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A DP WORLD Company

CN Logistics International Holdings Limited

嘉泓物流國際控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2130)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

The Group recorded an increase in revenue of approximately 30.5% for FY2024, from approximately HK\$2,104.0 million in FY2023 to approximately HK\$2,745.5 million in FY2024.

After excluding the one-off fair value gain on consideration payable of HK\$55.2 million and HK\$0.98 million recorded in FY2023 and FY2024, respectively, the earning before interest, taxes, depreciation and amortisation increased from HK\$135.1 million in FY2023 to HK\$207.5 million in FY2024, representing a 53.6% increase.

The freight forwarding businesses (including the air freight forwarding segment and the ocean freight forwarding segment and the cruise logistics business) recorded an increase in revenue of approximately 40.4% in segment results for FY2024, from approximately HK\$1,701.6 million in FY2023 to approximately HK\$2,389.3 million.

The Board recommended the payment of a final dividend of HK1 cent per ordinary Share for FY2024 (FY2023: HK1 cent per ordinary Share). The payment of the final dividend is subject to the approval of the Shareholders at the forthcoming AGM.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”), together with the comparative figures for the year ended 31 December 2023 (“**FY2023**”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year ended 31 December 2024

(Expressed in Hong Kong dollars)

| | <i>Note</i> | 2024 <i>\$’000</i> | 2023 <i>\$’000</i> |
|---|-------------|------------------------------|-----------------------|
| Revenue | 2 | 2,745,518 | 2,103,959 |
| Cost of services | | <u>(2,231,212)</u> | <u>(1,683,923)</u> |
| Gross profit | | 514,306 | 420,036 |
| Other income | | 5,320 | 3,918 |
| Other net gain | | 10,278 | 60,704 |
| Administrative and other operating expenses | | <u>(423,379)</u> | <u>(392,893)</u> |
| Profit from operations | | 106,525 | 91,765 |
| Finance costs | 3(a) | (27,069) | (22,558) |
| Share of profits of associates and joint ventures | | <u>3,410</u> | <u>3,168</u> |
| Profit before taxation | 3 | 82,866 | 72,375 |
| Income tax | 4 | <u>(50,899)</u> | <u>(24,128)</u> |
| Profit for the year | | <u>31,967</u> | <u>48,247</u> |
| Attributable to: | | | |
| Equity shareholders of the Company | | 32,009 | 48,278 |
| Non-controlling interests | | <u>(42)</u> | <u>(31)</u> |
| Profit for the year | | <u>31,967</u> | <u>48,247</u> |
| Earnings per share (Hong Kong cents) | 5 | | |
| Basic | | 10.9 | 16.5 |
| Diluted | | <u>10.9</u> | <u>16.5</u> |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 December 2024

(Expressed in Hong Kong dollars)

| | 2024 \$'000 | 2023 \$'000 |
|--|------------------------------|----------------|
| Profit for the year | 31,967 | 48,247 |
| Other comprehensive income for the year (after taxation) | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| Remeasurement of defined benefit retirement obligations | (142) | (873) |
| Remeasurement of equity investment at fair value through other comprehensive income | 86 | (305) |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | |
| Exchange differences on translation of financial statements of subsidiaries and associates outside Hong Kong | <u>(23,287)</u> | <u>328</u> |
| Total comprehensive income for the year | <u>8,624</u> | <u>47,397</u> |
| Attributable to: | | |
| Equity shareholders of the Company | 11,414 | 45,659 |
| Non-controlling interests | <u>(2,790)</u> | <u>1,738</u> |
| Total comprehensive income for the year | <u>8,624</u> | <u>47,397</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in Hong Kong dollars)

| | <i>Note</i> | 2024 \$'000 | 2023 \$'000 |
|---|-------------|------------------------------|------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 213,938 | 253,546 |
| Intangible assets | | 2,274 | 2,524 |
| Goodwill | 7 | 222,224 | 224,762 |
| Interests in associates | | 14,617 | 11,379 |
| Interests in joint ventures | | — | 2,925 |
| Other financial assets | | 1,144 | 5,375 |
| Loan receivables | 8 | 8,904 | 4,988 |
| Deferred tax assets | | 11,223 | 10,881 |
| | | 474,324 | 516,380 |
| Current assets | | | |
| Trade and other receivables and contract assets | 9 | 795,326 | 561,333 |
| Amounts due from related companies | | 12,409 | — |
| Amounts due from Cargo Services Group | | — | 20,003 |
| Amounts due from EV Cargo Group | | 21,736 | 22,727 |
| Amounts due from DP World Group | | 26,983 | — |
| Amounts due from associates | | 845 | 1,079 |
| Amounts due from joint ventures | | — | 8,278 |
| Other financial assets | | 4,041 | — |
| Loan receivable | 8 | 5,311 | — |
| Pledged bank deposits | | 2,256 | 2,323 |
| Time deposits | | 2,534 | 22,205 |
| Cash and cash equivalents | | 255,023 | 260,279 |
| | | 1,126,464 | 898,227 |
| Current liabilities | | | |
| Trade and other payables and contract liabilities | 10 | 406,582 | 307,531 |
| Amounts due to Cargo Services Group | | — | 217,570 |
| Amounts due to EV Cargo Group | | 10,086 | 9,401 |
| Amounts due to DP World Group | | 122,225 | — |
| Amounts due to associates | | 102 | 197 |
| Amounts due to joint ventures | | — | 448 |
| Bank loans and overdrafts | | 381,531 | 307,718 |
| Lease liabilities | | 39,288 | 50,474 |
| Current taxation | | 22,707 | 7,934 |
| | | 982,521 | 901,273 |
| Net current assets/(liabilities) | | 143,943 | (3,046) |
| Total assets less current liabilities | | 618,267 | 513,334 |

| | <i>Note</i> | 2024 <i>\$'000</i> | 2023 <i>\$'000</i> |
|--|-------------|------------------------------|-----------------------|
| Non-current liabilities | | | |
| Bank loans | | 2,544 | 13,230 |
| Lease liabilities | | 39,968 | 51,256 |
| Defined benefit retirement obligations | | 13,776 | 11,254 |
| Amounts due to Cargo Services Group | | — | 24,097 |
| Amounts due to DP World Group | | 12,044 | — |
| Deferred tax liabilities | | 1,477 | — |
| | | <u>69,809</u> | <u>99,837</u> |
| NET ASSETS | | <u>548,458</u> | <u>413,497</u> |
| CAPITAL AND RESERVES | <i>11</i> | | |
| Share capital | | 2,344 | 2,154 |
| Reserves | | 510,423 | 360,895 |
| Total equity attributable to equity shareholders of the Company | | 512,767 | 363,049 |
| Non-controlling interests | | 35,691 | 50,448 |
| TOTAL EQUITY | | <u>548,458</u> | <u>413,497</u> |

NOTES:

(Expressed in Hong Kong dollars unless otherwise indicated)

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024, but are derived from those financial statements.

The Group's consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The Group's consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The material accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except for the changes stated below. The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interests in associates.

Cargo Services Group consists of Cargo Services Group Limited, CS Logistics Holdings Ltd., Cargo Services Seafreight Limited, and their subsidiaries and associates (excluding EV Cargo Group defined below and the Group) up to 30 August 2024, the date from which DP World became controlling shareholder of the Company. Upon the change of the controlling shareholder, subsidiaries and joint ventures of Cargo Services Group Limited and CS Logistics Holding Ltd. became related companies of the Group because these entities are indirectly controlled or jointly controlled by Mr. Lau Shek Yau John, an Executive Director of the Company.

EV Cargo Group consists of EV Cargo Global Forwarding Limited ("EV Cargo"), its subsidiaries and associates. EV Cargo Group is a non-controlling interest of a subsidiary of the Group throughout the years ended 31 December 2023 and 2024.

DP World Group consists of DP World Limited, its subsidiaries and associates (excluding the Group) since 30 August 2024.

Please refer to Business Review Section in Management Discussion and Analysis for more details of the change in controlling shareholder of the Company.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values.

- investments in equity securities;
- defined benefit retirement plan obligations; and
- purchase consideration payable arising from business combination classified as financial liabilities at fair value through profit or loss.

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

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* (“2020 amendments”) and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

Amendments to HKAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the HKAS1 amendments, the Group has reassessed the classification of its liabilities as current and non-current, and no reclassification is considered necessary.

Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: disclosures — Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk.

Except as described above, the application of the amended HKFRSs in the current year has no material effect on the Group’s financial position and performance for the current and prior years/or disclosures set out in the Group’s consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

Segment Reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geographical locations. 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 four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Air freight: this segment provides freight forwarding services by air
- Ocean freight: this segment provides freight forwarding services by ocean
- Cruise logistics: this segment provides shipments of supplies for drydock project and cruise replenishment for cruise operators
- Distribution and logistics: this segment provides cost-effective supply chain solutions

(i) Segment Results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and costs of services are allocated to the reportable segments with reference to service income generated by those segments and the direct costs incurred by those segments, including the depreciation or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

| | 2024 | | | | |
|--|-----------------------|----------------------------|-------------------------------|---|------------------|
| | Air freight \$'000 | Ocean freight \$'000 | Cruise logistics \$'000 | Distribution and logistics \$'000 | Total \$'000 |
| Reportable segment revenue | | | | | |
| — external sales | <u>1,178,575</u> | <u>780,442</u> | <u>430,256</u> | <u>356,245</u> | <u>2,745,518</u> |
| Reportable segment gross profit | 159,006 | 180,083 | 129,206 | 46,011 | 514,306 |
| Other income | | | | | 5,320 |
| Other net gain | | | | | 10,278 |
| Administrative and other operating expenses | | | | | (423,379) |
| Finance costs | | | | | (27,069) |
| Share of profits of associates | | | | | <u>3,410</u> |
| Profit before taxation | | | | | <u>82,866</u> |
| | 2023 | | | | |
| | Air freight \$'000 | Ocean freight \$'000 | Cruise logistics \$'000 | Distribution and logistics \$'000 | Total \$'000 |
| Reportable segment revenue | | | | | |
| — external sales | <u>840,497</u> | <u>474,691</u> | <u>386,383</u> | <u>402,388</u> | <u>2,103,959</u> |
| Reportable segment gross profit | 129,906 | 93,536 | 141,863 | 54,731 | 420,036 |
| Other income | | | | | 3,918 |
| Other net gain | | | | | 60,704 |
| Administrative and other operating expenses | | | | | (392,893) |
| Finance costs | | | | | (22,558) |
| Share of profits of associates and joint ventures | | | | | <u>3,168</u> |
| Profit before taxation | | | | | <u>72,375</u> |

(ii) Geographic Information

The following table sets out information about the geographical locations of the Group's revenue from external customers and the amounts of specified non-current assets (other than deferred tax assets, other financial assets and loan receivables). The geographical locations of revenue from customers are based on the locations at which the services are provided. The geographical locations of the specified non-current assets are based on the physical locations of the assets, in the case of property, plant and equipment, the locations of the operations to which they are allocated, in the case of goodwill and intangible assets, and the locations of operations, in the case of interests in associates and joint ventures.

| | 2024 \$'000 | 2023 \$'000 |
|--|------------------------------|------------------------------|
| Revenue from external customers | | |
| Hong Kong | 529,867 | 485,571 |
| Mainland China | 638,139 | 483,296 |
| Italy | 708,736 | 451,648 |
| Taiwan | 127,453 | 104,785 |
| USA | 421,188 | 378,248 |
| Other countries and regions | 320,135 | 200,411 |
| | 2,745,518 | 2,103,959 |
| Specified non-current assets | | |
| Hong Kong | 46,763 | 50,009 |
| Mainland China | 107,964 | 143,731 |
| Italy | 50,488 | 53,280 |
| Taiwan | 27,037 | 24,475 |
| USA | 209,069 | 210,701 |
| Other countries and regions | 11,732 | 12,940 |
| | 453,053 | 495,136 |

3. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

| | 2024 \$'000 | 2023 \$'000 |
|---|----------------|----------------|
| (a) Finance costs | | |
| Interest on bank loans and overdrafts | 22,468 | 18,012 |
| Interest on lease liabilities | 4,601 | 4,546 |
| | <u>27,069</u> | <u>22,558</u> |
| (b) Staff costs | | |
| Contribution to defined contribution retirement plans | 36,343 | 30,929 |
| Expenses recognised in respect of defined benefit retirement plans | 2,247 | 2,009 |
| Salaries, wages and other benefits | 300,609 | 295,654 |
| | <u>339,199</u> | <u>328,592</u> |
| (c) Other operating expenses (note (i)) | | |
| Auditors' remuneration — KPMG | 4,818 | 4,845 |
| Auditors' remuneration to other auditors | 215 | — |
| Net provision for impairment loss on trade receivables and amounts due from related companies | 1,613 | 743 |
| Communication expenses | 4,130 | 4,034 |
| Repair and maintenance expenses | 2,586 | 2,612 |
| Management fee expenses | | |
| — related parties | 663 | 1,890 |
| — other party (note (ii)) | 759 | 1,212 |
| Others | 9,569 | 9,214 |
| | <u>24,353</u> | <u>24,550</u> |
| (d) Other items | | |
| Depreciation charge | | |
| — owned property, plant and equipment | 29,073 | 28,559 |
| — right-of-use assets | 74,069 | 66,749 |
| Amortisation cost of intangible assets | 431 | 3,814 |
| Fair value gain of purchase consideration payable (note (iii)) | (976) | (55,155) |

Notes:

- (i) Other operating expenses are included in “administrative and other operating expenses” in the consolidated statement of profit or loss.
- (ii) Management fee expenses are paid to non-controlling interest (without significant influence) of a subsidiary.
- (iii) The gain arose from the fair value change of purchase consideration payable in relation to the acquisition of Allport Cruise Logistics Inc. and its subsidiaries (together, the “**Allport Cruise Group**”) in March 2022.

4. INCOME TAX

Taxation in the Consolidated Statement of Profit or Loss Represents:

| | 2024 \$'000 | 2023 \$'000 |
|---|----------------------|----------------------|
| Current tax — Hong Kong Profits Tax | | |
| Provision for the year | 4,541 | 3,547 |
| Over-provision in respect of prior years | (381) | (15) |
| | <u>4,160</u> | <u>3,532</u> |
| Current tax — Outside Hong Kong | | |
| Provision for the year | 40,221 | 23,683 |
| Under-provision in respect of prior years | — | 330 |
| | <u>40,221</u> | <u>24,013</u> |
| Withholding tax on distributed profits | | |
| Italy withholding tax | 2,785 | — |
| Korea withholding tax | 468 | 531 |
| Taiwan withholding tax | 1,838 | 3,171 |
| France withholding tax | 144 | 96 |
| Japan withholding tax | 113 | — |
| | <u>5,348</u> | <u>3,798</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences | <u>1,170</u> | <u>(7,215)</u> |
| | <u>50,899</u> | <u>24,128</u> |

The provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year ended 31 December 2024.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China ("PRC") and the respective regulations, the subsidiaries operating in the PRC are subject to Enterprise Income Tax ("EIT") at the rate of 25% (2023: 25%) on the taxable income for the year ended 31 December 2024.

In accordance with the relevant tax laws of Italy, the provision for Corporate Income Tax is calculated at 28% (2023: 28%) for the year ended 31 December 2024.

In accordance with the relevant tax laws of Taiwan, the provision for Corporate Income Tax is calculated at 20% (2023: 20%) for the year ended 31 December 2024.

In accordance with the relevant tax laws of USA, the provision for Federal Corporate Tax and State Income Tax are calculated at a rate of 21% (2023: 21%) and 5.5% (2023: 5.5%), respectively for the year ended 31 December 2024.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries and regions.

Withholding tax is charged by tax authorities of Italy, Korea, Taiwan, France and Japan in respect of dividend income received from subsidiaries incorporated in respective countries and regions, at rates of 10%, 10% (2023: 10%), 21% (2023: 21%), 10% (2023: 10%) and 5%, respectively for the year ended 31 December 2024.

5. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$32,009,000 (2023: \$48,278,000) and the weighted average of 292,692,000 ordinary shares (2023: 292,692,000 ordinary shares) in issue during the year ended 31 December 2024, calculated as follows:

| | 2024 '000 | 2023 '000 |
|--|----------------|----------------|
| Issued ordinary shares at 1 January | 276,100 | 276,100 |
| Potential issuance of consideration shares to Cargo Services Seafreight Limited due to settlement of consideration payable for acquisition of Allport Cruise Group | — | 24,389 |
| Issuance of consideration shares to Cargo Services Seafreight Limited due to settlement of consideration payable for acquisition of Allport Cruise Group | 24,389 | — |
| Shares purchased in respect of the share award scheme of the Company | (7,797) | (7,797) |
| | <u>292,692</u> | <u>292,692</u> |
| Weighted average number of ordinary shares at 31 December | <u>292,692</u> | <u>292,692</u> |

(b) Diluted Earnings Per Share

There were no dilutive potential ordinary shares during the years ended 31 December 2024 and 2023, and therefore, diluted earnings per share are the same as basic earnings per share.

6. DIVIDEND

Pursuant to the resolution passed by the shareholders of the Company (the “Shareholders”) at the Company’s annual general meeting held on 29 May 2024, a final dividend of HK\$1 cent per ordinary shares in respect of the FY2023, in an aggregate amount of HK\$3,004,890, was paid on 17 July 2024 to all Shareholders whose names appeared on the register of members of the Company on 26 June 2024.

The Board recommended the payment of a final dividend of HK\$1 cent per ordinary share for FY2024. The total amount of the proposed final dividend is approximately HK\$3,004,890. The payment of the final dividend is subject to the approval of the Shareholders of the Company at the annual general meeting of the Company (the “AGM”) to be held on Thursday, 29 May 2025. Subject to the approval by the Shareholders, the proposed final dividend is expected to be paid on Thursday, 17 July 2025 to all Shareholders whose names to be appeared on the register of members of the Company on Thursday, 26 June 2025.

7. GOODWILL

| | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
|----------------------|-------------------------------|-------------------------------|
| At 1 January | 224,762 | 224,559 |
| Exchange adjustments | <u>(2,538)</u> | <u>203</u> |
| At 31 December | <u><u>222,224</u></u> | <u><u>224,762</u></u> |

Goodwill is allocated to the Group’s cash generating units identified as follows:

| | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
|--|-------------------------------|-------------------------------|
| Airfreight forwarding business — Taiwan | 21,188 | 22,646 |
| Cruise logistics business — Allport Cruise Group | <u>201,036</u> | <u>202,116</u> |
| | <u><u>222,224</u></u> | <u><u>224,762</u></u> |

Airfreight Forwarding Business — Taiwan

The recoverable amount of the CGU is determined based on the value-in-use calculation. The calculation uses a cash flow projection based on financial budget approved by management covering a five-year period. Annual revenue growth rate during the forecast period is 2% (2023: 2%). Cash flows beyond the five-year period are extrapolated using an estimated average growth rate of 2% (2023: 3%). The growth rate used does not exceed the long-term average growth rate for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 15% (2023: 15%). The discount rate reflects specific risks relating to the relevant segment. Based on the impairment assessment conducted by the Group, no impairment loss has been identified in respect of goodwill at 31 December 2024 and 2023.

At 31 December 2024, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately \$25.7 million (2023: \$29.4 million) (“**the headroom**”).

The following table indicates how the amount of the headroom would have changed if certain key assumptions during the forecast period had changed, assuming all other assumptions remained constant.

| | Decrease in the headroom | |
|---|---------------------------------|---------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Discount rate increases by 100 basis points | 4,480 | 4,349 |
| Revenue growth rate decreases by 100 basis points | 5,644 | 7,495 |

The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU.

Cruise Logistics Business — Allport Cruise Group

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Annual revenue growth rate during the forecast period is 2.0% to 6.0% (2023: 2.0% to 7.1%). Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2% (2023: 4%), which is consistent with the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 15.1% (2023: 16.4%). Based on the impairment assessment conducted by the Group, no impairment loss has been identified in respect of goodwill at 31 December 2024 and 2023.

At 31 December 2024, the headroom is approximately HK\$45.6 million (2023: HK\$44.3 million).

The following table indicates how the amount of the headroom would have changed if certain key assumptions during the forecast period had changed, assuming all other assumptions remained constant.

| | Decrease in the headroom | |
|---|---------------------------------|---------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Discount rate increases by 100 basis points | 20,638 | 18,523 |
| Revenue growth rate decreases by 100 basis points | 22,953 | 20,423 |

The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU.

8. LOAN RECEIVABLES

At 31 December 2024, the balance represented (i) an unsecured loan of HK\$2,800,000 to the Company's director, Mr. Ngan Tim Wing, which is interest bearing at 3% per annum and repayable by 31 December 2025; and (ii) a loan granted from a subsidiary to an employee amounted to USD1,750,000, equivalent to HK\$13,663,000, which is unsecured and interest bearing at 5% per annum. The loan to employee is repayable in one-fifth of the loan balance and accrued interest annually in 5 years up to 31 August 2029.

At 31 December 2023, the balance represented loans in relation to Augusta Morandin and Fabio Di Nello, which had been fully repaid in December 2024.

Mr. Ngan Tim Wing had subsequently settled the loan in March 2025.

9. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

| | 2024 \$'000 | 2023 \$'000 |
|---|----------------|----------------|
| Trade and other receivables | | |
| Trade receivables, net of loss allowance | 534,914 | 373,198 |
| Other receivables, prepayments and deposits | <u>107,179</u> | <u>73,416</u> |
| | <u>642,093</u> | <u>446,614</u> |
| Contract assets | | |
| Arising from performance under freight forwarding contracts | 36,608 | 11,430 |
| Arising from performance under cruise logistics contracts | <u>116,625</u> | <u>103,289</u> |
| | <u>153,233</u> | <u>114,719</u> |
| | <u>795,326</u> | <u>561,333</u> |

(a) Trade and Other Receivables

Except for rental deposit for leased properties of \$12,953,000 (2023: \$9,691,000) paid by the Group to lessors and are refundable or to be settled at the end of the lease terms, which is after one year, all of the remaining trade and other receivables are expected to be recovered or recognised as expenses within one year.

Other receivables included an amount of HK\$7,410,000 (2023: Nil), representing the advanced bonus payment to two directors and certain employees of subsidiaries for incentive purpose under various arrangements. The amounts are expected to be expensed or recoverable within one year, depending on fulfilling specific service conditions.

The ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

| | 2024 \$'000 | 2023 \$'000 |
|----------------|----------------|----------------|
| Within 1 month | 432,883 | 296,931 |
| 1 to 2 months | 63,671 | 49,749 |
| 2 to 3 months | 25,111 | 16,915 |
| Over 3 months | 13,249 | 9,603 |
| | <u>534,914</u> | <u>373,198</u> |

Trade receivables are normally due within 30 to 60 days from the date of billing.

(b) Contract Assets

Contract assets represent unbilled amounts from certain freight forwarding contracts, resulted from revenue recognised on these contracts using output method exceeding the amounts billed to the customers as at the end of the reporting period.

All of the contract assets are expected to be recovered within one year.

10. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

| | 2024 \$'000 | 2023 \$'000 |
|---|----------------|----------------|
| Trade and other payables | | |
| Trade payables | 308,339 | 236,123 |
| Other payables and accrued charges | <u>77,487</u> | <u>63,613</u> |
| | <u>385,826</u> | <u>299,736</u> |
| Contract liabilities | | |
| Billings in advance of performance under freight forwarding contracts | <u>20,756</u> | <u>7,795</u> |
| | <u>406,582</u> | <u>307,531</u> |

(a) Trade and Other Payables

All of the trade and other payables are expected to be settled or recognised as income within one year.

The ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

| | 2024 \$'000 | 2023 \$'000 |
|----------------|----------------|----------------|
| Within 1 month | 228,272 | 160,776 |
| 1 to 3 months | 68,235 | 61,026 |
| Over 3 months | <u>11,832</u> | <u>14,321</u> |
| | <u>308,339</u> | <u>236,123</u> |

(b) Contract Liabilities

Contract liabilities represent amounts billed to customers in advance of the service performance under certain freight forwarding contracts as at the end of the reporting period.

During the years ended 31 December 2024 and 2023, all of the contract liabilities at the beginning of the respective year have been recognised as revenue.

All of the contract liabilities are expected to be recognised as revenue within one year.

11. SHARE CAPITAL

Authorised and Issued Share Capital

| | 2024 | | 2023 | |
|--|--------------------------|------------------|--------------------------|------------------|
| | No. of shares '000 | Amount \$'000 | No. of shares '000 | Amount \$'000 |
| Authorised: | | | | |
| Ordinary shares of US\$0.001 each | 50,000,000 | 390,000 | 50,000,000 | 390,000 |
| Ordinary shares, issued and fully paid: | | | | |
| At 1 January | 276,100 | 2,154 | 276,100 | 2,154 |
| Issuance of consideration shares | 24,389 | 190 | — | — |
| At 31 December | 300,489 | 2,344 | 276,100 | 2,154 |

In February 2024, the purchase consideration payable in relation to the acquisition of Allport Cruise Group in 2022 had been settled by way of issuance of 24,389,000 shares to Cargo Services Seafreight Limited.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group primarily engages in the provision of comprehensive logistics services, comprising air freight forwarding services, distribution and logistics services, ocean freight forwarding services and cruise logistics services, with a primary focus on high-end fashion (including luxury and affordable luxury), fine wine products. Our long-standing clients include various globally renowned premium and luxury brands, as well as other apparel companies.

The Group operates local offices in 16 countries and regions, which includes the People's Republic of China (“**PRC**” or “**China**”), Hong Kong, Macau, Taiwan, Italy, Japan, the United States of America (“**USA**”), United Kingdom, Thailand, Vietnam, South Korea, France, Switzerland, Indonesia, Netherlands and Cambodia. In addition, the Group has established partnerships with more than 100 business partners, covering over 100 countries across the globe.

The global logistics market in 2024 was characterized by significant growth and transformation, generated a revenue of USD 3,931.8 billion as driven by various factors including technological advancements, eCommerce expansion, and a focus on sustainability. Due to geopolitical tensions and economic uncertainties, the regional performance of the logistics markets in China, Southeast Asia, the USA and Europe in 2024 showed varied trends and dynamics. It was, therefore, essential for logistics companies to show adaptability and resilience in such ever-changing environment. In 2024, the Group saw a rebound in business volume and orders, with revenue increased year-on-year by 30.5% to HK\$2,745.5 million (FY2023: HK\$2,104.0 million), reaching the pre-pandemic level. The Group's earnings before interest, taxes, depreciation and amortisation amounted to approximately HK\$207.5 million in FY2024 (FY2023: HK\$135.1 million), representing an increase of approximately 53.6% after excluding the one off fair value gain on consideration payable of HK\$55.2 million and HK\$0.98 million in FY2023 and FY2024 respectively, which was mainly attributable to the rebound of the Group's business operation.

On 8 April 2024, CS Logistics Holdings Limited (“**CS Holdings**”) entered into a share purchase agreement with DP World Logistics FZE (“**DP World**”), pursuant to which DP World agreed to purchase, and CS Holdings agreed to sell, the entire issued share capital of Cargo Services Seafreight, which then indirectly held 57.9% of the total issued shares of the Company (the “**Shares**”) (the “**CS Seafreight Transaction**”). The CS Seafreight Transaction was completed on 30 August 2024. Immediately upon the completion of the CS Seafreight Transaction, DP World has become a controlling shareholder of the Company. For details, please refer to the announcements of the Company dated 8 April 2024 and 30 August 2024.

Regional Analysis — Greater China

During FY2024, revenue contributed by the Group's PRC office experienced a rebound, increasing by 32.0% to HK\$638.1 million (FY2023: HK\$483.3 million). Such growth was driven by the increase in freight rates and recovery in air freight handling volume of certain key customers, as many customers have opted for airfreight forwarding services as a more reliable alternative during the Red Sea crisis. The revenue generated from air freight forwarding contributed by the Group's PRC office, therefore, increased by 81.0% in FY2024 compared to FY2023.

As a reliable partner for luxury brands and premium fashion retailers, the Group continued to explore ways to boost customer loyalty and improve operational efficiency, such as introducing cutting edges logistics services and exploring new business opportunities.

Regional Analysis — Europe

In Europe, the improved economic conditions and recovery of consumer markets benefitted the Group's performance in 2024. During FY2024, the revenue contributed by the Group's Italy office demonstrated a remarkable increase of 56.9% to HK\$708.7 million (FY2023: HK\$451.6 million) as a result of the increase in business volume and freight rate.

Europe continued to be the Group's primary market and largest source of revenue in FY2024. In 2024, the European economy regained its growth momentum, successfully overcame the stagnation that occurred in the latter part of 2023. During FY2024, in addition to continuously strengthening its connectivity with long-term key clients, the Group actively pursued new verticals in the region, including automotive components, aviation parts, and perishable food cold-chain delivery. This strategy has further solidified its sustainable growth in the area.

Regional Analysis — Asia-Pacific

The Group continued to venture into new markets within the Southeast Asia as part of its strategy to broaden its global presence and create additional revenue streams. In particular, the Group's Vietnam office showcased robust performance during FY2024, which was primarily attributable to the export of garments to USA for local textile companies. The revenue contributed by the Vietnam office amounted to HK\$88.0 million in FY2024, representing an increase of approximately 59.0% compared to FY2023. In addition, the Group's Indonesia office achieved 93.3% growth, recorded a revenue of HK\$16.0 million during FY2024.

The Group is optimistic about the opportunities in the Southeast Asian markets and is steadily increasing its investment in the region. This strategic initiative is designed to improve business scalability and foster stronger synergies, ultimately leading to enhanced efficiency and profitability.

Continuous Growth with CN Express

In early 2024, the Group officially launched CN Express International Limited (“**CN Express**”), a new division dedicated to serving eCommerce platforms worldwide, which offers a seamless one-stop solution encompassing warehousing in origin, international freight forwarding and last-mile delivery, particularly in Europe, Southeast Asia and South Africa.

During FY2024, the Group has continuously expanded its partnership with several leading Chinese eCommerce platforms in China and provided regular chartered flights from China to global destinations. CN Express has recorded revenue of approximately HK\$315.2 million in its first year of operation.

Stable Recovery of Global Tourism Benefit Cruise Logistics Business

Due to the economic recovery and increased demand for experiential travel, the cruise tourism market is projected to witness substantial growth. As early as 2022, the Group has acquired Allport Cruise Logistics Inc. and its subsidiaries (together, the “**Allport Cruise Group**”), thereby entering the cruise logistics market. In FY2024, the revenue contributed by the cruise logistics segment reached HK\$430.2 million, representing a stable year-on-year increase of 11.4% (FY2023: HK\$386.4 million) and contributing approximately 15.7% of the total revenue of the Group.

Actively Developing New Verticals and Markets

The Group continued to expand its revenue stream by tapping into new verticals. Transportation was one of the key sectors the Group strived to expand its presence in during FY2024. The Group formed a partnership with a prominent automobile manufacturer in France for the provision of warehousing and international freight forwarding services. The Group also partnered with a manufacturer of aviation parts for the delivery of goods from Europe to China, once again demonstrating its capabilities of serving customers in industries with stringent quality requirements and rapid delivery needs.

Leveraging its extensive international network, the Group also expanded its strategic footprint in cold chain logistics, especially the services from Italy and Southeast Asia to China. By utilizing its logistics expertise, the Group aims to provide efficient and reliable services to clients in the food and beverage sector, strengthening its market presence in the industry and establishing a new revenue driver.

Financial Results

The Group recorded revenue of approximately HK\$2,745.5 million during FY2024 (FY2023: HK\$2,104.0 million), representing an increase of approximately 30.5%. Gross profit amounted to approximately HK\$514.3 million during FY2024 (FY2023: HK\$420.0 million), representing an increase of 22.4%. The Group's earnings before interest, taxes, depreciation and amortisation were approximately HK\$207.5 million in FY2024 (FY2023: HK\$135.1 million), representing an increase of approximately 53.6% after elimination of the effect of the one off fair value gain on consideration payable of HK\$55.2 million and HK\$0.98 million in FY2023 and FY2024, respectively, which was mainly attributable to the rebound of the Group's business operation.

Segmental Analysis

The Group principally involves in the provision of freight forwarding services (including air and ocean freight forwarding services), cruise logistics, and the provision of distribution and logistics services.

Air Freight Forwarding Services

The air freight forwarding business constituted the largest segment of the Group, representing approximately 43.0% of the Group's total revenue in FY2024 (FY2023: 39.9%). The services include arranging for consignment upon receipt of booking instructions from customers, cargo pick up, obtaining cargo space, preparation of freight documentation, arranging for customs clearance and cargo handling at origin and destination as well as other related logistics services such as supporting transportation for freight forwarding purposes. In addition, we pride ourselves as one of the few specialists in providing freight forwarding services for the export of wine from France and the United Kingdom to Hong Kong. The Group is a member of the International Air Transport Association in Hong Kong, Taiwan, Italy, France and Japan which provide access to space procurement for air cargo routes worldwide in these locations and is also capable of procuring air cargo space directly from airline carriers in the PRC.

The air freight forwarding business recorded revenue of approximately HK\$1,178.6 million for FY2024 (FY2023: HK\$840.5 million), representing an increase of approximately 40.2% as compared to FY2023. Gross profit of the segment also increased from HK\$129.9 million for FY2023 to approximately HK\$159.0 million for FY2024, representing an increase of approximately 22.4%. The increase in revenue and gross profit were mainly due to the revenue contributed from the CN Express business of approximately HK\$315.2 million in its first year of operation.

Ocean Freight Forwarding Services

The holistic logistics solutions of the Group also include the provision of ocean freight forwarding services to its air freight forwarding services customers as well as other customers. During FY2024, revenue from the ocean freight forwarding operations of the Group was mainly generated from import shipments to Italy and shipments from and to the Southeast Asia regions such as Vietnam and Japan.

For FY2024, the revenue from this segment was approximately HK\$780.5 million (FY2023: HK\$474.7 million), representing an increase of approximately 64.4% as compared to FY2023, and gross profit was approximately HK\$180.1 million (FY2023: HK\$93.5 million), representing an increase of approximately 92.5% as compared to FY2023. The increase in revenue and gross profit was mainly due to 1) the increase in ocean freight rate compared to FY2023 and the ability of the Group's Italy office to charge its customer at a similar margin as that of FY2023; 2) the significant rebound in import shipments from China due to increase in local demand for tyre products, raw materials for luxury products and tableware products from existing customers such as Fintyre and Tognana; and 3) the Group's Vietnam and Indonesia offices recording significant increase in the export shipments to USA for local textile companies, as the number of factories relocated to these regions increased during 2024.

Cruise Logistics

The Allport Cruise Group is principally engaged in the provision of freight forwarding services to the global cruise operator from cruise industry. The services include the provision of shipments of supplies for drydock on a project basis and cruise replenishment. Cruise operators typically engage Allport Cruise Group to arrange delivery of parts and equipment to be used in the repair and maintenance of cruise ships and/or replenishment of supplies to their shipyards, drydock or designated ports. The business of Allport Cruise Group spans multiple cities in the PRC, Europe, Australia, the USA and Asia.

For FY2024, the revenue from this segment was approximately HK\$430.3 million (FY2023: HK\$386.4 million), representing an increase of approximately 11.4% as compared to FY2023 and the gross profit was approximately HK\$129.2 million (FY2023: HK\$141.9 million).

Distribution and Logistics Services

The distribution and logistics segment contributed approximately 13.0% of the total revenue of the Group during the Reporting Period (FY2023: 19.1%).

The Group is one of the earliest service providers in the PRC and Hong Kong of comprehensive and customised Business-to-Business distribution and logistics services to meet its customers' warehousing and logistics needs with cost-effective supply chain solutions. The Group is also one of the earliest in the PRC to establish its own highly-automated distribution centre to provide tailor-made logistics solutions for high-end fashion products. The distribution and logistics services operations are primarily located in Hong Kong, the PRC, Italy and Taiwan, with the PRC and Hong Kong being the two largest contributors of revenue for this segment. As at 31 December 2024, the Group managed and operated 32 distribution centres with a total gross floor area of approximately 1,270,000 sq.ft. This business segment involves the provision of a wide range of logistics services, such as managing vendor inventory, pick and pack finished goods, delivery, recycling, quality control and various ancillary value-added services such as supply chain management and storage services through the proprietary warehouse management system of the Group.

In addition, as one of the few specialists in providing distribution and logistics services for wine in Hong Kong, the Group's comprehensive logistics services include specialty storage, logistics and other value-added services such as branded packaging, polymorph repacking, same day local door-to-door and temperature-controlled delivery in Hong Kong to charge its customers. As at 31 December 2024, the Group managed a storage and distribution space of approximately 58,000 sq.ft. dedicated to wine storage, of which the temperature and humidity are kept at an optimal level.

For FY2024, the revenue from this segment was approximately HK\$356.2 million (FY2023: HK\$402.4 million). Gross profit of the segment decreased from HK\$54.7 million for FY2023 to approximately HK\$46.0 million in FY2024, representing a decrease of approximately 15.9%. The decrease in revenue and gross profit was mainly due to the decrease in local demand for luxury products in PRC, thereby lowering the demand for the relevant distribution and logistics services.

Liquidity and Financial Resources

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies. The Group strives to reduce exposure to credit risks by performing ongoing credit assessments and evaluations on the financial status of its customers. To manage liquidity risks, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available to meet its funding requirements and commitment timely.

The Group's working capital as at 31 December 2024 was approximately HK\$143.9 million (31 December 2023: negative 3.0 million). The current ratio of the Group was 1.15 (31 December 2023: 1.00).

As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately HK\$255.0 million, representing a decrease of approximately 2.0% from approximately HK\$260.3 million as at 31 December 2023. For FY2024, the Group had operating cash inflow of approximately HK\$58.8 million (FY2023: operating cash inflow of approximately HK\$100.0 million). As at 31 December 2024, the Group's outstanding bank loans and overdrafts amounted to approximately HK\$384.1 million (as at 31 December 2023: approximately HK\$320.9 million). The gearing ratio of the Group was approximately 35.2% as at 31 December 2024 (as at 31 December 2023: 18.1%). The gearing ratio was calculated as the net of the total of bank loans and overdrafts and cash and cash equivalent divided by total tangible net worth of the Group. The tangible net worth was calculated as total equity, excluding treasury stocks and non-controlling interests, minus goodwill and intangible assets, the Group maintained a net cash position (as at 31 December 2023: net cash position). The Group will continue to secure financing as and when the need arises.

Foreign Exchange Risks

During FY2024, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 31 December 2024, both the borrowings and the cash and cash equivalents held by the Group were mainly denominated in RMB, USD, HKD and EUR. The Group's borrowings were floating rate borrowings, and bank deposits of approximately HK\$2.3 million were pledged to secure such bank facilities as at FY2024 (FY2023: HK\$2.3 million).

In light of the nature of the Group's business, the Group is exposed to certain foreign exchange risks in respect of depreciation or appreciation including EUR, GBP, RMB, TWD and USD among which, RMB and USD are mostly used in our business apart from HKD. Nevertheless, the Group's operations are predominately subject to the fluctuations of RMB and EUR since HKD is pegged to USD. We have, however, not maintained any specific hedging policy or foreign currency forward contracts in respect of such foreign exchange risks. The Group continued to exercise a strict control policy and did not engage in any speculative trading in debt securities or financial derivatives during FY2024.

Significant Investments

During FY2024, the Group did not hold any material investment.

Capital Expenditure Commitments

As at 31 December 2024, the Group had no material capital commitment (FY2023: Nil) which are contracted but not provided for.

Material Acquisitions and Disposal of Subsidiaries and Associated Companies

There were no material acquisition or disposal of subsidiaries or associated companies of the Company during FY2024.

Contingent Liabilities

As at 31 December 2024, financial guarantees were given by the Company to the banks for the banking facilities entered by certain subsidiaries of the Group. The directors do not consider it probable that a claim will be made against the Group under the banking facilities. The maximum liability of the Group under the banking facilities as at 31 December 2024 was HK\$345.8 million (as at 31 December 2023: HK\$306.0 million), being the amount of the facilities drawn by the Group as at 31 December 2024.

As at the date of this announcement, the Group was not involved in any current material legal proceeding, nor was the Group aware of any pending or potential material legal proceedings involving the Group. If the Group was involved in such material legal proceedings, the Group would record any loss contingencies when, based on information then available, it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

Charge on Group Assets

As at 31 December 2024, certain interest-bearing bank borrowings of the Group were secured by pledged bank deposit amounted to approximately HK\$2.3 million (31 December 2023: HK\$2.3 million).

USE OF PROCEEDS

Use of Net Proceeds from Subscription of Shares

On 18 May 2021, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Mr. Chan Wing Luk, being a third party independent from the Company and its connected persons. Pursuant to the Subscription Agreement, the Company agreed to allot and issue and Mr. Chan Wing Luk agreed to subscribe for 5,000,000 Shares, with a nominal value of US\$5,000, at a subscription price of HK\$7.23 per Share (the “**Subscription**”), representing a discount of approximately 3.0% to the closing price of HK\$7.45 per Share on the date of the Subscription Agreement. The Directors consider that the Subscription allowed the Company to broaden its shareholder base and represented an opportunity for the Company to strengthen its capital base and financial position without any interest burden, within a relatively short time frame and at lower costs when compared with other means of fund raising. The Subscription was completed on 3 June 2021. The net proceeds raised from the Subscription, after deduction of professional fees and other related expenses, were approximately HK\$35.6 million and accordingly, the net price for the Subscription was HK\$7.12 per Share. For further details of the Subscription, please refer to the Company’s announcements dated 18 May and 3 June 2021.

The following table sets forth details of the use of the net proceeds from the Subscription up to 31 December 2024:

| | | Unutilised amount as at 1 January 2024 | Amount utilised during FY2024 | Unutilised amount as at 31 December 2024 | Expected timeline for utilisation |
|---|-------------------|---|-------------------------------------|---|--------------------------------------|
| Net proceeds | HK\$ million | HK\$ million | HK\$ million | HK\$ million | |
| The Subscription | | | | | |
| Expansion of business and local presence in Hainan Province in the PRC, Southeast Asia and the United Kingdom | 35.6 | 27.4 | 5.0 | 22.4 | On or before 2 June 2026 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | |

During FY2024, the proceeds raised by the Company from the Subscription were utilised, or were proposed to be utilised, in accordance with the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

EVENTS AFTER THE REPORTING PERIOD

There has been no material events affecting the Group which occurred since the end of FY2024.

PROSPECTS

As we enter 2025, the Group remains cautiously optimistic about the business environment. The IMF forecasts a steady global growth and continuing disinflation, projecting the world economy to grow by 3.3% in both 2025 and 2026, slightly increased from 3.2% from 2024. However, uncertainties persist, particularly regarding the trade policies under the administration of US President Donald Trump, which add to global economic headwinds. These factors require industry players to remain vigilant and adaptable as we navigate the evolving landscape.

Since early 2024, an encouraging sign of recovery has been witnessed. Our core business segments have demonstrated resilience, with volumes gradually increasing and freight rates showing signs of stabilisation. Most notably, business volume has now fully recovered to pre-pandemic levels. This marks a significant milestone, reflecting both the strength of global supply chains and the effectiveness of our operational strategies.

The Group will strive to develop its business under the economic recovery and sustain its growth. The following are its strategic directions:

1. Enhance Global Reach to Foster Business Synergies

The Group has expanded its global presence by entering into high-potential regional markets, particularly in the Southeast Asia, which benefitted from the RCEP. Reports suggest that the Southeast Asia market is expected to grow by 4.5% in 2024 and 4.7% in 2025, mainly driven by resilient domestic and external demand, boosting consumption, investment and exports. By establishing regional offices in countries such as Vietnam, Indonesia, and Cambodia, the Group is well-positioned to capitalise on local market opportunities through localised management, efficient operations, and a strong reputation.

2. Further Expand CN Express

Since the official launch of CN Express in early 2024, the Group has successfully earned the trust of eCommerce platforms and progressively expanded its collaborations with leading market players. Buoyed by these early successes, the Group aims to broaden its partnerships with existing customers by extending services to more countries and gradually increasing the number of chartered cargo flights.

In January 2025, the Group announced the launch of regular international charter flights between Ezhou, China and Milan, Italy, providing enhanced logistics solutions for import-export businesses between the two regions. The Group and its partners plan to gradually extend services coverage to other European countries and the Middle East and African regions, with long-term plans to establish joint warehouses in these regions to facilitate the exchange of quality products with China, marking another milestone for CN Express' air charter transport solutions.

3. Deepen Cruise Logistics and New Verticals

The cruise tourism market size has grown strongly in recent years, projected to grow from USD 6.96 billion in 2024 to USD 7.62 billion in 2025. With the rebound of global tourism, the Group will continue to seize new opportunities within the cruise market, by investing in dedicated infrastructure at key cruise ports and offering tailored logistics services for cruise operators. These initiatives will ensure seamless supply chain management for cruise lines, enhancing their operational efficiency and customer experience.

Additionally, the Group is further expanding into new verticals, including delivering aviation parts and automotive components in Europe. By continuously investing in infrastructure, technology, and strategic partnerships, the Group aims to establish a robust presence in these new verticals and drive sustainable growth in the long term, supporting specialised and emerging markets by leveraging our expertise and global network.

4. Strengthen Collaboration with DP World

Since August 2024, DP World, a key market player in the logistics sector, has become the Group's controlling shareholder. This strategic alliance represents a pivotal milestone in its global expansion strategy, enabling it to harness DP World's extensive regional network and deep industry expertise. Through this collaboration, the Group is committed to broadening its market presence and enhancing service excellence, delivering innovative, high-quality logistics solutions that drive operational efficiency and sustainable growth.

HUMAN RESOURCES

As at 31 December 2024, the Group employed 861 employees (as at 31 December 2023: 821 employees). During FY2024, employee cost, including Directors' remuneration, was approximately HK\$339,199,000 (FY2023: approximately HK\$328,592,000). Remuneration packages are generally structured to market terms and experiences. The Company has also adopted share option scheme and share award scheme for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who contribute to the success of the Group's operations. During FY2024, regular in-house and external trainings have been provided to the Group's employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During FY2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK1 cent per ordinary Share absorbing a total amount of HK\$3,004,890 for FY2024 (FY2023: HK1 cent per ordinary Share), which is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company ("AGM") to be held on Thursday, 29 May 2025. Subject to the approval by the Shareholders, the proposed final dividend is expected to be paid on Thursday, 17 July 2025 to all Shareholders whose names to be appeared on the register of members of the Company on Thursday, 26 June 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 26 May 2025 to Thursday, 29 May 2025 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming AGM. In order to be qualified for attending and voting at the forthcoming AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 23 May 2025.

Conditional on the passing of the resolution approving the declaration of the proposed final dividend at the forthcoming AGM, the register of members of the Company will also be closed from Monday, 23 June 2025 to Thursday, 26 June 2025 (both days inclusive) for the purpose of determining the entitlement to the proposed final dividend in respect of FY2024. In order to be qualified for the proposed final dividend (subject to the approval of the Shareholders at the forthcoming AGM), unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at the address stated above for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 20 June 2025.

CORPORATE GOVERNANCE PRACTICES

The Board has adopted the code provisions in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provision set out in Part 2 of the CG Code during FY2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing the Directors' securities transactions during FY2024.

AUDIT COMMITTEE

The Company has established an audit committee which comprises three independent non-executive Directors, namely, Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent and Mr. Chun Chi Man. Mr. Lam Hing Lun Alain is the chairman of the audit committee. The audit committee of the Company has discussed with the management of the Group and the Company's external auditors and reviewed the consolidated financial results of the Group for FY2024, including accounting principles and practices adopted by the Group, and discussed with the management on the financial reporting system and the risk management and internal control systems of the Company.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, 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 agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange and the Company. The annual report for FY2024 will be published on the websites of the Stock Exchange and the Company in due course in accordance with the Listing Rules.

By Order of the Board
CN Logistics International Holdings Limited
Lau Shek Yau John
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Lau Shek Yau John, Mr. Ngan Tim Wing, Ms. Chen Nga Man, Ms. Augusta Morandin and Mr. Fabio Di Nello as the executive directors; Mr. Zissis Jason Varsamidis as the non-executive director; and Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent, Mr. Chun Chi Man and Mr. Roussel Christophe Albert Jean as the independent non-executive directors.