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CWT INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 521)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of CWT International Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023. These final results have been reviewed by the audit committee of the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>NOTES</i>	2024 HK\$'000	2023 HK\$'000
Continuing operations			
Revenue	4	38,885,894	37,226,295
Cost of sales		(37,074,815)	(35,580,059)
Gross profit		1,811,079	1,646,236
Other income	6	620,332	505,175
Other net loss		(43,161)	(234,886)
Selling and distribution costs		(497,261)	(464,883)
Administrative expenses		(841,328)	(795,267)
Finance costs	7	(585,005)	(521,251)
Share of profits less losses of associates, net of tax		64,315	38,571
Share of profits less losses of joint venture, net of tax		(38,508)	5,670
Profit before taxation		490,463	179,365
Income tax expense	8	(142,156)	(121,642)
Profit for the year from continuing operations		348,307	57,723
Discontinued operation			
Profit for the year from discontinued operation	10	—	21,471
Profit for the year		348,307	79,194

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$'000	2023 HK\$'000
Other comprehensive (expense)/income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Defined benefit plan remeasurements	(16,757)	(10,316)
Tax on defined benefit plan remeasurements	1,990	1,219
Net changes in fair value of financial assets measured at FVOCI	<u>(15)</u>	<u>–</u>
	<u>(14,782)</u>	<u>(9,097)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of financial statements of overseas subsidiaries	(151,134)	30,741
Exchange differences reclassified to profit or loss on disposal of subsidiaries	(21,989)	5,724
Effective portion of changes in fair value of cash flow hedges	(2,171)	(2,534)
Share of other comprehensive income/(expense) of associates and joint ventures	<u>9,554</u>	<u>(1,462)</u>
	<u>(165,740)</u>	<u>32,469</u>
Other comprehensive (expense)/income for the year	<u>(180,522)</u>	<u>23,372</u>
Total comprehensive income for the year	<u><u>167,785</u></u>	<u><u>102,566</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company			
– from continuing operations		304,386	17,733
– from discontinued operation	<i>10</i>	<u>–</u>	<u>21,360</u>
		<u>304,386</u>	<u>39,093</u>
Non-controlling interests			
– from continuing operations		43,921	39,990
– from discontinued operation	<i>10</i>	<u>–</u>	<u>111</u>
		<u>43,921</u>	<u>40,101</u>
Profit for the year		<u>348,307</u>	<u>79,194</u>
Total comprehensive income from continuing and discontinued operations attributable to:			
Owners of the Company		137,014	60,400
Non-controlling interests		<u>30,771</u>	<u>42,166</u>
Total comprehensive income for the year		<u>167,785</u>	<u>102,566</u>
EARNINGS PER SHARE	<i>11</i>		
Basic and diluted (<i>HK cents</i>)		<u>2.67</u>	<u>0.34</u>
From continuing operations			
Basic and diluted (<i>HK cents</i>)		<u>2.67</u>	<u>0.16</u>
From discontinued operation			
Basic and diluted (<i>HK cents</i>)		<u>–</u>	<u>0.18</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		3,125,976	3,399,267
Right-of-use assets		1,895,195	2,150,935
Intangible assets		104,966	134,019
Interests in associates		340,664	292,363
Interests in joint ventures		93,843	139,372
Other financial assets		29,465	30,447
Prepayments, deposits and other receivables		108,421	82,350
Other non-current assets		18,396	18,532
Derivative financial instruments		3,686	8,313
Deferred tax assets		41,004	60,383
		5,761,616	6,315,981
Current assets			
Other financial assets		1,332,188	1,337,753
Inventories		3,214,026	2,984,637
Trade receivables	12	3,363,238	2,275,364
Prepayments, deposits and other receivables		10,499,844	9,946,945
Contract assets		120,768	112,416
Derivative financial instruments		858,558	288,252
Tax recoverable		16,974	32,966
Pledged bank deposits		193,291	145,075
Cash and cash equivalents		2,271,537	1,998,840
		21,870,424	19,122,248

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities			
Contract liabilities		99,773	58,485
Trade and other payables	<i>13</i>	13,820,292	11,606,176
Loans and borrowings		5,136,740	4,201,446
Lease liabilities		256,305	289,875
Derivative financial instruments		393,522	496,693
Current tax payable		76,715	64,943
		19,783,347	16,717,618
Net current assets		2,087,077	2,404,630
Total assets less current liabilities		7,848,693	8,720,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	<i>NOTES</i>	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Trade and other payables	13	68,265	130,705
Loans and borrowings		787,821	1,444,832
Lease liabilities		1,834,045	2,059,737
Derivative financial instruments		–	11,089
Defined benefit obligations		36,815	27,046
Deferred tax liabilities		<u>216,299</u>	<u>249,040</u>
		<u>2,943,245</u>	<u>3,922,449</u>
Net assets		<u>4,905,448</u>	<u>4,798,162</u>
Capital and reserves			
Share capital		4,731,480	4,731,480
Reserves		<u>49,470</u>	<u>(60,199)</u>
Equity attributable to owners of the Company		4,780,950	4,671,281
Non-controlling interests		<u>124,498</u>	<u>126,881</u>
Total equity		<u><u>4,905,448</u></u>	<u><u>4,798,162</u></u>

NOTES TO THE FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Hong Kong HNA Holding Group Co., Limited, a company incorporated in Hong Kong with limited liability, is the immediate parent of the Company. Hainan HNA No. 2 Trust Management Service Co., Ltd.* (海南海航二號信管服務有限公司) (“**HNA Trust Management**”), a limited liability company incorporated in the People’s Republic of China (the “**PRC**”), is the intermediate parent of the Company. Neither of these companies produces financial statements available for public use.

2. BASIS OF PREPARATION

The annual results set out in this announcement are extracted from the consolidated financial statements of the Group for the year ended 31 December 2024.

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but such information is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The statutory financial statements for the year ended 31 December 2024 will be delivered to the Registrar of Companies in due course.

The Company’s auditor has reported on these financial statements. The auditor’s report for the year ended 31 December 2024 was unqualified; did not include an emphasis of matter; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

3. APPLICATION OF AMENDMENTS TO HKFRSs AND CHANGES IN MATERIAL ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* and Amendments to HKAS 1 *Non-current Liabilities with Covenants*
- Amendments to HKFRS 16 *Lease Liability in a Sale and Leaseback*
- Amendments to HKAS 7 and HKFRS 7 *Supplier Finance Arrangements*

The application of these amendments to HKFRSs does not have a material effect on the consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE

The Group is principally engaged in integrated logistics services and related engineering services. The Group is also engaged in the affiliated business of commodity marketing and financial services.

Disaggregation of revenue

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Disaggregated by major products and service lines		
Freight services	3,737,694	3,000,945
Logistics services	1,528,768	1,467,851
Commodity trading and related services	32,108,541	31,175,669
Equipment and facility maintenance services	642,034	706,710
Design-and-build	822	899
Broking services	625,820	626,035
Others	<u>150,315</u>	<u>158,619</u>
Revenue from contract with customers	38,793,994	37,136,728
Revenue from leases	<u>91,900</u>	<u>89,567</u>
	<u>38,885,894</u>	<u>37,226,295</u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Disaggregated by geographical location of customers		
PRC	27,020,205	25,335,560
Singapore	2,770,194	3,731,910
Hong Kong	83,058	69,788
Korea	918,119	1,522,842
Other Asia Pacific jurisdictions	3,804,268	2,919,914
Europe	3,823,288	3,223,506
North America	227,919	241,815
Africa continent	198,055	148,467
South America	40,788	32,493
	<u>38,885,894</u>	<u>37,226,295</u>

5. SEGMENT INFORMATION

Information reported to the chief operating decision maker (“**CODM**”), being the most senior executive management of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments.

Logistics services

This reportable segment includes warehousing, transportation, freight forwarding and cargo consolidation, supply chain management services.

Commodity marketing

This reportable segment includes physical trading and supply chain management of base metal non-ferrous concentrates with predominant focus on copper, lead, zinc and other minor metals.

Engineering services

This reportable segment includes management and maintenance of facilities, vehicles and equipment, supply and installation of engineering products, property management, and design-and-build for logistic properties.

Financial services

This reportable segment includes provision of financial brokerage services and assets management services.

The operation of the structured trading services included in the financial services segment was discontinued in 2023. The segment information reported does not include any amounts for the discontinued operation, which are described in more details in Note 10.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment profit before taxation represents operating revenue less expenses. Segment assets represents assets directly managed by each segment, and primarily include inventories, receivables, property, plant and equipment and right-of-use assets. Segment liabilities represent liabilities directly managed by each segment, and primarily include payables, loans and borrowings and lease liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit includes the Group's share of profit arising from the activities of the Group's associates and joint ventures. Items not managed by or derived from the operations of reportable segments are classified as "unallocated" in the segment reconciliations.

(a) Segment revenue and results

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

	Logistics services		Commodity marketing		Engineering services		Financial services		Elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations												
Reportable segment revenue	5,433,096	4,649,213	32,108,541	31,175,669	649,453	716,361	625,820	626,035	(22,916)	(30,550)	38,793,994	37,136,728
Inter-segment revenue	(21,983)	(30,159)	-	-	(933)	(391)	-	-	22,916	30,550	-	-
Revenue from external customers	5,411,113	4,619,054	32,108,541	31,175,669	648,520	715,970	625,820	626,035	-	-	38,793,994	37,136,728
Revenue from external customers disaggregated by timing of revenue recognition												
Point in time	2,353,238	1,790,685	32,003,646	31,067,186	157,687	160,376	625,820	626,035	-	-	35,140,391	33,644,282
Over time	3,057,875	2,828,369	104,895	108,483	490,833	555,594	-	-	-	-	3,653,603	3,492,446
	5,411,113	4,619,054	32,108,541	31,175,669	648,520	715,970	625,820	626,035	-	-	38,793,994	37,136,728
Revenue from external customers disaggregated by major products and services lines												
Freight services	3,737,694	3,000,945	-	-	-	-	-	-	-	-	3,737,694	3,000,945
Logistics services	1,528,768	1,467,851	-	-	-	-	-	-	-	-	1,528,768	1,467,851
Commodity trading and related services	-	-	32,108,541	31,175,669	-	-	-	-	-	-	32,108,541	31,175,669
Equipment and facility maintenance services	-	-	-	-	642,034	706,710	-	-	-	-	642,034	706,710
Design-and-build	-	-	-	-	822	899	-	-	-	-	822	899
Broking services	-	-	-	-	-	-	625,820	626,035	-	-	625,820	626,035
Others	144,651	150,258	-	-	5,664	8,361	-	-	-	-	150,315	158,619
	5,411,113	4,619,054	32,108,541	31,175,669	648,520	715,970	625,820	626,035	-	-	38,793,994	37,136,728
Leases	91,900	89,567	-	-	-	-	-	-	-	-	91,900	89,567
	5,503,013	4,708,621	32,108,541	31,175,669	648,520	715,970	625,820	626,035	-	-	38,885,894	37,226,295

	Logistics services		Commodity marketing		Engineering services		Financial services		Elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations												
Results												
Interest income	25,757	21,369	46,522	40,906	1,458	1,114	479,640	403,463	(3,558)	(6,616)	549,819	460,236
Interest expense	(138,806)	(151,910)	(241,025)	(196,019)	(1,808)	(1,406)	(71,999)	(51,905)	3,785	7,177	(449,853)	(394,063)
Depreciation and amortisation	(511,683)	(529,137)	(19,137)	(31,209)	(18,787)	(12,556)	(8,976)	(7,089)	7,944	11,710	(550,639)	(568,281)
Share of profits less losses of associates and joint ventures, net of tax	23,422	41,721	-	-	2,385	2,520	-	-	-	-	25,807	44,241
Net gain on disposal of property, plant and equipment	2,566	1,925	-	-	204	76	-	-	-	-	2,770	2,001
Net gain/(loss) on disposal of subsidiaries, associates and joint ventures	20,572	(1,079)	-	(4,609)	-	(228)	12	(8,373)	-	-	20,584	(14,289)
(Recognition)/reversal of impairment losses on trade and other receivables	(1,761)	887	-	-	-	-	(1,277)	922	-	-	(3,038)	1,809
Provision for onerous contracts and compensation	-	-	-	-	-	-	(45,662)	(67,407)	-	-	(45,662)	(67,407)
Gain/(loss) on lease modification	233	3,396	(2,001)	636	-	-	-	-	-	-	(1,768)	4,032
Reportable segment profit before taxation	286,333	218,436	93,468	17,206	38,286	33,439	198,825	192,834	99	1,715	617,011	463,630
Reportable segment assets	6,845,436	7,317,911	7,811,639	6,205,455	467,414	528,444	12,123,138	11,141,490	(263,789)	(419,428)	26,983,838	24,773,872
Interests in associates and joint ventures	424,547	423,789	-	-	9,960	7,946	-	-	-	-	434,507	431,735
Capital expenditure	66,808	63,235	767	1,074	6,072	5,088	6,124	3,489	-	-	79,771	72,886
Reportable segment liabilities	3,847,464	4,305,575	6,566,517	5,011,896	256,309	313,927	11,000,706	9,902,966	(264,847)	(419,624)	21,406,149	19,114,740

(b) Reportable segment profit or loss

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Total profit before taxation for reportable segments	617,011	463,630
Unallocated amounts:		
Fair value change of other financial assets	354	(163,920)
Net foreign exchange (loss)/gain	(26,451)	4,879
Depreciation of right-of-use assets	(2,777)	(2,674)
Finance costs	(36,481)	(36,023)
Unallocated income and gains	16,625	3,263
Unallocated expenses	(77,818)	(89,790)
	<u>490,463</u>	<u>179,365</u>
Profit before taxation	<u>490,463</u>	<u>179,365</u>

(c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2024 HK\$'000	2023 HK\$'000
Reportable segment assets		
Logistic services	6,845,436	7,317,911
Commodity marketing	7,811,639	6,205,455
Engineering services	467,414	528,444
Financial services	12,123,138	11,141,490
Elimination of inter-segment assets	<u>(263,789)</u>	<u>(419,428)</u>
Total reportable segment assets	26,983,838	24,773,872
Unallocated assets:		
Interests in associates and joint ventures	434,507	431,735
Deferred tax assets	41,004	60,383
Tax recoverable	16,974	32,966
Cash and cash equivalents	118,177	91,992
Other financial assets	27,707	28,653
Other unallocated assets	<u>9,833</u>	<u>18,628</u>
Consolidated total assets	<u>27,632,040</u>	<u>25,438,229</u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Reportable segment liabilities		
Logistic services	3,847,464	4,305,575
Commodity marketing	6,566,517	5,011,896
Engineering services	256,309	313,927
Financial services	11,000,706	9,902,966
Elimination of inter-segment liabilities	<u>(264,847)</u>	<u>(419,624)</u>
Total reportable segment liabilities	21,406,149	19,114,740
Unallocated liabilities:		
Perpetual notes	357,351	359,587
Promissory note	666,000	716,000
Current tax payable	76,715	64,943
Deferred tax liabilities	216,299	249,040
Other unallocated liabilities	<u>4,078</u>	<u>135,757</u>
Consolidated total liabilities	<u>22,726,592</u>	<u>20,640,067</u>

(d) Geographic information

The logistic services and commodity marketing segments are managed on a worldwide basis and the Group operates principally in Mainland China, Singapore, other parts of Asia Pacific Region, Europe, North America, Africa continent and South America. Engineering services are primarily in Singapore. Financial services operate mainly in Mainland China, Singapore and North America.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical locations from which the Group derives its revenue from continuing operations. Segment non-current assets (other than loans and receivables, financial instruments and deferred tax assets) are based on the geographical location of the assets.

	Specified non-current assets	
	2024	2023
	HK\$'000	HK\$'000
Continuing operations		
PRC	75,470	125,696
Singapore	3,785,141	4,239,029
Hong Kong	7,791	3,416
Korea	518	491
Other Asia Pacific jurisdictions	564,951	544,122
Europe	1,064,244	1,136,430
North America	21,462	22,268
Africa continent	50,549	54,364
South America	8,914	8,656
	<u>5,579,040</u>	<u>6,134,472</u>

6. OTHER INCOME

	2024	2023
	HK\$'000	HK\$'000
Continuing operations		
Interest income on financial assets measured at amortised cost	556,117	462,499
Dividend income from other financial assets	134	263
Government grants	8,370	7,971
Others	55,711	34,442
	<u>620,332</u>	<u>505,175</u>

7. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Interests expense on:		
– Bank borrowings and other facilities	306,075	272,411
– Lease liabilities	94,185	102,882
– Others	86,074	54,792
Other finance costs	<u>44,234</u>	<u>41,169</u>
	530,568	471,254
Bank charges	<u>54,437</u>	<u>49,997</u>
	<u>585,005</u>	<u>521,251</u>

8. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current tax		
Provision for the year – overseas income tax	124,294	96,848
Under-provision in respect of prior years	<u>13,442</u>	<u>2,260</u>
	137,736	99,108
Deferred tax charged for the year	(1,885)	(7,322)
Withholding tax	<u>6,305</u>	<u>15,812</u>
Total income tax expense	<u>142,156</u>	<u>107,598</u>
Attributable from:		
– continuing operations	142,156	121,642
– discontinued operation	<u>–</u>	<u>(14,044)</u>
	<u>142,156</u>	<u>107,598</u>

For the years ended 31 December 2024 and 2023, no provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both years.

Taxation outside Hong Kong is calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the relevant jurisdictions.

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2024 and 2023, nor has any dividend been proposed after the end of reporting period.

10. DISCONTINUED OPERATION

The Group ceased structured trading services business in 2023. Structured trading services business engaged in structured trade financing and trade facilitation according to the customers' requirements and market demand which represented a major line of business in the financial services segment. Accordingly, the Group's structured trading services business was considered as discontinued during the year ended 31 December 2023.

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the weighted average number of ordinary shares of 11,399,996,101 (2023: 11,399,996,101) in issue during the year, which is the same as for both continuing and discontinued operations and continuing operations and the profit for the year attributable to owners of the Company as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
From continuing and discontinued operations		
Profit attributable to owners of the Company	<u>304,386</u>	<u>39,093</u>
From continuing operations		
Profit attributable to owners of the Company	304,386	39,093
Less: Profit for the year from discontinued operation	<u>–</u>	<u>21,360</u>
Profit attributable to owners of the Company from continuing operations	<u><u>304,386</u></u>	<u><u>17,733</u></u>

(b) Diluted earnings per share

No adjustment has been made to the basic earnings per share presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Company does not have any dilutive potential ordinary shares in existence.

(c) From discontinued operation

For the year ended 31 December 2023, basic and diluted earnings per share for the discontinued operation is HK 0.18 cents per share, based on the profit for the year from the discontinued operation of approximately HK\$21,360,000 and the denominators detailed above for both basic and diluted earnings per share.

12. TRADE RECEIVABLES

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

	2024 HK\$'000	2023 HK\$'000
0 – 90 days	3,233,932	2,186,879
91 – 180 days	114,232	78,242
181 – 365 days	13,806	8,153
1 – 2 years	1,268	2,090
	<u>3,363,238</u>	<u>2,275,364</u>

Trade debtors and bills receivables are expected to be recovered within one year.

13. TRADE AND OTHER PAYABLES

	NOTES	2024 HK\$'000	2023 HK\$'000
Trade and bills payables	(a)	1,886,360	1,232,832
Other payables and accruals	(b)	11,876,190	10,348,003
Provisions	(c)	<u>126,007</u>	<u>156,046</u>
		13,888,557	11,736,881
Less: non-current portion		<u>(68,265)</u>	<u>(130,705)</u>
		<u><u>13,820,292</u></u>	<u><u>11,606,176</u></u>

(a) Trade and bills payables

The following is an ageing analysis of the trade and bills payables based on the invoice date as at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
0 – 90 days	1,746,286	1,158,367
91 – 180 days	61,434	39,965
181 – 365 days	62,588	16,986
1 – 2 years	10,688	11,368
Over 2 years	<u>5,364</u>	<u>6,146</u>
	<u><u>1,886,360</u></u>	<u><u>1,232,832</u></u>

(b) Other payables and accruals

As at 31 December 2024, included in the balance are amounts segregated for customers of HK\$10,325,252,000 (31 December 2023: HK\$9,168,511,000).

(c) Provisions

As at 31 December 2024, the balance of provision of HK\$52,395,000 (2023: HK\$88,639,000) was recorded in the book of Straits (Singapore) Pte. Ltd. (“SSPL”) and Straits Financial Group Pte. Ltd. (“SFG”), indirect subsidiaries of the Group, in connection with a litigation (the “Case”) which involved certain repurchase agreements. The provision was recognised in profit or loss in the previous years.

On 10 August 2023, the Group entered into a settlement agreement with the plaintiff in relation to the Case. The management has made up the provision in previous years to reflect the agreed settlement sum. Hence there were no material provision made for the Case during the years ended 31 December 2024 and 2023. According to the terms of the settlement agreement, approximately HK\$13,556,000 (2023: HK\$49,544,000) will be settled after 12 months and accordingly was classified as non-current liabilities.

FINAL DIVIDEND

The Board did not recommend the payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2024, the global economy experienced modest growth. Advanced economies saw a slight uptick, while emerging markets experienced a marginal slowdown. Key factors influencing this economic landscape included geopolitical tensions, trade policy uncertainties, and fluctuations in commodity markets.

The ongoing Russia-Ukraine conflict and US-China trade tensions continued to cause significant disruption to global economy, slowing down and disrupting trade flows, increasing oil prices and escalating inflation. Besides that, Donald Trump's announcement on the 10% additional tariffs on Chinese goods is likely to dampen Singapore's export growth and business investment as business investment in Singapore is closely linked to exports. This also effectively shuts many Chinese exports out of the US market and will result in China's overcapacity which eventually caused influx of cheap imports to Southeast Asia and hurt Southeast Asian manufacturers.

The instability in the Red Sea corridor led to increased volatility in commodity markets. Extended shipping routes and heightened risks contributed to fluctuating prices, impacting traders and brokers. The Red Sea crisis had profound implications for global logistics, broking, and commodity trading, underscoring the vulnerability of international trade to regional conflicts and the importance of strategic maritime routes like the Red Sea and the Suez Canal.

For the year ended 31 December 2024, the Group's revenue amounted to HK\$38,885,894,000 (2023: HK\$37,226,295,000); while the net profit for the year amounted to HK\$348,307,000 (2023: HK\$79,194,000). The Group reported a net profit of HK\$Nil (2023: HK\$21,471,000) from discontinued operation and net profit of HK\$348,307,000 (2023: HK\$57,723,000) from continuing operations. The increase in net profit from continuing operations is mainly attributable to (i) improved profitability from its concentrates business under commodity marketing; (ii) better margins achieved by freight logistics from elevated ocean freight rates despite the economic disruption from geopolitical tensions and Red Sea crisis; (iii) there was a fair value loss on an unlisted equity investment in a limited partnership engaged in property investment in the United States, which was measured at fair value through profit or loss and recorded in the prior financial year. No such fair value loss was recorded for the financial year ended 31 December 2024.

The Group remains nimble and resilient to the challenging market and was able to mitigate risks in the volatile market, seize opportunities to maximise profitability with long-term view to achieve stability, operational efficiency and global presence.

Logistics Services

Warehousing and Integrated Logistics

The warehousing industry experienced a softening of market rates after peaking in late 2023 and early 2024. Despite market volatility due to US-China trade tensions, our warehouses maintained 100% utilisation, with stable demand expected over the next 12 months. New warehouse developments were minimal in the financial year 2024, but several projects are set to be completed in the financial year 2025.

Our warehouse division maintained stability by optimising space, improving safety standards such as certified racking system, and enhancing technology through warehouse management system. Rising costs were addressed through layout optimisation and procurement strategies, with a continued focus on innovation and efficiency.

Container depot activity remained steady, with limited recovery in volumes. The exit of mid-sized competitors in Singapore provided some rate stability, though potential tariff shifts in 2025 could impact supply chains and customer volumes.

In transport services, the division showed resilience amid a petrochemical downturn and fluctuating fuel costs. Efficiency improvements through cost management, fleet optimisation, and technology upgrades (e.g., electric van trials and real-time tracking) helped mitigate cost pressures.

Despite global challenges, our cold chain logistics and wine storage businesses delivered strong operational efficiency and strategic growth. Cold chain logistics maintained steady performance, while our premium wine storage solutions retained market leadership with improved margins.

Looking ahead, we are well-positioned for sustainable growth, supported by market leadership, operational efficiencies, and strategic initiatives focused on innovation and service excellence.

Freight Logistics

In the first half of 2024, the freight market was significantly influenced by events in the Red Sea and the Middle East, as previously reported.

In the second half of 2024, elevated ocean freight rates helped improve our margins, but fluctuations in USD exchange rates and the loss of key agents in the Nordics and Europe due to competitor acquisitions offset some of the gains. We quickly replaced these agents and expanded our network by adding Vietnam and merging the Shenzhen and Hong Kong operations to adapt to the economic situation in the Pearl River Delta.

Despite challenges, our freight logistics business exceeded expectations, delivering a full-year profit above both the 2024 budget and the financial year 2023 results. Looking ahead to the financial year 2025, we anticipate continued geopolitical volatility affecting global supply chains, including tariff policies on China and Mexico. The temporary pause in the Middle East conflict and the reopening of the Suez Canal may lower freight rates in the first quarter and the second quarter, impacting our 2025 budget. To drive growth, we are expanding in Europe, with plans to add four new country offices in Central Europe by mid-2025.

Commodity Logistics

Our commodity logistics business delivered strong performance in the financial year 2024, surpassing expectations despite a challenging global environment. We leveraged our operational strengths and strategic position in commodity logistics to maintain robust demand, driven by global supply chain disruptions and complexities in key markets like cocoa and coffee. These industries faced significant challenges, including climate change, geopolitical tensions, and price volatility, alongside growing demand for ethically sourced and premium products. We navigated these dynamics by utilising our expertise and investing in technology-driven solutions.

In the financial year 2024, we expanded with a Bonded Logistics Centre in Serang, Indonesia, enhancing regional storage and distribution capabilities. This supported the increasing demand for secure, efficient commodity handling. Additionally, our logistics and blending services for minerals, particularly copper and gold concentrates, emerged as a significant growth driver in the financial year 2024. Our strategic positioning in copper concentrate logistics aligns with the industry's positive outlook, driven by rising demand for copper due to its crucial role in renewable energy technologies and electric vehicles. Our ability to provide specialised services in this sector has strengthened our market position and contributed to the growth. Similarly, our handling of gold concentrates benefits from increased demand in Asia, further solidifying our foothold in the mineral logistics sector.

Our ability to ensure timely delivery and traceability solidified our reputation as a trusted partner in navigating an uncertain market. Looking ahead to the financial year 2025, we plan to expand our portfolio, enhance efficiency, and leverage innovation to drive service excellence.

As compared with last year, the Group's logistics segment achieved a 17% growth in revenue from HK\$4,619,054,000 to HK\$5,411,113,000 and a 31% increase in profit before tax ("**PBT**") from HK\$218,436,000 to HK\$286,333,000, driven by improved performance across its logistics services, particularly the freight logistics. The freight logistics performed well by leveraging opportunities created by the geo-political tensions and supply chain disruptions. The Group remains focus on expanding its global network and service offerings while staying proactive in managing market challenges to mitigate risks and capture new business opportunities.

Commodity Marketing

Commodity marketing ("**CM**") continues to leverage its expertise in global supply chain management for non-ferrous concentrates and refined metals, while expanding into energy products and other metals in 2024. The company has also strengthened partnerships with small-scale miners to enhance its supply base and promote sustainable practices. Additionally, CM has focused on expanding its presence in new regions, with an emphasis on improving logistics and operations across Africa, a key area of its strategy.

While the traded volume of concentrates, refined metals, and energy products remained stable, as compared with last year, CM saw a 3% increase in revenue from HK\$31,175,669,000 to HK\$32,108,541,000 and a 443% significant rise in PBT from HK\$17,206,000 to HK\$93,468,000. Our improved efficiencies reduced operational costs and boosted margins. We further developed our blending facilities to capitalise on the tighter concentrates market, offering customised solutions for smelters.

Throughout the year, CM refined its London Metal Exchange (LME) management practices to better mitigate risk in a volatile commodities market. These efforts, combined with strong demand, improved the profitability of concentrates trading, while refined metals and energy products contributed robustly to overall performance.

Looking ahead, CM is focused on scaling its African operations, particularly logistics, and leveraging geographic expansion to diversify its supply sources. The company also plans to explore new minerals and enhance its presence in energy trading and other metal products. With a commitment to long-term stability, operational efficiency, and strategic growth, CM is well-positioned to navigate market challenges and seize emerging opportunities in 2025 and beyond.

Financial Services

Our financial services arm continues to grow its total customer equity funds year-on-year, with an increase of 13% for the financial year 2024, despite the high-interest rate environment. Market volatility remains high, which typically leads to higher trading volumes during this period.

We have been a clearing member of the world's largest derivatives exchange, the Chicago Mercantile Exchange (CME), for the last decade. Having established relatively stable and significant clearing volumes on other global exchanges, we are now in the final stages of becoming a clearing member of the Intercontinental Exchange (ICE), a key trading venue for global energy markets. As direct Clearing Members, this will enhance the services we provide to our customers.

While financial institutions and corporate accounts remain our core customer base, we have invested in expanding our reach into the retail market. This includes refreshing our brand touchpoints, enhancing our digital marketing content and reach, launching new products for retail investors, and hiring sales specialists. Our retail initiatives in Southeast Asia have gained momentum, forming a new business segment for us with exponential growth potential.

In addition to our retail initiatives, we continue to invest in accelerating our digital transformation. The goal is to automate processes, increase productivity, and, importantly, digitise touchpoints to improve our customers' on-boarding and trading experience.

Financial services maintained a similar level of revenue of HK\$625,820,000 (2023: HK\$626,035,000) and recorded a 3% increase PBT from HK\$192,834,000 to HK\$198,825,000 mainly due to increment in interest income resulting from higher average interest rate and increase in customer equity fund, but was offset by weaker performance from both USA and Asia markets.

Engineering Services

For the financial year 2024, the engineering services ("ES") business recorded a 9% drop year-on-year in revenue from HK\$715,970,000 to HK\$648,520,000, but achieved a 14% growth year-on-year in PBT from HK\$33,439,000 to HK\$38,286,000. This growth was achieved despite intense competition in the industry as ES continued to enhance its operations by digitalising work processes and introducing innovative solutions to lower operating costs and improve its competitiveness in securing contracts.

Engineering Maintenance

The facility management and maintenance market remains highly competitive. However, we expect to retain our existing contracts in the coming year. We successfully retained our key contracts for the vehicles and equipment division in 2024. Although new entrants have emerged in both the facility and vehicle maintenance markets, we are confident in our ability to retain our existing contracts in 2025, given our strong performance.

The labour market remains tight, continuing to pose a challenge to new businesses. Despite this, our business performed well in 2024 and is expected to remain steady in 2025.

LIQUIDITY, FINANCIAL RESOURCES AND FINANCING ACTIVITIES

As at 31 December 2024, the Group had cash and cash equivalents of HK\$2,271,537,000 (31 December 2023: HK\$1,998,840,000). Cash and bank balances are mostly held in Hong Kong dollar, United States dollar, Singapore dollar, Euro and Renminbi and deposited in leading banks with maturity dates falling within one year. On the other hand, the Group had loans and borrowings of HK\$5,924,561,000 (31 December 2023: HK\$5,646,278,000), of which an aggregated amount of HK\$5,136,740,000 (31 December 2023: HK\$4,201,446,000) was repayable within one year, including revolving short-term trade facilities of HK\$3,894,216,000 (31 December 2023: HK\$3,323,467,000) at the interest rate from 5.84% to 8.08% (31 December 2023: 5.88% to 8.08%) per annum that are used to finance the working capital of the Group's CM business. As at 31 December 2024, the Group's loans and borrowings amounted to HK\$4,600,396,000 (31 December 2023: HK\$4,183,519,000) were secured by property, plant and equipment, bank balance and fixed deposits, trade and other receivables and inventories with an amount of HK\$6,062,570,000 (as at 31 December 2023: HK\$4,948,088,000).

At the end of the reporting period, total borrowings accounted for around 17.2% were at fixed interest rates. There are no known seasonal factors in the Group's borrowing profile.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group will balance its overall capital structure through new share issues as well as raising of new borrowings or redemption of existing debt using cash flow generated from operating activities and disposal of assets. The Group's overall strategy remains unchanged from the year ended 31 December 2024.

As at 31 December 2024, the Group had total debt of HK\$4,120,695,000 (31 December 2023: HK\$4,672,423,000), comprising loans and borrowings and lease liabilities but excluding the revolving short term trade facilities amounted to HK\$3,894,216,000 (31 December 2023: HK\$3,323,467,000) (collectively, "**Total Debt**"). The consolidated net debt of the Group comprising of Total Debt minus pledged bank deposits and cash and cash equivalents amounted to HK\$1,655,867,000 (31 December 2023: HK\$2,528,508,000); and the total capital of the Group (measured as Total Debt plus equity attributable to owners of the Company) amounted to HK\$8,901,645,000 (31 December 2023: HK\$9,343,704,000). The Group's gearing ratio (net debt to total capital) as at 31 December 2024 was 18.6% (31 December 2023: 27.1%).

As at 31 December 2024, outstanding derivatives on the books were mainly commodity contracts for hedging the commodity price exposure. The management monitors the hedging policy closely and the hedging level of the Group is approximately 100% of the total commodity inventories.

The Group maintains an appropriate level of foreign currency borrowings, as determined by management, for natural hedge to minimise the foreign exchange exposure. As at 31 December 2024, of the total HK\$5,924,561,000 (31 December 2023: HK\$5,646,278,000), the Group had HK\$5,258,561,000 (31 December 2023: HK\$4,930,278,000) in loans and borrowings are denominated in currencies other than Hong Kong dollar, which are mainly denominated in Singapore dollar, United States dollar and Euro.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Save as disclosed below, for the year ended 31 December 2024, the Company did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures:

On 8 January 2024, the Group entered into a sale and purchase agreement, pursuant to which the Group agree to acquire 30% equity interest of Globelink Uniexco, S.L., a non-wholly-owned subsidiary of the Company incorporated in Spain, from the non-controlling shareholder at a consideration of EUR4,800,000 (equivalent to approximately HK\$41,409,000). For details, please refer to the announcement of the Company dated 8 January 2024.

CONTINGENT LIABILITIES

The Group is subject to various litigation, regulatory, and arbitration matters in the normal course of business. The Group vigorously defends against these claims. Based on the current status of these claims and presently available information, in the opinion of management, the resolution of these matters is unlikely to have a material effect on the financial position of the Group.

EMPLOYEES AND REMUNERATION POLICIES

The Group together with its associated companies and joint ventures had a total of 5,936 employees, including 1,265 employees of associated companies and joint ventures, as at 31 December 2024 (31 December 2023: 6,029 including 1,304 employees of associated companies and joint ventures). For staff cost, please refer to Note 9 to the consolidated financial statements in 2024 annual report. The Group's remuneration policies are to ensure that the remuneration package as a whole is fair and competitive, and is able to motivate and retain current employees and attract potential talents. These remuneration packages have already carefully taken into account, amongst other aspects, the Group's business in different jurisdictions. The employees' remuneration packages are comprised of salaries and discretionary bonuses, along with retirement schemes, medical insurance and share options which form a part of welfare benefits.

BUSINESS PROSPECTS

For 2024, the world economy has shown remarkable resilience. The International Monetary Fund projected the global economic growth at 3.3% in 2025 and 2026. This stability has been underpinned by continued disinflation, softening commodity prices, and monetary easing in many countries. Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026. However, ongoing conflicts, geopolitical tensions and climate risks, as well as potential trade restrictions pose significant challenges going forward. In particular, an intensification of protectionist policies, in the form of a new wave of tariffs, could exacerbate trade tensions, lower investment, reduce market efficiency, distort trade flows and again disrupt supply chains. While the global trend of monetary easing is expected to gradually reduce financing costs in many economies, the pace of interest rate-cuts remains uncertain. Under such circumstances, we consider it still necessary to continue focusing on core industries, enhancing core competence, promoting further synergy and collaboration among business sectors, and seeking for business opportunities in the PRC and other global regions for risk diversification reasons.

Hainan Free Trade Port (“**HFTP**”) has been one of the ports with the highest level of openness in the world nowadays, and an increasing number of global enterprises have set up regional headquarters or branch offices in Hainan Province. The Group continues to explore business opportunities in HFTP and Southeast Asia countries through multiple routes, such as establishing strategic cooperation and joint venture with local business partners. Since the initiation of the strategic cooperation with Yangpu Investment (a subsidiary of Hainan Yangpu Development and Construction Holding Co., Ltd) in April 2024, the Group has facilitated a number of study tours and exchange activities among the Group, business and industrial experts from Singapore, and local organisations in Hainan, in order to evaluate potential investment and business development opportunities in HFTP. Meanwhile, on the occasion of the 50th anniversary of diplomatic relations between China and Malaysia, in May 2024, the Group signed a memorandum of understanding with global commodity logistics company Access World Group (headquartered in Malaysia), in order to extend further collaboration in the area of commodity marketing and logistics. According to the master plan for HFTP, a Free Trade Port (FTP) system focused on trade and investment liberalisation and facilitation will be “basically established” in Hainan by the end of 2025. In order to seize the development opportunities in HFTP, our freight logistics business has incorporated a subsidiary in HFTP in November 2024 aiming to provide logistics solutions for local companies. Meanwhile, upon working closely with our global strategic partners, we continue to focus on the growth opportunities in the global regions, including Southeast Asia, Europe, and Central America. As our footprint in Greater China and other global regions continues to deepen, our relentless focus is to learn from our experience and copy the success in Singapore and other global regions, to contribute to the economic growth and sustainable development in the regions that we operate, and to create more value for the shareholders.

For 2025, facing the opportunities and challenges in the global market place, in addition to operating the business with caution, the Group will promote deeper internal synergy, continue to expand our global commercial network, and seize further growth opportunities in Greater China and other global regions to maximise the shareholders' interests and earn a brighter future.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The financial 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 this announcement have been compared by the Group's auditor, Baker Tilly Hong Kong Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the year ended 31 December 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company had complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Listing Rules for the financial year ended 31 December 2024, except the following deviation:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wang Kan had been appointed as the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**") during the period from 21 February 2022 to 28 June 2024.

The Board believed that vesting the roles of both Chairman and Chief Executive Officer in the same person had the benefit of ensuring consistent leadership within the Group and enabled more effective and efficient overall strategic planning for the Group. The Board considered this structure to enable the Company to make and implement decisions promptly and effectively. The Board believed that the balance of power and authority was adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a sufficient number of independent non-executive Directors.

Therefore, the Directors consider that the reasons for deviation from code provision C.2.1 of the CG Code were appropriate in such circumstances.

Note: Mr. Wang Kan ceased to be the Chief Executive Officer and Mr. Shang Duoxu was appointed as the Chief Executive Officer, with effect from 28 June 2024.

APPRECIATION

The Board would like to take this opportunity to extend its sincere gratitude to all shareholders of the Company, investors, customers, suppliers and business partners of the Company for their valuable and continuous support and trust to the Group. The Board would also extend its gratitude and appreciation to all our management and staff for their tireless efforts, diligence and dedication throughout the year.

By order of the Board
CWT INTERNATIONAL LIMITED
Wang Kan
Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Wang Kan (Executive Director and Chairman), Mr. Zhao Quan (Executive Director), Mr. Wang Qi (Executive Director), Mr. Huang Fenglin (Executive Director), Mr. Liem Chi Kit, Kevin (Independent Non-executive Director), Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director) and Ms. Liu Yifei (Independent Non-executive Director).

* *for identification purpose only*