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Kerry Logistics
Network Limited
嘉里物流網絡有限公司

(Incorporated in the British Virgin Islands and continued into Bermuda
as an exempted company with limited liability)

Stock Code 636

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023.

GROUP'S FINANCIAL HIGHLIGHTS

- Revenue* grew by 23% to HK\$58,274 million (2023: HK\$47,408 million).
- Core operating profit* increased by 23% to HK\$2,725 million (2023: HK\$2,207 million).
- Core net profit* increased by 12% to HK\$1,357 million (2023: HK\$1,214 million).
- Profit attributable to the Shareholders was HK\$1,542 million, which represents a growth of 95% (2023: HK\$791 million).
- IL business recorded a segment profit* of HK\$1,251 million (2023: HK\$1,289 million), which represents a decrease of 3%.
- IFF business recorded a segment profit* of HK\$1,950 million (2023: HK\$1,400 million), which represents a growth of 39%.
- Proposed final dividend of 15 HK cents per Share to be payable on or around Tuesday, 10 June 2025.

* For continuing operations only

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
	Note	2024 HK\$'000	2023 HK\$'000
Continuing operations			
Revenue	2	58,274,404	47,407,559
Direct operating expenses	4	(52,627,332)	(42,506,403)
Gross profit		5,647,072	4,901,156
Other income and net gains	3	111,589	86,060
Administration expenses	4	(2,930,991)	(2,709,690)
Operating profit before fair value change of investment properties		2,827,670	2,277,526
Change in fair value of investment properties		(13,535)	10,499
Operating profit		2,814,135	2,288,025
Finance expenses	5	(625,153)	(576,720)
Share of results of associates and a joint venture		83,293	195,371
Profit before taxation		2,272,275	1,906,676
Taxation	6	(658,682)	(464,119)
Profit for the year from continuing operations		1,613,593	1,442,557
Discontinued operations:			
Profit/(loss) for the year from discontinued operations	14	141,930	(836,672)
Profit for the year		1,755,523	605,885
Profit attributable to:			
Company's shareholders		1,541,524	791,165
From continuing operations		1,320,290	1,209,818
From discontinued operations		221,234	(418,653)
Non-controlling interests		188,259	(198,150)
From continuing operations		267,563	219,869
From discontinued operations		(79,304)	(418,019)
Holders of perpetual convertible securities		25,740	12,870
From continuing operations		25,740	12,870
From discontinued operations		–	–
		1,755,523	605,885
Earnings per share from continuing operations	8		
– Basic		HK\$0.73	HK\$0.67
– Diluted		HK\$0.73	HK\$0.67
Earnings per share from discontinued operations			
– Basic		HK\$0.12	HK\$(0.23)
– Diluted		HK\$0.12	HK\$(0.23)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Profit for the year	1,755,523	605,885
Other comprehensive (loss)/income		
Items that will not be reclassified subsequently to profit or loss		
Defined benefit pension plans		
– Actuarial gain	922	10,141
– Deferred income tax	133	(2,028)
Fair value change on financial assets at fair value through other comprehensive income	(156,568)	(10,292)
Fair value gain recognised upon the transfer from property, plant and equipment to investment properties, net of tax	29,752	258,495
Items that may be reclassified to profit or loss		
Net translation differences on foreign operations	(479,728)	(115,032)
Other comprehensive (loss)/income for the year (net of tax)	(605,489)	141,284
Total comprehensive income for the year	1,150,034	747,169
Total comprehensive income/(loss) attributable to:		
Company's shareholders		
From continuing operations	635,966	1,320,990
From discontinued operations	359,760	(379,945)
Non-controlling interests	128,568	(206,746)
Holders of perpetual convertible securities	25,740	12,870
	1,150,034	747,169

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Intangible assets		5,681,264	5,785,503
Investment properties		2,518,568	2,538,606
Property, plant and equipment		7,022,659	6,986,802
Right-of-use assets		2,850,160	2,543,977
Associates and a joint venture		1,592,330	1,681,808
Financial assets at fair value through other comprehensive income		299,899	461,270
Investment in convertible bonds		5,714	5,831
Other non-current assets		223,055	314,556
Deferred taxation		223,588	381,120
		20,417,237	20,699,473
Current assets			
Financial assets at fair value through profit or loss		496	389
Inventories		322,723	410,790
Accounts receivable, prepayments and deposits	9	14,584,890	11,920,703
Tax recoverable		314,586	429,375
Amounts due from fellow subsidiaries		457,578	45,682
Amounts due from related companies		1,744	106
Amounts due from associates		4,780	9,431
Restricted and pledged bank deposits		20,500	12,843
Cash and bank balances		6,577,951	6,521,438
		22,285,248	19,350,757
Assets classified as held for distribution		–	2,070,685
		22,285,248	21,421,442
Current liabilities			
Lease liabilities		880,498	927,103
Accounts payable, deposits received and accrued charges	10	10,821,919	8,409,541
Amounts due to fellow subsidiaries		6,329	160
Amounts due to related companies		140,547	157,537
Taxation		562,134	363,631
Loans from non-controlling interests		23,228	–
Short-term bank loans and current portion of long-term bank loans	11	2,916,725	3,262,675
Bank overdrafts	11	168,316	62,535
		15,519,696	13,183,182
Liabilities associated with assets classified as held for distribution		–	1,471,618
		15,519,696	14,654,800

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December	
		2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Loans from non-controlling interests		202,405	270,841
Long-term bank loans	11	5,904,173	5,235,456
Lease liabilities		1,397,015	1,100,566
Deferred taxation		508,776	731,734
Retirement benefit obligations		31,458	20,259
Other non-current liabilities		59,831	–
		8,103,658	7,358,856
ASSETS LESS LIABILITIES		19,079,131	20,107,259
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital		903,715	903,715
Share premium		4,074,218	4,074,218
Shares held for share award scheme		(43,955)	(27,639)
Retained profits and other reserves		11,047,675	11,861,985
		15,981,653	16,812,279
Perpetual convertible securities		774,101	774,101
Non-controlling interests		2,323,377	2,520,879
TOTAL EQUITY		19,079,131	20,107,259

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of logistics and freight forwarding services. The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

To align with the Group's strategy of focusing on its core business of integrated logistics and international freight forwarding, during the year ended 31 December 2024, the Group completed the distribution of special interim dividend by way of distribution in specie of all its shares held in KEX Express (Thailand) Public Company Limited ("KEX Express Thailand") and ceased certain express operations in Asia (together with KEX Express Thailand, "Express Operations"). These constituted discontinued operations ("Discontinued Operations") under HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the related financial information of the Discontinued Operations is required to be presented separately as discontinued operations of the Group in the consolidated financial statements for the year ended 31 December 2024. The results of the discontinued operations has been presented separately as one-line item below profit for the year from continuing operations as "discontinued operations". Further detail of the financial information of the Discontinued Operations are set out in note 14.

The financial information and the related notes in respect of this results announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the auditor in this respect did not constitute an assurance engagement and consequently no assurance conclusion has been expressed by the auditor on this results announcement.

Shenzhen Mingde Holding Development Co., Ltd., a private company incorporated in the PRC, is the ultimate holding company.

These financial statements have been prepared in accordance with HKFRS issued by HKICPA. In addition, these financial statements also comply with the applicable disclosure provisions of the Listing Rules.

(I) ADOPTION OF AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATION

The following amendments to existing standards and interpretation have been published that are effective for the accounting period of the Group beginning on 1 January 2024:

Amendments to HKAS 1, 'Classification of liabilities as current or non-current'

Amendments to HKAS 1, 'Non-current liabilities with covenants'

Amendments to HKFRS 16, 'Lease liability in a sale and leaseback'

Hong Kong Interpretation 5 (Revised), 'Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause'

Amendments to HKAS 7 and HKFRS 7, 'Supplier Finance Arrangements'

In the current year, the Group has applied, for the first time, the above amendments to existing standards and interpretation issued by the HKICPA. The adoption of the above amendments to existing standards and interpretation had no material impact on the consolidated financial statements of the Group.

(II) NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATION WHICH ARE NOT YET EFFECTIVE

The Group has not yet adopted the following new standards, amendments to existing standards and interpretation that have been issued by the HKICPA but are not yet effective.

Amendments to HKAS 21 and HKFRS 1, 'Lack of Exchangeability'¹

Amendments to HKFRS 7 and HKFRS 9, 'Classification and Measurement of Financial Instruments'²

Annual Improvements to HKFRS Accounting Standards – Volume 11²

HKFRS 18, 'Presentation and Disclosure in Financial Statements'³

HKFRS 19, 'Subsidiaries without Public Accountability: Disclosures'³

Amendments to Hong Kong Interpretation 5, 'Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause'³

Amendments to HKFRS 10 and HKAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'⁴

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 Effective date to be determined

The Group will adopt the above new standards, amendments to existing standards and interpretation 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.

2. PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

An analysis of the Group's financial results by operating segment and geographical area for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023, as reclassified, is as follows:

	For the year ended 31 December											
	Continuing operations								Discontinued operations			
	Integrated logistics		International freight forwarding		Elimination		Consolidation		after elimination		Consolidation	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000 (Restated)	HK\$'000	HK\$'000 (Restated)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue												
Turnover	14,448,877	15,006,751	43,825,527	32,400,808	-	-	58,274,404	47,407,559	548,169	3,298,670	58,822,573	50,706,229
Inter-segment revenue	1,329,943	750,872	6,532,003	5,527,704	(7,861,946)	(6,278,576)	-	-	-	-	-	-
	15,778,820	15,757,623	50,357,530	37,928,512	(7,861,946)	(6,278,576)	58,274,404	47,407,559	548,169	3,298,670	58,822,573	50,706,229
<i>Turnover by geographical area</i>												
Hong Kong	6,498,008	5,999,487	1,757,227	1,734,329	(1,013,475)	(797,581)	7,241,760	6,936,235	-	-	7,241,760	6,936,235
Mainland of China	6,063,954	6,791,784	16,012,327	12,256,919	(3,566,764)	(2,786,337)	18,509,517	16,262,366	-	-	18,509,517	16,262,366
Asia	3,039,975	2,811,947	7,303,541	5,884,240	(1,873,315)	(1,348,293)	8,470,201	7,347,894	548,169	3,183,939	9,018,370	10,531,833
Americas	-	-	15,812,695	10,395,704	(682,873)	(661,852)	15,129,822	9,733,852	-	-	15,129,822	9,733,852
EMEA	-	-	8,667,224	6,868,690	(672,108)	(639,884)	7,995,116	6,228,806	-	99,348	7,995,116	6,328,154
Oceania	176,883	154,405	804,516	788,630	(53,411)	(44,629)	927,988	898,406	-	15,383	927,988	913,789
	15,778,820	15,757,623	50,357,530	37,928,512	(7,861,946)	(6,278,576)	58,274,404	47,407,559	548,169	3,298,670	58,822,573	50,706,229
Segment profit/(loss) by geographical area												
Hong Kong	520,216	591,271	63,929	50,480	-	-	584,145	641,751	-	-	584,145	641,751
Mainland of China	351,799	395,186	668,170	501,249	-	-	1,019,969	896,435	-	-	1,019,969	896,435
Asia	357,881	285,837	321,502	222,591	-	-	679,383	508,428	(193,689)	(998,170)	485,694	(489,742)
Americas	-	-	611,530	386,636	-	-	611,530	386,636	-	-	611,530	386,636
EMEA	-	-	227,783	176,961	-	-	227,783	176,961	-	(434)	227,783	176,527
Oceania	20,786	16,298	57,727	62,455	-	-	78,513	78,753	-	(1,108)	78,513	77,645
	1,250,682	1,288,592	1,950,641	1,400,372	-	-	3,201,323	2,688,964	(193,689)	(999,712)	3,007,634	1,689,252
Less: Unallocated administration expenses							(476,548)	(481,467)	(5)	(9)	(476,553)	(481,476)
Core operating profit							2,724,775	2,207,497	(193,694)	(999,721)	2,531,081	1,207,776
Interest income							102,895	70,029	129	1,510	103,024	71,539
Finance expenses							(625,153)	(576,720)	(6,171)	(19,134)	(631,324)	(595,854)
Share of results of associates and a joint venture							83,293	195,371	-	(254)	83,293	195,117
Profit before taxation*							2,285,810	1,896,177	(199,736)	(1,017,599)	2,086,074	878,578
Taxation*							(662,162)	(461,735)	(2,647)	162,697	(664,809)	(299,038)
Profit for the year*							1,623,648	1,434,442	(202,383)	(854,902)	1,421,265	579,540
Non-controlling interests*							(266,897)	(220,368)	97,668	418,019	(169,229)	197,651
Core net profit							1,356,751	1,214,074	(104,715)	(436,883)	1,252,036	777,191
Change in fair value of investment properties							(13,535)	10,499	-	-	(13,535)	10,499
Deferred tax of change in fair value of investment properties							3,480	(2,384)	-	-	3,480	(2,384)
Less: Non-controlling interests' share of change in fair value of investment properties and its related deferred tax							(666)	499	-	-	(666)	499
Net gain on distribution (net of tax)/cessation of Express Operations							-	-	325,949	18,230	325,949	18,230
Profit attributable to Company's shareholders and holders of perpetual convertible securities							1,346,030	1,222,688	221,234	(418,653)	1,567,264	804,035
Holders of perpetual convertible securities							(25,740)	(12,870)	-	-	(25,740)	(12,870)
Profit attributable to Company's shareholders							1,320,290	1,209,818	221,234	(418,653)	1,541,524	791,165
Depreciation and amortisation	1,266,618	1,279,359	496,683	438,106	-	-	1,763,301	1,717,465	86,678	461,823	1,849,979	2,179,288

* Excluding the change in fair value of investment properties and its related deferred tax, net gain on distribution (net of tax)/cessation of Express Operations.

Management has determined the operating segments based on the reports reviewed by the executive directors. The executive directors assess the performance of the two principal activities in continuing operations of the Group, namely integrated logistics and international freight forwarding, in each geographical area.

As set out in note 1, the results of Express Operations, are presented under “Discontinued Operations” in the current segment analysis of operations. Further details of financial information of the discontinued operations are set out in note 14.

Integrated logistics segment derives revenue from provision of logistics services and sales of goods.

International freight forwarding segment derives revenue primarily from provision of freight forwarding services.

Prior year corresponding segment information that is presented for comparative purposes has been reclassified to conform to the reclassification of operations in Mainland of China adopted in the current year.

Segment revenue and profit derived from geographical areas are based on the geographical location of the operation.

The executive directors assess the performance of the operating segments by geographical area based on segment profit.

The executive directors also assess the performance of the Group based on core operating profit, which is the profit before taxation excluding interest income, finance expenses, share of results of associates and a joint venture, and also core net profit, which is the profit attributable to the Company’s shareholders before the after-tax effect of change in fair value of investment properties and net gain on distribution (net of tax)/cessation of Express Operations.

In the following table, revenue of the Group from contracts with customers is disaggregated by timing of satisfaction of performance obligations. The table also includes a reconciliation to the segment information in respect of revenue of the Group that is disclosed in the operating segment note.

By operating segment	2024				2023			
	Revenue recognised at a point in time	Revenue recognised over time	Rental income	Total	Revenue recognised at a point in time	Revenue recognised over time	Rental income	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)
Revenue from contracts with customers								
Integrated logistics	1,517,366	12,822,783	108,728	14,448,877	1,265,745	13,607,909	133,097	15,006,751
International freight forwarding	–	43,825,527	–	43,825,527	–	32,400,808	–	32,400,808
Discontinued operations	–	548,169	–	548,169	–	3,298,670	–	3,298,670
	1,517,366	57,196,479	108,728	58,822,573	1,265,745	49,307,387	133,097	50,706,229

By geographical area	2024				2023			
	Revenue recognised at a point in time	Revenue recognised over time	Rental income	Total	Revenue recognised at a point in time	Revenue recognised over time	Rental income	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from contracts with customers								
– Hong Kong	1,312,810	5,928,950	–	7,241,760	1,029,638	5,906,597	–	6,936,235
– Mainland of China	179,813	18,245,283	84,421	18,509,517	215,969	15,960,572	85,825	16,262,366
– Asia	24,743	8,421,151	24,307	8,470,201	20,138	7,280,484	47,272	7,347,894
– Americas	–	15,129,822	–	15,129,822	–	9,733,852	–	9,733,852
– EMEA	–	7,995,116	–	7,995,116	–	6,228,806	–	6,228,806
– Oceania	–	927,988	–	927,988	–	898,406	–	898,406
Discontinued operations	–	548,169	–	548,169	–	3,298,670	–	3,298,670
	1,517,366	57,196,479	108,728	58,822,573	1,265,745	49,307,387	133,097	50,706,229

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

	Segment non-current assets [#]	
	2024 HK\$'000	2023 HK\$'000
Hong Kong	1,790,217	1,499,881
Mainland of China	7,356,116	7,589,767
Asia	6,475,224	6,548,548
Americas	2,788,722	2,866,405
EMEA	1,293,973	1,186,944
Oceania	183,784	159,707
	19,888,036	19,851,252

[#] Other than financial assets at fair value through other comprehensive income, investment in convertible bonds and deferred taxation.

3. OTHER INCOME AND NET GAINS

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Interest income from banks	68,816	69,652
Interest income from associates	225	377
Interest income from a fellow subsidiary	8,114	–
Other interest income	25,740	–
(Loss)/gain on disposal of property, plant and equipment	(2,741)	2,364
Loss on disposal of a subsidiary	(11,211)	–
Loss on disposal of an associate	(110)	–
Fair value change of financial assets at fair value through profit or loss	122	(31)
Gain on early termination of lease contracts	22,634	8,605
Net gain on settlement of consideration payable	–	5,093
	111,589	86,060

4. EXPENSES BY NATURE

Expenses from continuing operations included in direct operating expenses and administration expenses are analysed as follows:

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Auditors' remuneration	41,943	41,425
Business tax and other taxes	13,498	7,425
Cost of goods sold	1,251,170	1,019,523
Freight and transportation costs	45,859,735	36,340,626
Depreciation of property, plant and equipment	557,853	559,126
Depreciation of right-of-use assets	1,048,258	989,491
Amortisation of intangible assets	157,190	168,848
Provision for impairment of receivables	140,509	100,569
Reversal of provision for impairment of receivables	(33,351)	(26,728)
Rental expenses on land and buildings	466,877	463,947
Employee benefit expenses (note)	5,272,862	4,966,083

Note:

Government grants amounting to HK\$199,000 (2023: HK\$16,332,000) have been recognised and deducted in employee benefit expenses for the year ended 31 December 2024.

5. FINANCE EXPENSES

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Interest expenses on bank loans, overdrafts and other finance costs	530,270	493,748
Interest expenses on lease liabilities	94,883	82,972
	625,153	576,720

6. TAXATION

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Hong Kong profits tax		
– Current	85,112	92,277
– Over provision in prior years	(9,385)	(4,343)
– Deferred	(39,479)	(2,517)
	36,248	85,417
Mainland of China taxation		
– Current	221,006	181,417
– Under/(over) provision in prior years	2,212	(9,624)
– Deferred	(34,348)	70,228
	188,870	242,021
Overseas taxation		
– Current	400,811	251,737
– Under provision in prior years	7,462	2,377
– Deferred	25,291	(117,433)
	433,564	136,681
	658,682	464,119

HONG KONG AND OVERSEAS PROFITS TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) for the year ended 31 December 2024 on the estimated assessable profit for the year. Income tax on the overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the overseas countries in which the Group operates.

PRC ENTERPRISE INCOME TAX

PRC enterprise income tax has been provided at the rate of 25% (2023: 25%) on the estimated assessable profit for the year.

OECD PILLAR TWO MODEL RULES

The Group is within the scope of the OECD Pillar Two Model Rules. Hong Kong has published its draft legislation for implementation of the Pillar Two Model Rules, and it is expected that the new regime will come into effect on 1 January 2025. For certain jurisdiction where the Group has operations, the Pillar Two legislation had become effective on 1 January 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023. Under the Pillar Two legislation, the Group is liable to pay a top-up tax for difference between its Global Anti-Base Erosion ("GloBE") effective tax rate in each jurisdiction and the 15% minimum rate. The Group's assessment indicates that the quantitative impact of the Pillar Two legislation is not material to the Group.

WITHHOLDING TAX ON DISTRIBUTED/UNDISTRIBUTED PROFITS

Withholding tax in the Group's subsidiaries and associates and a joint venture is levied on profit distribution upon declaration/remittance and in respect of the undistributed earnings for the year at the rates of taxation prevailing in the Mainland of China and overseas countries.

The Group's share of taxation from associates and a joint venture for the year ended 31 December 2024 is HK\$13,856,000 (2023: HK\$51,309,000) and included in the share of results of associates and a joint venture in the consolidated income statement.

7. DIVIDENDS

On 29 December 2023, the Directors declared a special interim dividend, to be effected by way of distribution in specie of 907,200,000 shares of KEX Express Thailand (representing approximately 52.1% of all issued shares of KEX Express Thailand) indirectly held by the Company to qualifying shareholders, subject to obtaining a waiver from the Securities and Exchange Commission, Thailand (the "Thai SEC") in respect of its tender offer obligations arising out of the distribution. On 5 February 2024, the Company obtained a waiver from the Thai SEC in respect of its tender offer obligations arising out of the distribution, and that the condition to the distribution was satisfied and the distribution became unconditional. Dividend payable for distribution in specie was approximately HK\$983,215,000 right before the completion date, measured at fair value using the share price of KEX Express Thailand. On 26 March 2024, the distribution was completed, the assets and liabilities held for distribution (the corresponding share in net asset value, excluding non-controlling interests, of KEX Express Thailand was approximately HK\$330,897,000) and dividend payable for distribution in specie were derecognised. The difference between the carrying amount of the net assets distributed and the carrying amount of the dividend payable, net of transaction costs, is recognised in the discontinued operations in the profit or loss in accordance with the HKFRS.

A final dividend in respect of the year ended 31 December 2024 of 15 HK cents per share, amounting to a total dividend of HK\$271,114,000 is to be proposed at the annual general meeting on Monday, 26 May 2025. These financial statements do not reflect this dividend payable.

	2024 HK\$'000	2023 HK\$'000
Interim dividend paid of 10 HK cents (2023: 9 HK cents) per ordinary share	180,743	162,669
Proposed final dividend of 15 HK cents (2023: 13 HK cents) per ordinary share	271,114	234,966
	451,857	397,635

8. EARNINGS PER SHARE

BASIC

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders from continuing operations and discontinued operations by the adjusted weighted average number of ordinary shares in issue during the year.

	2024	2023
Adjusted weighted average number of ordinary shares in issue	1,804,139,744	1,806,455,075
Profit attributable to the Company's shareholders (HK\$'000)		
From continuing operations	1,320,290	1,209,818
From discontinued operations	221,234	(418,653)
Basic earnings per share (HK\$)		
From continuing operations	0.73	0.67
From discontinued operations	0.12	(0.23)

DILUTED

Diluted earnings per share is calculated by dividing the profit attributable to the Company's shareholders from continuing operations and discontinued operations by the weighted average number of shares outstanding for the effects of all dilutive potential shares.

	2024	2023
Adjusted weighted average number of ordinary shares in issue	1,804,139,744	1,806,455,075
Adjustment for share options and share awards	2,238,966	3,091,004
Adjustment for perpetual convertible securities	41,489,362	25,802,973
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,847,868,072	1,835,349,052
Profit attributable to the Company's shareholders (HK\$'000)		
From continuing operations	1,320,290	1,209,818
Adjustment for profit attributable to holders of perpetual convertible securities	25,740	12,870
From continuing operations for the purpose of calculating diluted earnings per share	1,346,030	1,222,688
From discontinued operations	221,234	(418,653)
Diluted earnings per share (HK\$)		
From continuing operations	0.73	0.67
From discontinued operations	0.12	(0.23)

9. ACCOUNTS RECEIVABLE, PREPAYMENTS AND DEPOSITS

The Group has various credit policies for different business operations depending on the requirements of the markets and businesses. The ageing analysis of accounts receivables based on the date of the invoice and net of provision for impairment is as follows:

	2024 HK\$'000	2023 HK\$'000
Below 1 month	6,489,494	5,242,078
Between 1 month and 3 months	2,983,034	2,455,724
Over 3 months	986,133	870,399
Total accounts receivables, net	10,458,661	8,568,201
Prepayments, deposits and other receivables	4,126,229	3,352,502
	14,584,890	11,920,703

10. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUED CHARGES

The ageing analysis of accounts payables based on the date of the invoice is as follows:

	2024 HK\$'000	2023 HK\$'000
Below 1 month	3,177,254	2,864,692
Between 1 month and 3 months	1,197,673	810,182
Over 3 months	902,023	635,698
Total accounts payables	5,276,950	4,310,572
Deposits received, accrued charges and other payables	5,544,969	4,098,969
	10,821,919	8,409,541

11. BANK LOANS AND BANK OVERDRAFTS

	2024 HK\$'000	2023 HK\$'000
Bank loans:		
Non-current		
– unsecured	5,895,342	5,230,744
– secured	8,831	4,712
	5,904,173	5,235,456
Current		
– unsecured	2,788,102	3,195,994
– secured	128,623	66,681
	2,916,725	3,262,675
Total bank loans	8,820,898	8,498,131

	2024 HK\$'000	2023 HK\$'000
Bank overdrafts:		
Current		
– unsecured	167,627	62,535
– secured	689	–
Total bank overdrafts	168,316	62,535
Total bank loans and bank overdrafts	8,989,214	8,560,666

As at 31 December 2024, the Group's bank loans and bank overdrafts were repayable as follows:

	2024 HK\$'000	2023 HK\$'000
Within 1 year	3,085,041	3,325,210
Between 1 and 2 years	1,908,038	1,971,477
Between 3 and 5 years	3,904,279	3,181,425
Repayable within 5 years	8,897,358	8,478,112
Over 5 years	91,856	82,554
	8,989,214	8,560,666

12. COMMITMENTS

At 31 December 2024, the Group had capital commitments in respect of property, plant and equipment and acquisition of subsidiaries not provided for in these consolidated financial statements as follows:

	2024 HK\$'000	2023 HK\$'000
Contracted but not provided for	263,982	384,661

13. PLEDGE OF ASSETS

At 31 December 2024, the Group's total bank loans of HK\$8,820,898,000 (2023: HK\$8,575,580,000, including bank loans associated with assets classified as held for distribution) included an aggregate amount of HK\$137,454,000 (2023: HK\$71,393,000) which is secured. The Group's total bank overdrafts of HK\$168,316,000 (2023: HK\$62,535,000) included an aggregate amount of HK\$689,000 (2023: HK\$Nil) which is secured. The securities provided for the secured banking facilities available to the Group are as follows:

- (i) legal charges over certain investment properties, leasehold land and land use rights, freehold land and buildings, warehouse and logistics centres and port facilities with an aggregate net book value of HK\$779,938,000 (2023: HK\$871,326,000);
- (ii) assignments of insurance proceeds of certain properties; and
- (iii) certain balances of restricted and pledged deposits.

14. DISCONTINUED OPERATIONS

Analysis of the results relating to the Discontinued Operations is presented below.

	2024 HK\$'000	2023 HK\$'000
Revenue	548,169	3,298,670
Direct operating expenses	(677,807)	(3,932,207)
Other income and net gains	953	7,514
Administration expenses	(64,880)	(372,188)
Finance expenses	(6,171)	(19,134)
Share of results of associates	–	(254)
Loss before taxation	(199,736)	(1,017,599)
Taxation	(2,647)	162,697
Loss after taxation	(202,383)	(854,902)
Net gain on distribution (net of tax)/ cessation of Express Operations	344,313	18,230
Profit/(loss) for the year from discontinued operations	141,930	(836,672)
Exchange differences on translation of discontinued operations	266,618	34,946
Other comprehensive income from discontinued operations	(529)	4,372

15. EVENTS AFTER THE REPORTING PERIOD

On 23 January 2025, the purchase contract between the Company and SF Holding (HK) Limited relating to the sale and purchase of the Convertible Securities (the "Repurchase") was approved in the special general meeting. Completion of the Repurchase has taken place on 27 January 2025.

RESULTS OVERVIEW

The Group recorded a growth in revenue* of 23% to HK\$58,274 million in 2024 (2023: HK\$47,408 million). Core operating profit* increased by 23% to HK\$2,725 million (2023: HK\$2,207 million). Core net profit* increased by 12% year-on-year to HK\$1,357 million (2023: HK\$1,214 million). Profit attributable to the Shareholders was HK\$1,542 million (2023: HK\$791 million), which represents a year-on-year growth of 95%.

	2024 HK\$ million	2023 HK\$ million	
Segment profit*			
IL	1,251	1,289	-3%
IFF	1,950	1,400	+39%
	3,201	2,689	
Unallocated administrative expenses and others	(476)	(482)	
Core operating profit*	2,725	2,207	+23%
Core net profit*	1,357	1,214	+12%
Changes in fair value of investment properties, net of deferred tax	(10)	9	
Profit attributable to the Shareholders and holders of perpetual convertible securities, excluding results generated from discontinued operations	1,347	1,223	+10%
Profit attributable to holders of perpetual convertible securities	(26)	(13)	
Results generated from discontinued operations	221	(419)	
Profit attributable to the Shareholders	1,542	791	+95%

* For continuing operations only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

MARKET OVERVIEW

In 2024, the global economy underwent a slow recovery, inflation continued to ease and the trade in goods rebounded. Yet, challenges abounded in the macroeconomic environment as rising geopolitical tensions, trade protectionism and deglobalisation disrupted global trade and accelerated the supply chain reshuffle. The Red Sea situation also posed great challenges to the global logistics market, causing shipping companies to reroute and driving up the freight rates in 2024 Q2.

KLN responded to the evolving market with agility, leveraging the Group's network resources and offering flexible and cost-effective solutions to its customers. The Group's resilience was fully demonstrated by its 2024 results. KLN recorded a 23% year-on-year growth in revenue and a 23% increase in core operating profit for the year, outperforming its international peers. Despite the underperformance of certain associated companies, the Group's core net profit still recorded a healthy year-on-year growth of 12%.

In March 2024, the Group completed the distribution of its entire 907,200,000 shares of KEX Express Thailand in the form of special dividend to Shareholders and KEX Express Thailand ceased to be a subsidiary of the Group (the "Distribution"). The financial impact of the Distribution and other strategic actions to align with KLN Group's strategy of focusing on its core integrated logistics and international freight forwarding businesses was disclosed separately in the financial statements.

INTEGRATED LOGISTICS

The Group's IL business reported a 3% drop in segment profit due to the impact of the changes in the external environment and in the domestic consumption patterns on key markets, Hong Kong and the Mainland of China. Undeterred by a difficult operating environment in the two markets, KLN successfully narrowed the decline in segment profit by capitalising on the growth in other Asian markets and implementing a series of cost optimisation measures to reduce operational expenses, including streamlining processes and human resources utilisation.

The Hong Kong IL business recorded a 12% drop in segment profit as a result of the domestic economic downturn and changes in the consumption patterns of visitors and local citizens. Personal spending continued to decline, leading to contractions in the F&B, retail, and the service sectors. Moreover, in an effort to reduce costs, some customers relocated all or part of their supply chains to the Mainland of China such as Qianhai in Shenzhen, or countries in Southeast Asia and South Asia, which also affected the performance of the Hong Kong business.

In the Mainland of China, domestic demand was weak and consumption patterns changed, which significantly reduced consumer spending. Coupled with heightened industry competition, profitability consequently contracted, with the IL business recording an 11% drop in segment profit. Furthermore, the business performance in the Mainland of China was also affected by multinational corporations ramping up the implementation of the "China Plus One" strategy by diversifying their business to other countries or directing investments towards other developing economies.

The IL business in the rest of Asia registered a 25% increase benefitting from the growth in India, Singapore and Vietnam and driven by the stable performance of Kerry Siam Seaport in Thailand. Building on its extensive network and diversified business portfolio in Southeast Asia, KLN capitalised on the opportunities arising from the international expansion policies of Chinese corporations in 2024. In addition, as the global supply chains reshuffled due to geopolitical factors, various industries have gradually relocated all or part of their supply chains from the Mainland of China to Southeast Asia or South Asia, allowing the Group to capture new business opportunities.

INTERNATIONAL FREIGHT FORWARDING

The Group's IFF business recorded a 39% growth in 2024, supported by the growth in key markets including the Mainland of China, the US, Hong Kong and the rest of Asia.

Not only did the Red Sea situation bring challenges in 2024, but it also triggered a spike in ocean freight rates which began in May 2024. In addition, the ocean freight market experienced a supply shortage in 2024 Q3, which KLN fully capitalised on by providing customers with the rare offering of block space. Although the overall volume of the NVOCC market rose in 2024, the Group did not indiscriminately pursue market share. Instead, it focused on serving key customers and successfully improved its segment profit, while maintaining its top position globally as the leading NVOCC in the Asia-US trade lane.

In the Mainland of China, the air freight business under the IFF division recorded stable volume growth in the traditional slack season, owing to the surges in cross-border e-commerce. Ocean freight rate began to soar in May 2024 across all export countries, with sustained high freight rates on trade lanes including Southeast Asia, Europe and the US.

In 2024, KLN's industrial project logistics division strengthened its service capabilities by bringing on board new engineering competencies, integrating new products and services, as well as further expanding its footprint in the Asia Pacific. Riding on the expanded resources, the division acted as an EPC (Engineering, Procurement and Construction) contractor and captured new businesses by providing end-to-end solutions from project management, engineering to procurement and installation in both upstream and downstream projects for the energy, power, renewables and construction sectors, and contributed revenue of over HK\$1.7 billion to the Group. The segment is expected to become another growth driver for the Group in the coming years.

The joint venture between the Group and S.F. Holding commenced operations in November 2023 to provide ground handling services at the international cargo terminal of the Ezhou Airport in Central China. In 2024, the joint venture recorded a revenue contribution of more than HK\$200 million in its first year, significantly exceeding expectations.

SUSTAINABILITY

KLN Group integrates sustainability principles into its everyday operations, aiming to maximise stakeholder value and paving the way for a greener, more secure logistics ecosystem for its customers and business partners.

In 2024, the Group advanced its decarbonisation efforts by adopting renewable energy, electric long-haul trucks, and exploring sustainable fuels. To advance its green initiatives and support equitable employment, the Group secured a five-year HK\$1 billion sustainability-linked loan in driving sustainability growth. Meanwhile, the Group continues to nurture its employees through the WE KARE Caring Platform, which is dedicated to supporting the well-being of its employees, upskilling them through tailored training and a range of sustainability topics. The Group celebrates diversity and inclusion, enabling its employees to contribute meaningfully to society.

The Group commenced preparations to comply with the HKEX New Climate Requirements, aligned with ISSB S2 to enhance its disclosure. As a part of this, a double materiality assessment was conducted to understand the financial impact of sustainability issues, informing KLN's business resilience and action plans.

OUTLOOK

The advent of 2025 brought with it volatility in the international trade policy environment and the persistent escalation of protectionism, adding uncertainties to the market. KLN expects supply chain anomalies to persist in 2025. The formation of new alliances by major shipping companies may lead to short-term chaos or uncertainty, resulting in the continued fluctuations of freight rates. Even if the Red Sea Crisis resolves, tensions in the Middle East remain elevated, hence a return to shipping through the Red Sea may prove protracted. Along with the unpredictability of the new tariffs, challenges will arise, but also opportunities.

Looking ahead, despite facing numerous difficulties and challenges in the two key markets of Hong Kong and the Mainland of China, the Group's IL division will continue to deepen the value chain of existing customers to drive revenue growth. At the same time, it will accelerate the integration of its operations between Hong Kong and the Mainland of China to address the rising demand from existing customers and the market for Hong Kong-China hybrid logistics solutions. The Group will also closely monitor market trends and actively explore business opportunities in other sectors, such as infrastructure and environmental protection, in search of new growth drivers.

The volatile policy environment will induce more corporations to shift their investment focus towards the Southeast Asian or South Asian regions. The development potential within these regions is expected to become a key driver of the global economy, as well as a growth area for KLN's IL business. The Group will continue to maximise its profitability in fast-growing countries such as Thailand, Vietnam and Indonesia, while actively developing the new markets it has entered, including Sri Lanka, Dubai and Mexico, to capitalise on the growth momentum. KLN's strong performance in Southeast Asia in 2024 has fully validated the Group's ability to capture the development potential of the region.

For its IFF business, the Group will carefully track the evolving dynamics in the global freight market. Capitalising on KLN's unique route offerings and leveraging its solid market coverage in Asia, diverse service portfolio and global network resources, the Group will swiftly respond to the ever-changing trade environment and capture new opportunities brought by the supply chain reshuffle to provide flexible and cost-effective multimodal freight services to customers, thereby generating profits for the Group. As interest rate eases and the global economy stabilises, infrastructure investment is expected to rebound, unlocking development potential of the Group's industrial project logistics business.

In early 2025, the US imposed an additional 20% tariff on all Chinese imports and announced the suspension of the "de minimis" exception for low-value goods. It is likely that Chinese cross-border e-commerce sellers reliant on the US market will speed up the adjustments to their supply chain strategies by relocating to other regions, and localising production and distribution. The move is expected to fuel a rise in intra-Asia trade and demand for overseas warehousing services. KLN will actively leverage its existing diversified market presence, including its extensive overseas warehouse network and ocean and air freight services across Southeast Asia, South Asia, the US and Europe, to capitalise on new opportunities springing from the supply chain reshuffle under the new policies, which will further drive growth in both the IL and IFF businesses.

KLN recorded an increase in revenue in 2024, but its administrative expenses to revenue ratio remained at a relatively low level, significantly outperforming its international peers. At the same time, the Group's earnings before interest and taxes (EBIT) margin was in line with international market, while the compound annual growth rate (CAGR) of its core operating profit over the past five years has surpassed that of its peers, fully demonstrating the Group's effective cost control and profitability. Coupled with its unique competitive advantages and the ability to capitalise on new opportunities brought about by the changes in the market, KLN will further drive the overall growth of its business, and have its future growth potential reflected in the Company's market valuation.

FINANCIAL REVIEW

The Group has centralised financing policies which apply to all business units within the network. The policies are reviewed on a periodical basis along with the change in market situation and financial position of the Group.

Most of the Group's assets and liabilities are denominated in different functional currencies of the overseas subsidiaries' respective countries. The Group generally does not enter into foreign exchange hedges in respect of its long-term equity investments in overseas subsidiaries, associates and a joint venture. For the foreign currency exposure arising from business activities, certain subsidiaries used forward contracts to hedge their foreign exchange exposure from trading transactions during the year, the amount of which was insignificant to the Group. The Group will continue to closely monitor its foreign exchange position and if necessary, hedge its foreign exchange exposure by entering into appropriate hedging instruments. As at 31 December 2024, total foreign currency borrowings amounted to the equivalent of HK\$1,902 million (including HK\$1,138 million denominated in Renminbi and HK\$317 million denominated in SGD), which represented approximately 22% of the Group's total bank loans of HK\$8,821 million.

Out of the Group's total bank loans as at 31 December 2024, HK\$2,917 million (representing approximately 33%) was repayable within one year, HK\$1,908 million (representing approximately 22%) in the second year, HK\$3,904 million (representing approximately 44%) in the third to fifth years and HK\$92 million (representing approximately 1%) over five years. The Group maintains most of its bank loans on an unsecured basis, with unsecured debt accounting for approximately 98% of total bank loans. In relation to the secured bank loans of HK\$137 million as at 31 December 2024, the securities provided include legal charges over certain non-current assets with aggregate net book value of HK\$780 million, assignments of insurance proceeds of certain properties, and certain balances of restricted and pledged deposits. A majority of the bank loans were borrowed at floating interest rates and were not held for hedging purposes.

As at 31 December 2024, the gearing ratio for the Group was 53.6% (31 December 2023: 49.1%). The ratio was calculated as total bank loans and overdrafts (including bank loans associated with assets classified as held for distribution), divided by equity attributable to the Shareholders and holders of perpetual convertible securities.

As at 31 December 2024, the Group had total undrawn bank loan and overdraft facilities of HK\$9,980 million which may be used to fund material capital expenditure. The Group will also continue to secure financing as and when the need arises.

As at 31 December 2024, the Group had no material contingent liabilities.

STAFF AND REMUNERATION POLICIES

As at 31 December 2024, the Group had approximately 18,700 employees. The number of employees of the Group reduced from approximately 33,100 as at 31 December 2023, mainly because KEX Express Thailand ceased to be a subsidiary of the Company following the completion of the Distribution. The remuneration to employees includes salaries maintained at competitive levels while bonuses are granted on a discretionary basis. The Group provides training to its staff to enhance technical and product knowledge. The Group's remuneration policies are formulated based on the performance of individual employees. Other employee benefits include provident fund, insurance, medical, sponsorship for educational or training programmes and share award scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CG CODE

The Company has applied the principles and code provisions as set out in Part 2 of the CG Code and its corporate governance practices are based on such principles and code provisions. The Directors consider that for the year ended 31 December 2024, the Company has complied with the code provisions as set out in Part 2 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2024.

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

Save as disclosed in this announcement, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

REPURCHASE OF PERPETUAL CONVERTIBLE SECURITIES

On 10 December 2024, the Company (as the issuer) and SF Holding HK (as the seller) entered into the purchase contract (the "Purchase Contract"), pursuant to which the Company has agreed to purchase, and SF Holding HK has agreed to sell, the Convertible Securities in accordance with the terms and conditions of the Purchase Contract at the consideration of HK\$744,500,000 in cash. The consideration was paid in cash out of funds repaid by KEX Express Thailand, under two unsecured and interest-bearing intragroup loans initially made by the Company to support the growth and expansion of KEX Express Thailand. Please refer to the announcement of the Company dated 10 December 2024 and the circular of the Company dated 7 January 2025 for further details. The completion of the repurchase of Convertible Securities took place on 27 January 2025. Following the completion, the Company has cancelled all the Convertible Securities and the rights attaching thereto.

AUDIT AND COMPLIANCE COMMITTEE

The Company has established ACC with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph A.2 as well as paragraph D.3 of Part 2 of the CG Code. ACC consists of two Independent Non-executive Directors, being Ms WONG Yu Pok Marina and Mr LAI Sau Cheong Simon and one Non-executive Director, being Ms OOI Bee Ti. The chairman of ACC is Ms WONG Yu Pok Marina, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

ACC has considered and reviewed the annual results and the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management and the independent auditor. ACC considers that the annual financial results for the year ended 31 December 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2024

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from "Kerry Logistics Network Limited" to "KLN Logistics Group Limited" and cease the use of the Chinese name of the Company "嘉里物流聯網有限公司" (the "Proposed Change of Company Name"). The Proposed Change of Company Name is subject to the following conditions: (i) the passing of a special resolution by the Shareholders at a special general meeting of the Company (the "SGM") to approve the Proposed Change of Company Name; and (ii) the Registrar of Companies in Bermuda to approve the Proposed Change of Company Name.

The Board further proposes to alter the existing memorandum of continuance of the Company (the "Memorandum") and amend the existing bye-laws of the Company (the "Bye-laws") to (i) reflect the Proposed Change of Company Name and (ii) provide the Company with flexibility to hold treasury shares (the "Proposed Amendments"). The Proposed Amendments and proposed adoption of the amended and restated memorandum of continuance (the "New Memorandum") and the amended and restated bye-laws (the "Amended and Restated Bye-laws") of the Company are subject to the passing of special resolutions by the Shareholders at the SGM.

Please refer to the announcement of the Company dated 3 March 2025 and the circular of the Company dated 5 March 2025 for further details.

The SGM was held on 28 March 2025, and the special resolutions were duly passed by the Shareholders to approve the Proposed Change of Company Name and the Proposed Amendments and the proposed adoption of the New Memorandum and the Amended and Restated Bye-laws.

REVISION OF ANNUAL CAPS UNDER CONTINUING CONNECTED TRANSACTION AGREEMENTS

Reference is made to the announcement of the Company dated 31 July 2024 and the circular of the Company dated 27 August 2024 in relation to, amongst other things, the continuing connected transactions under the 2024 CGSA Framework Agreement, the 2024 KLN Logistics Services Framework Agreement and the 2024 SF Logistics Services Framework Agreement (the "CCT Agreements"), as appropriate.

Based on the Group's historical transaction amounts in the second half of 2024, the unaudited management accounts of the Company and operational data for the two months ended 28 February 2025, it has come to the attention of the Board that the actual transaction amounts contemplated under CCT Agreements may exceed the existing annual caps under the respective CCT Agreements (the "Existing Annual Caps"). In light of the above, and the expected growth in demand from the Group and SFTS Group (as applicable) of the relevant services, the Board anticipates that the Existing Annual Caps for the financial years ending 31 December 2025, 2026 and 2027 will not be sufficient to meet the expected transaction amounts under the CCT Agreements. Accordingly, the Board proposed to revise the Existing Annual Caps in compliance with the requirements under Chapter 14A of the Listing Rules. Save for the revision of the Existing Annual Caps, all the terms of the CCT Agreements, including the pricing policies and principal payment terms, and the internal control measures, remain unchanged. Please refer to the announcement of the Company dated 28 March 2025 in relation to the revision of annual caps under the CCT Agreements for further details.

Save as disclosed above, there were no important events affecting the Group which have occurred since 31 December 2024.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year ended 31 December 2024 is scheduled to be held on Monday, 26 May 2025 at 2:30 p.m. A notice convening the annual general meeting will be issued and disseminated to the Shareholders in due course.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025 in order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming annual general meeting to be held on Monday, 26 May 2025. All share transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Tuesday, 20 May 2025.

The Registers of Members will also be closed on Friday, 30 May 2025 in order to determine the entitlement of the Shareholders to the final dividend. All share transfers accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Investor Services Limited, at the above address before 4:30 p.m. on Thursday, 29 May 2025. The final dividend is payable on or around Tuesday, 10 June 2025 to the Shareholders whose names appear on the Registers of Members on Friday, 30 May 2025, subject to the consideration and approval of the Shareholders at the forthcoming annual general meeting of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kln.com).

The annual report for the year containing all the information required by Appendix D2 to the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

“ACC”	the audit and compliance committee of the Company
“Asia”	Asia continent, for the purpose of this announcement only, excludes Greater China and Middle East
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company” or “KLN”	Kerry Logistics Network Limited, incorporated in the British Virgin Islands and continued into Bermuda to become an exempted company with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules
“Convertible Securities”	the 3.30% unlisted perpetual convertible securities in the aggregate principal amount of HK\$780,000,000 issued by the Company
“Director(s)”	director(s) of the Company
“EMEA”	Europe, Middle East and Africa
“F&B”	food and beverage
“Greater China”	for the purpose of this announcement only, the Mainland of China, Hong Kong, Macau and Taiwan
“Group” or “KLN Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKAS”	Hong Kong Accounting Standards

“HKEX”	The Hong Kong Exchanges and Clearing Limited
“HKFRS”	Hong Kong Financial Reporting Standards
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFF”	international freight forwarding
“IL”	integrated logistics
“ISSB”	the International Sustainability Standards Board
“KEX Express Thailand” or “KEX”	KEX Express (Thailand) Public Company Limited (formerly Kerry Express (Thailand) Public Company Limited), a public company with limited liability registered in Thailand and listed on The Stock Exchange of Thailand (stock symbol: KEX), is a subsidiary of S.F. Holding
“KEX Share(s)”	share(s) of par value of THB0.50 each in KEX Express Thailand
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Macau”	Macao Special Administrative Region of the PRC
“Mainland of China”	the PRC and, for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NVOCC”	non-vessel operating common carrier
“Oceania”	for the purpose of this announcement only, Australia and New Zealand
“Ordinary Share(s)” or “Share(s)”	share(s) of nominal value of HK\$0.50 each of the Company, or, if there has been a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company
“PRC”	the People’s Republic of China
“Q2” or “Q3”	second quarter or third quarter
“Registers of Members”	registers of members of the Company

“S.F. Holding”	S.F. Holding Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the domestic ordinary shares of which are listed on the Shenzhen Stock Exchange (stock code: 002352.SZ) and the overseas listed foreign ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 06936), is a subsidiary of Shenzhen Mingde
“SF Holding HK”	SF Holding (HK) Limited (formerly SF Holding Limited), an indirect wholly-owned subsidiary of S.F. Holding
“SGD”	Singapore dollars, the lawful currency of Singapore
“Shareholders”	the holders of the Shares
“Shenzhen Mingde”	Shenzhen Mingde Holding Development Co., Ltd., one of the Controlling Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“THB”	Thai Baht, the lawful currency of Thailand
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“%”	per cent

By Order of the Board
WANG Wei
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Directors of the Company are:

Chairman, Non-executive Director:
Mr WANG Wei

Vice Chairman, Non-executive Director:
Mr KUOK Khoon Hua

Executive Directors:
Mr CHEUNG Ping Chuen Vicky, Mr CHENG Chi Wai and Mr HO Chit

Non-executive Directors:
Ms CHEN Keren and Ms OOI Bee Ti

Independent Non-executive Directors:
Dr CHEUNG Wai Man, Mr LAI Sau Cheong Simon, Mr TAN Chuen Yan Paul and Ms WONG Yu Pok Marina