

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **SITC International Holdings Company Limited**

**海豐國際控股有限公司**

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

**(Stock Code: 1308)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **Financial Highlights**

- Revenue for the year ended 31 December 2023 was approximately US\$2,429.0 million, decreased by approximately 40.9% as compared to approximately US\$4,113.0 million for the year ended 31 December 2022.
- Gross profit decreased by approximately 68.5% from approximately US\$1,979.1 million for the year ended 31 December 2022 to approximately US\$623.0 million for the year ended 31 December 2023, which translated to a decrease in gross profit margin to approximately 25.7% for the year ended 31 December 2023 from approximately 48.1% for the year ended 31 December 2022.
- Profit for the year ended 31 December 2023 decreased by approximately 72.5% to approximately US\$536.2 million from approximately US\$1,949.8 million for the year ended 31 December 2022.
- Basic earnings per share for the year ended 31 December 2023 amounted to US\$0.20 (2022: US\$0.73).
- A final dividend of HK\$50 cents (equivalent to US\$6.39 cents) per share was declared for the year ended 31 December 2023.

The board (the “**Board**”) of directors (the “**Directors**”) of SITC International Holdings Company Limited (“**SITC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) as below.

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

### Year ended 31 December 2023

	<i>Notes</i>	<b>2023</b> <i>US\$’000</i>	2022 <i>US\$’000</i>
REVENUE	3	<b>2,428,959</b>	4,112,955
Cost of sales		<b>(1,805,925)</b>	(2,133,873)
Gross profit		<b>623,034</b>	1,979,082
Other income and gains, net		<b>69,465</b>	160,319
Administrative expenses		<b>(136,047)</b>	(165,651)
Other expenses, net		<b>(4,085)</b>	(5,383)
Finance costs	4	<b>(18,753)</b>	(17,492)
Share of profits and losses of:			
Joint ventures		<b>20,013</b>	21,706
Associates		<b>(213)</b>	461
PROFIT BEFORE TAX	5	<b>553,414</b>	1,973,042
Income tax	6	<b>(17,240)</b>	(23,235)
PROFIT FOR THE YEAR		<b>536,174</b>	1,949,807

	<i>Note</i>	<b>2023</b> <i>US\$'000</i>	2022 <i>US\$'000</i>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments arising during the year		<b>(2,861)</b>	23,642
Reclassification adjustments for gains included in profit or loss	5	<u><b>(7,669)</b></u>	<u>(6,415)</u>
		<u><b>(10,530)</b></u>	<u>17,227</u>
Exchange differences on translation of foreign operations		<b>(5,823)</b>	(16,109)
Share of other comprehensive loss of joint ventures		<b>(4,591)</b>	(5,003)
Share of other comprehensive loss of associates		<u><b>(372)</b></u>	<u>(847)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		<u><b>(21,316)</b></u>	<u>(4,732)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX</b>		<u><b>(21,316)</b></u>	<u>(4,732)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>514,858</b></u>	<u>1,945,075</u>
Profit for the year attributable to:			
Shareholders of the Company		<b>531,393</b>	1,944,425
Non-controlling interests		<u><b>4,781</b></u>	<u>5,382</u>
		<u><b>536,174</b></u>	<u>1,949,807</u>

	<i>Note</i>	<b>2023</b> <i>US\$'000</i>	2022 <i>US\$'000</i>
Total comprehensive income for the year attributable to:			
Shareholders of the Company		<b>511,223</b>	1,942,025
Non-controlling interests		<b>3,635</b>	3,050
		<b><u>514,858</u></b>	<u>1,945,075</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>			
Basic (US\$ per share)	8	<b><u>0.20</u></b>	<u>0.73</u>
Diluted (US\$ per share)		<b><u>0.20</u></b>	<u>0.72</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Notes</i>	<b>2023</b> <i>US\$'000</i>	2022 <i>US\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,661,852</b>	1,396,647
Right-of-use assets		<b>215,463</b>	262,923
Advance payments for the acquisition of vessels		<b>70,833</b>	111,722
Goodwill		<b>998</b>	1,019
Other intangible assets		<b>1,579</b>	1,579
Investments in joint ventures		<b>57,965</b>	57,777
Investments in associates		<b>12,604</b>	9,630
Derivative financial instruments		<b>4,584</b>	12,589
Total non-current assets		<b><u>2,025,878</u></b>	<u>1,853,886</u>
<b>CURRENT ASSETS</b>			
Bunkers		<b>43,324</b>	53,205
Trade receivables	9	<b>113,333</b>	139,051
Prepayments, deposits and other receivables		<b>37,340</b>	34,487
Derivative financial instruments		<b>1,485</b>	5,116
Financial assets at fair value through profit or loss		<b>14,780</b>	15,580
Cash and bank balances		<b>416,323</b>	981,531
Total current assets		<b><u>626,585</u></b>	<u>1,228,970</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>203,514</b>	209,102
Other payables and accruals		<b>137,265</b>	177,092
Derivative financial instruments		–	2,992
Bank borrowings		<b>104,219</b>	34,829
Lease liabilities		<b>50,937</b>	54,841
Income tax payables		<b>7,065</b>	9,508
Total current liabilities		<b><u>503,000</u></b>	<u>488,364</u>
<b>NET CURRENT ASSETS</b>		<b><u>123,585</u></b>	<u>740,606</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>2,149,463</u></b>	<u>2,594,492</u>

	<b>2023</b>	2022
	<i>US\$'000</i>	<i>US\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<b><u>2,149,463</u></b>	<u>2,594,492</u>
NON-CURRENT LIABILITIES		
Bank borrowings	<b>64,815</b>	236,609
Lease liabilities	<b>150,733</b>	189,758
Provision for reinstatement costs	<b><u>2,857</u></b>	<u>3,114</u>
Total non-current liabilities	<b><u>218,405</u></b>	<u>429,481</u>
Net assets	<b><u><u>1,931,058</u></u></b>	<u><u>2,165,011</u></u>
EQUITY		
<b>Equity attributable to shareholders of the Company</b>		
Issued capital	<b>34,583</b>	34,582
Reserves	<b><u>1,879,953</u></b>	<u>2,115,958</u>
	<b>1,914,536</b>	2,150,540
Non-controlling interests	<b><u>16,522</u></b>	<u>14,471</u>
Total equity	<b><u><u>1,931,058</u></u></b>	<u><u>2,165,011</u></u>

## 1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and debt and equity investments, which have been measured at fair value. These financial statements are presented in the United States dollars (the “US\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The adoption of amendments to HKAS 12 did not have any significant impact on the Group's financial statements.

- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments and the mandatory temporary exception retrospectively. Further disclosures are included in note 6 to the financial statements.

## **2. OPERATING SEGMENT INFORMATION**

### **Year ended 31 December 2023**

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

## Year ended 31 December 2022

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) the container shipping and logistics segment, which is engaged in the provision of integrated logistics services, including the provision of container transportation, freight forwarding, shipping agency, depot and warehousing services; and
- (b) the dry bulk and others segment, which is engaged in the provision of dry bulk vessel leasing, land leasing and other services.

Segment assets exclude cash and bank balances, derivative financial instruments and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings, derivative financial instruments, dividend payables, income tax payables and other unallocated corporate liabilities as these liabilities are managed on a group basis.

## Year ended 31 December 2022

	<b>Container shipping and logistics US\$'000</b>	<b>Dry bulk and others US\$'000</b>	<b>Total US\$'000</b>
<b>Segment revenue (note 3)</b>			
Sales to external customers	<u>4,102,223</u>	<u>10,732</u>	<u>4,112,955</u>
<b>Segment results</b>	<u><u>1,951,084</u></u>	<u><u>16,923</u></u>	<u>1,968,007</u>
<i>Reconciliation:</i>			
Bank interest income			19,508
Investment income of principal-protected investment deposits at fair value through profit or loss			217
Fair value gain on a financial asset at fair value through profit or loss			2,802
Finance costs			<u>(17,492)</u>
Profit before tax			<u><u>1,973,042</u></u>

	<b>Container shipping and logistics US\$'000</b>	<b>Dry bulk and others US\$'000</b>	<b>Total US\$'000</b>
<b>At 31 December 2022</b>			
<b>Segment assets</b>	<u>1,513,395</u>	<u>18,972</u>	1,532,367
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>1,550,489</u>
Total assets			<u><u>3,082,856</u></u>
<b>Segment liabilities</b>	<u>587,567</u>	<u>437</u>	588,004
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>329,841</u>
Total liabilities			<u><u>917,845</u></u>
<b>Other segment information:</b>			
Share of profits and losses of:			
Joint ventures	21,706	–	21,706
Associates	461	–	461
Depreciation of property, plant and equipment	83,941	4,371	88,312
Depreciation of right-of-use assets	56,863	469	57,332
Gain on disposal of property, plant and equipment, net	106,277	12,795	119,072
Impairment of trade receivables, net	284	–	284
Investments in joint ventures	57,777	–	57,777
Investments in associates	9,630	–	9,630
Capital expenditure*	<u>488,172</u>	<u>–</u>	<u>488,172</u>

\* Capital expenditure consists of additions to property, plant and equipment and advance payments for the acquisition of vessels.

## Geographical information

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

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

	<b>2023</b>	2022
	<b>US\$'000</b>	US\$'000
Greater China*	<b>942,529</b>	1,980,749
Southeast Asia	<b>790,401</b>	1,159,406
Japan	<b>527,012</b>	742,682
Others	<b>169,017</b>	230,118
	<hr/>	<hr/>
Total revenue	<b>2,428,959</b>	4,112,955
	<hr/> <hr/>	<hr/> <hr/>

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

## Major customer information disclosure

During the year, there were no sales to any single customer which contributed 10% or more of the Group's revenue (2022: Nil).

### 3. REVENUE

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

	<b>2023</b>	2022
	<b>US\$'000</b>	US\$'000
Revenue from contracts with customers	<b>2,422,168</b>	4,102,223
Revenue from other sources:		
Vessels time charter income	<b>4,722</b>	9,131
Other rental income	<b>2,069</b>	1,601
	<hr/>	<hr/>
Subtotal	<b>6,791</b>	10,732
	<hr/>	<hr/>
Total	<b>2,428,959</b>	4,112,955
	<hr/> <hr/>	<hr/> <hr/>

#### 4. FINANCE COSTS

	<b>2023</b>	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Interest on bank borrowings	<b>9,410</b>	7,922
Interest on lease liabilities	<b>9,217</b>	9,448
Increase in discounted amounts of provision for reinstatement costs arising from the passage of time	<b>126</b>	122
Total finance costs	<b>18,753</b>	17,492

#### 5. PROFIT BEFORE TAX

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

	<b>2023</b>	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Cost of services provided:		
Cost of bunkers consumed	<b>316,807</b>	453,084
Others	<b>1,489,118</b>	1,680,789
Total	<b>1,805,925</b>	2,133,873
Depreciation of property, plant and equipment	<b>99,973</b>	88,312
Less: Included in cost of services provided	<b>(95,955)</b>	(84,493)
Total	<b>4,018</b>	3,819
Depreciation of right-of-use assets	<b>58,788</b>	57,332
Less: Included in cost of services provided	<b>(56,173)</b>	(53,930)
Total	<b>2,615</b>	3,402
Lease payments not included in the measurement of lease liabilities	<b>111,477</b>	199,220
Less: Included in cost of services provided	<b>(108,918)</b>	(196,037)
Total	<b>2,559</b>	3,183
Auditor's remuneration	<b>421</b>	409

	<b>2023</b>	2022
	<b>US\$'000</b>	US\$'000
Employee benefit expense (including directors' remuneration):		
Wages and salaries	<b>168,592</b>	200,681
Share award expense	<b>28,429</b>	27,747
Pension scheme contributions (defined contribution schemes)*	<b>12,895</b>	11,630
	<hr/>	<hr/>
Subtotal	<b>209,916</b>	240,058
Less: Included in cost of services provided	<b>(101,152)</b>	(103,027)
	<hr/>	<hr/>
Total	<b>108,764</b>	137,031
	<hr/>	<hr/>
Impairment of trade receivables, net**	<b>55</b>	284
Fair value losses/(gains), net:		
Cash flow hedges (transfer from equity)	<b>(7,669)</b>	(6,415)
Derivative instruments – transaction not qualifying as hedges	<b>(447)</b>	3,495**
	<hr/> <hr/>	<hr/> <hr/>

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

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

## 6. INCOME TAX

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

	<b>2023</b>	2022
	<b>US\$'000</b>	US\$'000
Current:		
Hong Kong	<b>647</b>	694
Overprovision in prior years – Hong Kong	<b>(41)</b>	(213)
Chinese Mainland	<b>4,962</b>	5,709
Elsewhere	<b>11,672</b>	17,045
	<hr/>	<hr/>
Total tax expense for the year	<b>17,240</b>	23,235
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022:16.5%). Taxes on profits assessable in Chinese Mainland and elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

- (b) As stated in note 1.2(d) to the financial statements, the Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation will be effective for the Group's financial year beginning 1 January 2024.

The Group is in scope of the enacted or substantively enacted legislation and is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the financial year ended 31 December 2023. Based on the assessment carried out so far, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. Only few jurisdictions where the transitional safe harbour relief may not apply and none of those jurisdictions have already enacted or substantively enacted Pillar Two legislation, hence the Group does not expect a material top-up tax exposure in those jurisdictions yet. Quantitative information to indicate potential exposure to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to progress the assessment and expects to complete the assessment in the financial year 2024.

## 7. DIVIDENDS

	2023		2022	
	<i>HK\$'000</i>	<i>US\$'000 equivalent</i>	<i>HK\$'000</i>	<i>US\$'000 equivalent</i>
Interim – HK\$0.60 (equivalent to approximately US\$0.08) (2022: HK\$2.40, equivalent to approximately US\$0.31) per ordinary share	<b>1,609,574</b>	<b>205,189</b>	6,437,895	820,381
Proposed final – HK\$0.50 (equivalent to approximately US\$0.06) (2022: HK\$1.60, equivalent to approximately US\$0.20) per ordinary share	<b><u>1,341,312</u></b>	<b><u>171,370</u></b>	<u>4,292,151</u>	<u>546,782*</u>

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

- \* There was a difference of US\$93,000 between the amount of the 2022 final dividend disclosed above and the amount disclosed in the consolidated financial statements for the year ended 31 December 2022, which arose from a decrease in the amount of the 2022 final dividend that was translated into US\$ of US\$93,000, as a result of the difference in the exchange rate used for converting HK\$ into US\$ for the amount of the proposed 2022 final dividend disclosed in the consolidated financial statements for the year ended 31 December 2022 and the prevailing exchange rate on the 2022 final dividend settlement date.

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

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

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

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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
<b>Earnings</b>		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	<u>531,393</u>	<u>1,944,425</u>
	<b>Number of shares</b>	
	<b>2023</b>	<b>2022</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year less shares held under the share award scheme, used in the basic earnings per share calculation	<b>2,647,318,962</b>	2,654,356,094
Effect of dilution – weighted average number of ordinary shares:		
Share options	<b>503,943</b>	713,580
Shares held under the share award scheme	<u>35,286,976</u>	<u>28,087,153</u>
Weighted average number of ordinary shares during the year, used in the diluted earnings per share calculation	<u><b>2,683,109,881</b></u>	<u>2,683,156,827</u>

## 9. TRADE RECEIVABLES

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

	<b>2023</b> <i>US\$'000</i>	2022 <i>US\$'000</i>
Within 1 month	<b>92,187</b>	114,280
1 to 2 months	<b>13,756</b>	18,225
2 to 3 months	<b>4,609</b>	4,902
Over 3 months	<b>2,781</b>	1,644
Total	<b>113,333</b>	139,051

## 10. TRADE PAYABLES

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

	<b>2023</b> <i>US\$'000</i>	2022 <i>US\$'000</i>
Within 1 month	<b>161,108</b>	158,363
1 to 2 months	<b>19,997</b>	24,331
2 to 3 months	<b>4,642</b>	4,999
Over 3 months	<b>17,767</b>	21,409
Total	<b>203,514</b>	209,102

## 11. ASSETS ACQUISITION THROUGH ACQUISITION OF SUBSIDIARIES

On 21 September 2023, the Company (as purchaser) entered into a sale and purchase agreement with SITC Investment Co., Ltd. (as vendor), a company indirectly owned as to 100% by SITC Maritime Group Company Limited (青島海豐國際航運集團有限公司), the equity interests of which were owned as to approximately 43.08% by Ms. Liu Rongli (the spouse of Mr. Yang Shaopeng and the mother of Ms. Yang Xin), for the acquisition of 100% equity interests in SITC Danang Shipping Company Limited, HF Spirit Shipping Company Limited, HF Fortune Shipping Company Limited, HF Lucky Shipping Company Limited, HF Wealth Shipping Company Limited and Hai Lian Shipping Enterprises Inc. (collectively, the “Target Companies”), at an aggregate consideration of US\$39,770,000. The consideration consisted of (i) US\$18,681,000 paid for the relevant shares of these Target Companies; and (ii) repayment of outstanding shareholder’s loans owed by Target Companies to the vendor of US\$21,089,000. These companies held only vessels or containers as at the date of acquisition and therefore substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset. Accordingly, the Group’s management assesses that the acquisition is not considered as a business combination under HKFRS 3 but as an acquisition of assets.

The acquisition transaction constitutes connected transactions as defined under Chapter 14A of Listing Rules. Further details are disclosed in the announcement of the Company dated 21 September 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

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

### *Business Review*

The Group's business covers integrated shipping logistics services, such as the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, container vessel leasing, land leasing and other services. During the year ended 31 December 2023, the Group's business continued to provide container transportation and integrated logistics services that focused exclusively on the Asian market, as the Company believes that the Asian market will continue to experience healthy growth.

As at 31 December 2023, the Group operated 76 trade lanes, including 16 trade lanes through joint services and 26 trade lanes through container slot exchange arrangements. These trade lanes and land-based integrated logistics business network covered 79 major ports in various countries and regions including the Chinese Mainland, Japan, Korea, Taiwan, Hong Kong, Vietnam, Thailand, the Philippines, Cambodia, Indonesia, Singapore, Malaysia, Brunei, Bengal, Myanmar and India. As at 31 December 2023, the Group operated a fleet of 103 vessels with a total capacity of 162,851 TEU, comprised of 97 self-owned (155,713 TEU) and 6 chartered vessels (7,138 TEU), with an average age of 7.9 years. Of these 103 vessels, 79 were of less than 2,000 TEU, and 24 were of 2,000 TEU to 3,000 TEU. For the year ended 31 December 2023, US\$269.0 million out of US\$348.9 million of paid out capital expenditure were attributable to vessel purchases. In addition, the Group also operated (including through joint ventures) approximately 1,890,000 m<sup>2</sup> of depot and 128,000 m<sup>2</sup> of warehousing space.

Revenue of the Group for the year ended 31 December 2023 decreased by approximately 40.9% from approximately US\$4,113.0 million for the year ended 31 December 2022 to approximately US\$2,429.0 million for the year ended 31 December 2023. The decrease was a result of a combined effect, where (i) container shipping volume decreased by approximately 1.1% from 3,261,939 TEUs in 2022 to 3,224,498 TEUs in 2023; and (ii) average freight rate (excluding slot exchange fee income) decreased by approximately 43.3% from US\$1,099.6/TEU in 2022 to US\$623.3/TEU in 2023.

### ***Market Review and Outlook***

Despite the global economic and trade downturn in 2023, coupled with inventory cycle adjustments, increased capacity delivery and industry competition, which led to a significant decline in unit freight revenue, the Company still maintained strong profitability by adhering to a differentiated and low-cost strategy.

According to The World Bank's forecast, the global economy will slow down for the third consecutive year in 2024. The outlook of international organizations such as the IMF and OECD also indicates that economic demand will continue to decline. However, with the relocation of industries in Asia, the trade routes and logistics needs are being reshaped in Southeast Asia and India.

Although the overall supply of container vessels will peak in 2024, the market is more cautious about investing in small container vessels. The average age of this type of vessel fleet has reached 15.3 years, of which 29.2% vessels are more than 20 years old. Relevant analysts expect a negative growth in the supply of small container vessels, falling by 0.1% in 2024 and about 5% in 2025.

The Company will continue to its business in Asia, and is confident that it will continue to leverage its unique advantages to provide customers with low-carbon, environmentally friendly, high-quality supply chain services, create higher value for all stakeholders in society, and strive towards becoming a world-class integrated logistics service solution provider.

## Financial Overview

	For the year ended 31 December			
	2023	2022	2022	2022
	Total	Total	Container shipping and logistics	Dry bulk and others
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>	<b>2,428,959</b>	4,112,955	4,102,223	10,732
Container shipping and supporting logistics income	<b>2,197,486</b>	3,810,805	3,810,805	–
Other container logistics income	<b>224,682</b>	291,418	291,418	–
Other income	<b>6,791</b>	10,732	–	10,732
<b>Cost of sales</b>	<b>(1,805,925)</b>	(2,133,873)	(2,127,660)	(6,213)
Equipment and cargos transportation costs	<b>(925,542)</b>	(1,010,115)	(1,010,115)	–
Voyage costs	<b>(408,463)</b>	(542,194)	(542,194)	–
Container shipping vessels cost	<b>(296,734)</b>	(355,962)	(355,962)	–
Other container logistics costs	<b>(172,472)</b>	(219,389)	(219,389)	–
Other costs	<b>(2,714)</b>	(6,213)	–	(6,213)
<b>Gross profit</b>	<b>623,034</b>	1,979,082	1,974,563	4,519
Other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset)	<b>38,175</b>	137,792	125,004	12,788
Administrative expenses	<b>(136,047)</b>	(165,651)	(165,267)	(384)
Share of profits of:				
Joint ventures	<b>20,013</b>	21,706	21,706	–
Associates	<b>(213)</b>	461	461	–
Other expenses, net	<b>(4,085)</b>	(5,383)	(5,383)	–
Segment results	<b>540,877</b>	1,968,007	1,951,084	16,923
Finance costs	<b>(18,753)</b>	(17,492)		
Bank interest, other investment income and fair value gain on a financial asset	<b>31,290</b>	22,527		

	<b>For the year ended 31 December</b>			
	<b>2023</b>	2022	2022	2022
			Container shipping and logistics	Dry bulk and others
	<b>Total</b>	Total		
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Profit before tax	<b>553,414</b>	1,973,042		
Income tax	<b>(17,240)</b>	(23,235)		
<b>Profit for the year</b>	<b><u>536,174</u></b>	<u>1,949,807</u>		
<b>Profit attributable to:</b>				
Owners of the parents	<b>531,393</b>	1,944,425		
Non-controlling interests	<b>4,781</b>	5,382		
	<b><u>536,174</u></b>	<u>1,949,807</u>		

The following table sets forth the number of trade lanes and port calls per week of the Group as at 31 December 2022 and 2023, and the average freight rate for the year ended 31 December 2022 and 2023:

<b>Year ended 31 December</b>		<b>As at 31 December</b>			
<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Aggregate freight rate</b>		<b>Number of trade lanes</b>		<b>Port calls per week</b>	
<i>(US\$ per TEU, excluding slot exchange fee rate)</i>					
<b>623.3</b>	1,099.6	<b>76</b>	75	<b>464</b>	458

### ***Revenue***

The Group's total revenue decreased by approximately 40.9% from approximately US\$4,113.0 million for the year ended 31 December 2022 to approximately US\$2,429.0 million for the year ended 31 December 2023. The decrease was result of a combined effect, where (i) container shipping volume decreased by approximately 1.1% from 3,261,939 TEUs in 2022 to 3,224,498 TEUs in 2023; and (ii) average freight rate (excluding slot exchange fee income) decreased by approximately 43.3% from US\$1,099.6/TEU in 2022 to US\$623.3/TEU in 2023.

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

The Group's cost of sales decreased by approximately 15.4% from approximately US\$2,133.9 million for the year ended 31 December 2022 to approximately US\$1,805.9 million for year ended 31 December 2023. The decrease was mainly attributable to (i) the decrease in bunker costs of approximately US\$136.3 million due to a decrease in bunker rate and an improvement in vessel bunker efficiency; and (ii) the year-on-year decrease in container shipping vessel costs of approximately US\$59.2 million due to the expansion of self-owned vessels in replacement of chartered vessels.

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

As a result of the foregoing, the gross profit decreased from approximately US\$1,979.1 million for the year ended 31 December 2022 to approximately US\$623.0 million for the year ended 31 December 2023. The Group's gross profit margin decreased from approximately 48.1% for the year ended 31 December 2022 to approximately 25.7% for the year ended 31 December 2023.

***Other Income and Gains (excluding bank interest income, other investment income and fair value gain on a financial asset)***

For the year ended 31 December 2023, the other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) decreased by approximately US\$99.6 million from approximately US\$137.8 million for the year ended 31 December 2022 to approximately US\$38.2 million for the year ended 31 December 2023. The decrease was a result of a combined effect, reflecting (i) the gains on disposal of vessels of approximately US\$22.1 million from the disposal of 4 container vessels in 2023, as compared to approximately US\$119.1 million from the disposal of 4 container vessels and 5 dry bulk vessels in 2022; (ii) a year-on-year increase of approximately US\$1.7 million in the fair value gains on derivative instruments; and (iii) a year-on-year decrease of approximately US\$3.4 million in foreign exchange gain.

***Bank Interest Income, Other Investment Income and Fair Value Gain on a Financial Asset***

The Group's amount of bank interest income, other investment income and fair value gain on a financial asset was approximately US\$22.5 million and US\$31.3 million for the year ended 31 December 2022 and 2023, respectively. The increase was mainly attributable to the increase in average deposit interest rate.

***Administrative Expenses***

The Group's administrative expenses decreased from approximately US\$165.7 million for the year ended 31 December 2022 to approximately US\$136.0 million for the year ended 31 December 2023, representing a decrease of approximately 17.9%. The decrease was primarily attributable to the overall decrease in staff bonus costs.

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

The Group's share of profits and losses of joint ventures recorded profits of approximately US\$21.7 million and US\$20.0 million in 2022 and 2023, respectively. The decrease was mainly attributable to the decline in the profits of part of the jointly controlled depot companies.

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

The Group's share of profits and losses of associates were profits of approximately US\$0.5 million and losses of approximately US\$0.2 million for 2022 and 2023, respectively. The decrease was mainly attributable to the decrease in profits shared from some associates which were engaged in provision of depot.

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

The Group's other expenses, net, decreased by approximately US\$1.3 million from approximately US\$5.4 million for the year ended 31 December 2022 to approximately US\$4.1 million for the year ended 31 December 2023. There was no material change in the amount.

### ***Finance Costs***

The Group's finance costs increased from approximately US\$17.5 million for the year ended 31 December 2022 to approximately US\$18.8 million for the year ended 31 December 2023. The increase was mainly attributable to the increase in borrowing interest rate.

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

As a result of the foregoing, the Group's profit before tax decreased from approximately US\$1,973.0 million for the year ended 31 December 2022 to approximately US\$553.4 million for the year ended 31 December 2023.

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

The Group's income tax expense was approximately US\$23.2 million and US\$17.2 million for the year ended 31 December 2022 and 2023, respectively. The decrease was primarily attributable to the decrease in taxable profit of the Group.

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

The Group's profit for the year ended 31 December 2023 was approximately US\$536.2 million, representing a decrease of approximately 72.5% as compared to the profit of approximately US\$1,949.8 million for the year ended 31 December 2022.

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

Total assets of the Group decreased by approximately 14.0% from approximately US\$3,082.9 million as at 31 December 2022 to approximately US\$2,652.5 million as at 31 December 2023. As at 31 December 2023, the Group had cash and cash equivalents amounting to approximately US\$416.3 million, mainly denominated in US dollar, Renminbi, Japanese Yen and other currencies.

Total liabilities of the Group decreased by approximately 21.4% from approximately US\$917.8 million as at 31 December 2022 to approximately US\$721.4 million as at 31 December 2023. At 31 December 2023, the Group had interest-bearing bank loans of approximately US\$104.2 million repayable within one year or on demand, approximately US\$13.0 million within the second year, approximately US\$51.8 million within third to fifth years.

Further, the Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As at 31 December 2023, the Group had no foreign exchange hedging instruments (31 December 2022: nil) of its foreign currency sales.

As at 31 December 2023, the Group had current ratio (being the current assets divided by the current liabilities) of approximately 1.2 compared to that of 2.5 as at 31 December 2022. The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain a healthy gearing ratio. Net debt includes interest-bearing bank borrowings, trade and other payables, accruals, amounts due to related companies, less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the parent less the hedging reserve. The Group's gearing ratio was 0% and 13.4% as at 31 December 2022 and 31 December 2023, respectively.

## **CONTINGENT LIABILITIES**

As at 31 December 2023, the Group had no significant contingent liabilities (31 December 2022: nil).

## **CHARGE ON ASSETS**

The Group's bank loans were secured by mortgages over the Group's vessels and land which had a net carrying amount of approximately US\$232.6 million (2022: US\$459.5 million) and US\$9.8 million (2022: Nil), respectively, as at 31 December 2023.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 December 2023, the Group had an aggregate of 2,142 full-time employees (excluding crew member, 31 December 2022: 2,060). The related employees' costs for the period (including directors' emoluments) amounted to approximately US\$209.9 million (31 December 2022: US\$240.1 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees (including the directors) with reference to corporate performance, individual performance appraisal and current market salary scale. Further, the Group has in place the post-IPO share option scheme and adopted a share award scheme on 13 September 2017 (the "**Share Award Scheme**"). Further information of the post-IPO share option scheme and the Share Award Scheme will be available in the annual report of the Company for the year ended 31 December 2023.

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

On 21 September 2023, the Company entered into a sale and purchase agreement with SITC Investment Co., Ltd., pursuant to which the Company agreed to procure one of its wholly-owned subsidiaries to acquire, and SITC Investment Co., Ltd. agreed to sell (i) 100% of the issued share capital of six target companies, which in turn hold the titles to 5 container vessels and 700 flat racks; and (ii) loans advanced by SITC Investment Co., Ltd. to the target companies in the aggregate amount of US\$21,089,428.06, for an aggregate consideration of US\$39,770,516.67 (the "**First Acquisition**").

On the same date, SITC Shipowning Group Company Limited (a wholly-owned subsidiary of the Company), SITC Investment Co., Ltd. and Huanghai Shipbuilding Co., Ltd. entered into two novation and transfer agreements, pursuant to which SITC Investment Co., Ltd. agreed to novate and transfer its rights to two container vessels undergoing construction at Huanghai Shipbuilding Co., Ltd. to SITC Shipowning Group Company Limited, for an aggregate consideration of US\$18,442,856 (the "**Second Acquisition**").

Further details of the First Acquisition and the Second Acquisition are set out in the Company's announcement dated 21 September 2023. As at the date of this announcement, completion of the First Acquisition and the Second Acquisition has taken place.

During the year ended 31 December 2023, a total of 12 new container vessels were delivered. Save as disclosed above, for the year ended 31 December 2023, the Group did not have any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures.

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

The Company will continue to purchase container vessels and containers, and invest in logistics projects, as and when appropriate. The Company expects that the internal financial resources and bank borrowings will be sufficient to meet the necessary funding requirements. 9 new container vessels are expected to be delivered in 2024. Save as disclosed, the Company does not have any future plans for significant investments or capital assets as at the date of this announcement.

## **EVENT AFTER THE REPORTING PERIOD**

As at the date of this announcement, no significant event has taken place subsequent to the reporting period.

## **FINAL DIVIDEND**

At the Board meeting held on 7 March 2024 (Thursday), it was proposed that a final dividend of HK\$50 cents (equivalent to US\$6.39 cents) per ordinary share would be paid on 21 May 2024 (Tuesday) to the shareholders of the Company whose names appear on the Company's register of members at the close of business at 4:30 p.m. on 8 May 2024 (Wednesday). The proposed final dividend is subject to approval by the shareholders at the annual general meeting of the Company to be convened and held on 26 April 2024 (Friday) (the "**Annual General Meeting**").

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

## **OTHER INFORMATION**

### **Annual General Meeting**

The Annual General Meeting will be convened and held on 26 April 2024 (Friday). A notice convening the Annual General Meeting will be published and disseminated to the shareholders of the Company in due course.

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

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 23 April 2024 (Tuesday) to 26 April 2024 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 22 April 2024 (Monday).

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 3 May 2024 (Friday) to 8 May 2024 (Wednesday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 2 May 2024 (Thursday).

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

During the period from 26 April 2023 to 13 December 2023, the trustee of the Share Award Scheme purchased on the market an aggregate of 13,031,000 Shares for the purpose of the Share Award Scheme at an average consideration of approximately HK\$14.02 per share, totalling approximately HK\$182.7 million for the purpose of the Share Award Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2023.

## **Corporate Governance**

The Company is committed to maintaining a stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. For the year ended 31 December 2023, the Board is of the view that the Company had complied with the applicable code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 (which has been renumbered to Appendix C1 with effect from 31 December 2023) to the Listing Rules and there had been no deviation from the code provisions in force during the year ended 31 December 2023.

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

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 (which has been renumbered to Appendix C3 with effect from 31 December 2023) to the Listing Rules and devised its own code of conduct regarding directors' dealings in the Company's securities (the “**Company Code**”) on terms no less exacting than the Model Code. Having made specific enquiries with all Directors, they have confirmed that they complied with the required standards set out in the Model Code and the Company Code throughout the year ended 31 December 2023.

### **Audit Committee**

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Dr. Liu Ka Ying, Rebecca, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy). The chairman of the Audit Committee is Dr. Liu Ka Ying, Rebecca. The annual results of the Group for the year ended 31 December 2023 have been reviewed by the Audit Committee.

### **Auditor**

The Company appointed Ernst & Young as its auditor for the year ended 31 December 2023. The Company will submit a resolution in the forthcoming Annual General Meeting to re-appoint Ernst & Young as the auditor of the Company.

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

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

## **Publication of Annual Report**

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sitc.com](http://www.sitc.com)). The annual report of the Company for the year ended 31 December 2023 containing all the information as required by the Listing Rules will be made available for review on the same websites in due course.

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

Hong Kong, 7 March 2024

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