Revenue of the Group for the year ended 31 December 2024 increased by approximately 25.9% from approximately US\$2,429.0 million for the year ended 31 December 2023 to approximately US\$3,058.1 million for the year ended 31 December 2024. The increase was a result of a combined effect, where (i) container shipping volume increased by approximately 10.7% from 3,224,498 TEUs in 2023 to 3,570,184 TEUs in 2024; and (ii) average freight rate (excluding slot exchange fee income) increased by approximately 15.7% from US\$623.3/TEU in 2023 to US\$721.1/TEU in 2024.



## ***Market and Review***

In 2024, the Red Sea crisis and terminal congestion have reduced the effective capacity of container shipping, while economic recovery, industrial transfer and inventory strategy adjustments have increased freight demand, and the improvement of supply and demand and rising comprehensive costs have driven the industry's revenue growth. The Company adheres to a differentiated, low-cost strategy to continuously improve profitability.

Looking ahead to 2025, the industry still faces a lot of uncertainties, but the gradual return to normal from disruptions will lead to overall overcapacity in the future. Customer stickiness, operational efficiency, and cost control have become the key factors for the Company's sustainable profitability.

The Company will focus its business in Asia, give full play to its unique competitive advantages, provide customers with low-carbon, environmentally friendly, high-quality supply chain services, and continue to create higher value for all stakeholders, and will surely grow into a world-class integrated logistics service solution provider.

## Financial Overview

	<b>For the year ended 31 December</b>	
	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Revenue</b>	<b>3,058,059</b>	2,428,959
Container shipping and supporting logistics income	<b>2,735,468</b>	2,197,486
Other container logistics income	<b>320,394</b>	224,682
Other income	<b>2,197</b>	6,791
	<hr/>	<hr/>
<b>Cost of sales</b>	<b>(1,915,242)</b>	(1,805,925)
Equipment and cargos transportation costs	<b>(973,133)</b>	(925,542)
Voyage costs	<b>(422,468)</b>	(408,463)
Container shipping vessels cost	<b>(257,470)</b>	(296,734)
Other container logistics costs	<b>(261,460)</b>	(172,472)
Other costs	<b>(711)</b>	(2,714)
	<hr/>	<hr/>
<b>Gross profit</b>	<b>1,142,817</b>	623,034
Other income and gains (excluding bank interest income and other investment income)	<b>17,975</b>	38,175
Administrative expenses	<b>(143,998)</b>	(136,047)
Share of profits of:		
Joint ventures	<b>24,503</b>	20,013
Associates	<b>1,878</b>	(213)
Other expenses, net	<b>(952)</b>	(4,085)
	<hr/>	<hr/>
Segment results	<b>1,042,223</b>	540,877
Finance costs	<b>(15,676)</b>	(18,753)
Bank interest income and other investment income	<b>27,027</b>	31,290
	<hr/>	<hr/>
Profit before tax	<b>1,053,574</b>	553,414
Income tax	<b>(19,232)</b>	(17,240)
	<hr/>	<hr/>
<b>Profit for the year</b>	<b>1,034,342</b>	536,174
	<hr/> <hr/>	<hr/> <hr/>
<b>Profit attributable to:</b>		
Owners of the parents	<b>1,028,325</b>	531,393
Non-controlling interests	<b>6,017</b>	4,781
	<hr/>	<hr/>
	<b>1,034,342</b>	536,174
	<hr/> <hr/>	<hr/> <hr/>

The following table sets forth the number of trade lanes and port calls per week of the Group as at 31 December 2023 and 2024, and the average freight rate for the year ended 31 December 2023 and 2024:

<b>Year ended 31 December</b>		<b>As at 31 December</b>			
<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Aggregate freight rate</b>		<b>Number of trade lanes</b>		<b>Port calls per week</b>	
<i>(US\$ per TEU, excluding slot exchange fee rate)</i>					
<b>721.1</b>	623.3	<b>78</b>	76	<b>483</b>	464

### ***Revenue***

The Group's total revenue increased by approximately 25.9% from approximately US\$2,429.0 million for the year ended 31 December 2023 to approximately US\$3,058.1 million for the year ended 31 December 2024. The increase was a result of a combined effect, where (i) container shipping volume increased by approximately 10.7% from 3,224,498 TEUs in 2023 to 3,570,184 TEUs in 2024; and (ii) average freight rate (excluding slot exchange fee income) increased by approximately 15.7% from US\$623.3/TEU in 2023 to US\$721.1/TEU in 2024.

### ***Cost of Sales***

The Group's cost of sales increased by approximately 6.1% from approximately US\$1,805.9 million for the year ended 31 December 2023 to approximately US\$1,915.2 million for year ended 31 December 2024. The increase was mainly attributable to: (i) freight forwarding costs in other container logistics costs increased by approximately US\$89.0 million year-on-year as a result of the increase in other container logistics revenues; (ii) the year-on-year increase of US\$61.6 million in equipment and cargo transportation costs and voyage costs, which is in line with the increase in container shipping volume; and (iii) the year-on-year decrease in container shipping vessel costs of approximately US\$39.3 million due to the expansion of self-owned vessels and the decline in charter hire rates for chartered vessels.

### ***Gross Profit and Gross Profit Margin***

As a result of the foregoing, the gross profit increased from approximately US\$623.0 million for the year ended 31 December 2023 to approximately US\$1,142.8 million for the year ended 31 December 2024. The Group's gross profit margin increased from approximately 25.7% for the year ended 31 December 2023 to approximately 37.4% for the year ended 31 December 2024.

***Other Income and Gains (excluding bank interest income and other investment income)***

For the year ended 31 December 2024, the other income and gains (excluding bank interest income and other investment income) decreased by approximately US\$20.2 million from approximately US\$38.2 million for the year ended 31 December 2023 to approximately US\$18.0 million for the year ended 31 December 2024. The decrease was mainly attributable to: (i) the gains on disposal of vessels of approximately US\$9.6 million from the disposal of 6 container vessels in 2024, as compared to approximately US\$22.1 million from the disposal of 4 container vessels in 2023; and (ii) a year-on-year decrease of approximately US\$8.1 million in the fair value gains on derivative instruments.

***Bank Interest Income and Other Investment Income***

The Group's amount of bank interest income and other investment income was approximately US\$31.3 million and US\$27.0 million for the year ended 31 December 2023 and 2024, respectively. The decrease was mainly attributable to the decrease in the average deposit principal in 2024.

***Administrative Expenses***

The Group's administrative expenses increased from approximately US\$136.0 million for the year ended 31 December 2023 to approximately US\$144.0 million for the year ended 31 December 2024, representing an increase of approximately 5.9%. The increase was primarily attributable to the overall increase in staff bonus cost.

***Share of Profits and Losses of Joint Ventures***

The Group's share of profits and losses of joint ventures recorded profits of approximately US\$20.0 million and US\$24.5 million in 2023 and 2024, respectively. The increase was mainly attributable to the increase in the profits of certain jointly controlled freight forwarders and depot companies.

### ***Share of Profits and Losses of Associates***

The Group's share of profits and losses of associates were losses of approximately US\$0.2 million and profits of approximately US\$1.9 million for 2023 and 2024, respectively. The increase was mainly attributable to the increase in the profits of associates' depots.

### ***Other Expenses, net***

The Group's other expenses, net, decreased by approximately US\$3.1 million from approximately US\$4.1 million for the year ended 31 December 2023 to approximately US\$1.0 million for the year ended 31 December 2024. The decrease was mainly attributable to the decrease in non-operating expenses during the year.

### ***Finance Costs***

The Group's finance costs decreased from approximately US\$18.8 million for the year ended 31 December 2023 to approximately US\$15.7 million for the year ended 31 December 2024. The decrease was mainly attributable to the decrease in borrowing principal.

### ***Profit before Tax***

As a result of the foregoing, the Group's profit before tax increased from approximately US\$553.4 million for the year ended 31 December 2023 to approximately US\$1,053.6 million for the year ended 31 December 2024.

### ***Income Tax Expenses***

The Group's income tax expense was approximately US\$17.2 million and US\$19.2 million for the year ended 31 December 2023 and 2024, respectively. The increase was primarily attributable to the increase in taxable profit of the Group.

### ***Profit for the Year***

The Group's profit for the year ended 31 December 2024 was approximately US\$1,034.3 million, representing an increase of approximately 92.9% as compared to the profit of approximately US\$536.2 million for the year ended 31 December 2023.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

Total assets of the Group increased by approximately 20.6% from approximately US\$2,652.5 million as at 31 December 2023 to approximately US\$3,198.1 million as at 31 December 2024. As at 31 December 2024, the Group had cash and bank balances amounting to approximately US\$744.5 million, mainly denominated in US dollar, Renminbi, Japanese Yen and other currencies.

Total liabilities of the Group increased by approximately 7.7% from approximately US\$721.4 million as at 31 December 2023 to approximately US\$776.6 million as at 31 December 2024. At 31 December 2024, the Group had interest-bearing bank loans of approximately US\$115.0 million repayable within one year or on demand, approximately US\$15.6 million within the second year, and approximately US\$36.3 million within third to fifth years.

Further, the Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As at 31 December 2024, the Group had no foreign exchange hedging instruments (31 December 2023: nil) of its foreign currency sales. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

As at 31 December 2024, the Group had current ratio (being the current assets divided by the current liabilities) of approximately 1.9 compared to that of 1.2 as at 31 December 2023. The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain a healthy gearing ratio. Net debt includes interest-bearing bank borrowings, trade and other payables, accruals, amounts due to related companies, less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the parent less the hedging reserve. The Group's gearing ratio was 13.4% and 0.9% as at 31 December 2023 and 31 December 2024, respectively.

## **CONTINGENT LIABILITIES**

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

## **CHARGE ON ASSETS**

The Group's bank loans were secured by mortgages over the Group's vessels and land which had a net carrying amount of approximately US\$222.3 million (31 December 2023: US\$232.6 million) and approximately US\$9.9 million (31 December 2023: US\$9.8 million), respectively, as at 31 December 2024.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had an aggregate of 2,219 full-time employees (excluding crew member, 31 December 2023: 2,142). The related employees' costs for the period (including directors' emoluments) amounted to approximately US\$209.6 million (31 December 2023: US\$209.9 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees (including the directors) with reference to corporate performance, individual performance appraisal and current market salary scale. Further, the Company has adopted a new share scheme on 26 April 2024 (the "**Share Scheme**") to provide incentive to eligible participants in order to promote the development and success of the business of the Group. Further information of the Company's share schemes will be available in the annual report of the Company for the year ended 31 December 2024.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the year ended 31 December 2024, a total of 8 new container vessels and 1 second-hand new container vessel were delivered. During the year ended 31 December 2024, SITC Shipowning Group Company Limited (a wholly-owned subsidiary of the Company) ("**SITC Shipowning**") and Huanghai Shipbuilding Co., Ltd. (黄海造船有限公司) (the "**Builder**") entered into shipbuilding agreements for the construction of 4 container vessels at the aggregate consideration of US\$115.92 million. At the same time, the Builder granted to SITC Shipowning the options for the construction of 6 additional container vessels (the "**Options**"). On 29 October 2024, SITC Shipowning exercised the options for the construction of 2 container vessels at the aggregate consideration of US\$58.0 million.

Save as disclosed above, the Group did not have other significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Company will continue to purchase container vessels and containers, and invest in logistics projects, as and when appropriate. The Company expects that the internal financial resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed, the Company does not have any future plans for significant investments or capital assets as at the date of this announcement.

## **EVENT AFTER THE REPORTING PERIOD**

On 24 January 2025, SITC Shipowning exercised the Options for the construction of 2 additional container vessels at the aggregate consideration of US\$58.0 million. Further details are set out in the announcement of the Company dated 24 January 2025.

Save as disclosed above, as at the date of this announcement, no significant event has taken place subsequent to the reporting period.

## **FINAL DIVIDEND**

At the Board meeting held on 10 March 2025 (Monday), it was proposed that a final dividend of HK\$1.40 (equivalent to US\$0.18) per ordinary share would be paid on 22 May 2025 (Thursday) to the shareholders of the Company whose names appear on the Company's register of members at the close of business at 4:30 p.m. on 12 May 2025 (Monday). The proposed final dividend is subject to approval by the shareholders at the annual general meeting of the Company to be convened and held on 29 April 2025 (Tuesday) (the "**Annual General Meeting**").

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

## **OTHER INFORMATION**

### **Annual General Meeting**

The Annual General Meeting will be convened and held on 29 April 2025 (Tuesday). A notice convening the Annual General Meeting will be published and disseminated to the shareholders of the Company in due course.

### **Closure of Register of Members**

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 25 April 2025 (Friday) to 29 April 2025 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 24 April 2025 (Thursday).



For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 7 May 2025 (Wednesday) to 12 May 2025 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 6 May 2025 (Tuesday).

### **Purchase, Sale and Redemption of Shares**

During the period from 31 May 2024 to 19 July 2024, the trustee of the Share Scheme purchased on the market an aggregate of 2,066,000 shares of the Company at an average consideration of approximately HK\$18.34 per share, totalling approximately HK\$37.88 million for the purpose of the Share Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

### **Corporate Governance**

The Company is committed to maintaining stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. For the year ended 31 December 2024, the Board is of the view that the Company had complied with the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and there had been no deviation from the code provisions for the year ended 31 December 2024.

### **Model Code for Securities Transactions by Directors**

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules and devised its own code of conduct regarding directors' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code. Having made specific enquiries with all Directors, they have confirmed that they complied with the required standards set out in the Model Code and the Company Code throughout the year ended 31 December 2024.

## **Audit Committee**

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Dr. Liu Ka Ying, Rebecca, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy). The chairlady of the Audit Committee is Dr. Liu Ka Ying, Rebecca. The annual results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee.

## **Auditor**

The Company appointed Ernst & Young as its auditor for the year ended 31 December 2024. The Company will submit a resolution in the forthcoming Annual General Meeting to re-appoint Ernst & Young as the auditor of the Company.

## **Scope of Work of the Company’s Auditor**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s drafted consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company’s auditor on the preliminary announcement.

## **Publication of Annual Report**

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sitc.com](http://www.sitc.com)). The annual report of the Company for the year ended 31 December 2024 containing all the information as required by the Listing Rules will be made available for review on the same websites in due course.

By order of the Board  
**SITC International Holdings Company Limited**  
**Yang Xianxiang**  
*Chairman*

Hong Kong, 10 March 2025

*As at the date of this announcement, the executive Directors are Mr. Yang Xianxiang, Mr. Liu Kecheng, Mr. Xue Mingyuan and Mr. Lai Zhiyong; the non-executive Director is Ms. Yang Xin; and the independent non-executive Directors are Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy).*