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Seacon Shipping Group Holdings Limited
洲際船務集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2409)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Seacon Shipping Group Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**") together with the comparative figures for the corresponding period in 2023.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 US$'000	2023 US$'000
Revenue	3	**282,136**	259,034
Cost of sales		**(217,760)**	(218,931)
Gross profit		**64,376**	40,103
Selling, general and administrative expenses		**(17,144)**	(15,477)
Net impairment losses on financial assets		**(213)**	(1,510)
Other income		**143**	20
Other gains/(losses) — net	4	**42,941**	5,639
Operating profit		**90,103**	28,775
Finance income		**306**	145
Finance costs		**(19,678)**	(9,389)
Finance costs, net		**(19,372)**	(9,244)
Share of net profit of associates and joint ventures accounted for using the equity method		**6,691**	2,848
Profit before income tax		**77,422**	22,379
Income tax expenses	5	**(2,637)**	(361)
Profit for the year		**74,785**	22,018
Profit attributable to:			
— Shareholders of the Company		**70,340**	21,211
— Non-controlling interests		**4,445**	807
		74,785	22,018
Earnings per share attributable to shareholders of the Company for the year			
Basic earnings per share (expressed in US$ per share)	7	**0.141**	0.045
Diluted earnings per share (expressed in US$ per share)	7	**0.141**	0.045

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Year ended 31 December	
	2024	**2023**
	US$'000	*US$'000*
Profit for the year	**74,785**	22,018
Other comprehensive income:		
Items that may be reclassified to profit or loss		
— Exchange differences on translation of foreign operations	**(172)**	(8)
Other comprehensive income for the year, net of tax	**(172)**	(8)
Total comprehensive income for the year	**74,613**	22,010
Total comprehensive income attributable to:		
— Shareholders of the Company	**70,171**	21,203
— Non-controlling interests	**4,442**	807
	74,613	22,010

CONSOLIDATED BALANCE SHEET
For the year ended 31 December 2024

	Note	As at 31 December	
		2024	2023
		US$'000	*US$'000*
Assets			
Non-current assets			
Property, plant and equipment		**269,370**	269,186
Right-of-use assets		**52,320**	70,348
Intangible assets		**194**	97
Interests in associates and joint ventures		**18,818**	10,694
Deferred tax assets		**1**	—
Loans to associates and joint ventures		**25,100**	—
Other non-current assets		**122,092**	68,619
		487,895	418,944
Current assets			
Financial assets at fair value through profit or loss		**1,500**	—
Inventories		**7,918**	6,427
Prepayment and other current assets		**3,095**	3,344
Trade and other receivables	8	**27,612**	25,530
Restricted bank deposits		**164**	2,820
Cash and cash equivalents		**65,822**	27,996
		106,111	66,117
Assets classified as held for sale		**4,890**	6,996
		111,001	73,113
Total assets		**598,896**	492,057

	Note	As at 31 December 2024 US$'000	2023 US$'000
Equity			
Share capital		**637**	637
Share premium		**46,959**	46,959
Reserves		**8,497**	8,636
Retained earnings		**169,507**	116,100
Equity attributable to shareholders of the Company		**225,600**	172,332
Non-controlling interests		**5,780**	1,398
Total equity		**231,380**	173,730
Liabilities			
Non-current liabilities			
Borrowings		**238,211**	194,512
Lease liabilities		**34,954**	50,838
Contract liabilities		**663**	—
Deferred income tax liabilities		**3,152**	—
Guarantee contract liabilities		**6,319**	—
Other non-current liabilities		**—**	640
		283,299	245,990
Current liabilities			
Advances and contract liabilities		**3,288**	3,030
Trade and other payables	9	**35,193**	30,550
Current tax liabilities		**792**	1,541
Borrowings		**30,545**	21,341
Lease liabilities		**14,399**	15,774
Derivative liabilities		**—**	101
		84,217	72,337
Total liabilities		**367,516**	318,327
Total equity and liabilities		**598,896**	492,057

1 GENERAL INFORMATION

Seacon Shipping Group Holdings Limited (the "Company") was incorporated in the Cayman Islands on 22 October 2021 as an exempted company with limited liability under the Companies Act (Cap.22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together the "Group") are principally engaged in the provision of (i) shipping business which provides foreign trade shipping services through dry bulk carrier, oil tanker and chemical tanker with flag of convenience, and (ii) ship management business which provides ship management services. The Group is controlled by Mr. Guo Jinkui ("Mr. Guo").

A reorganisation (the "Reorganisation") in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited was completed on 28 February 2022.

The Company had its primary listing on The Stock Exchange of Hong Kong Limited on 29 March 2023.

These consolidated financial statements are presented in United States dollar ("US$") and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with HKFRS and the disclosure requirements of HKCO

The consolidated financial statements of the Group has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The preparation of the financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) — measured at fair value or revalued amount

- assets held for sale — measured at the lower of carrying amount and fair value less costs to sell.

(ii) Amended standards adopted by the group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease liability in sale and leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 REVENUE AND SEGMENT INFORMATION

The Company's executive directors are the Group's CODM. The Group's CODM mainly examines the Group's performance from a business perspective, and has identified two reporting segments of its business as follows:

- Shipping business

- Ship management business

(a) Segment information of the Group

The following is an analysis of the Group's revenue and results by reportable segments:

	For the year ended 31 December 2024			
	Shipping business *US$'000*	**Ship management business** *US$'000*	**Elimination** *US$'000*	**Total** *US$'000*
Total reportable segment revenue				
Revenue from external customers	**205,340**	**76,796**	**—**	**282,136**
Inter-segment revenue	**—**	**8,801**	**(8,801)**	**—**
Total reportable segment revenue	**205,340**	**85,597**	**(8,801)**	**282,136**
Cost of sales	**(156,010)**	**(61,750)**		**(217,760)**
Gross profit	**49,330**	**15,046**		**64,376**
Segment results				
Profit before income tax	**68,147**	**9,445**	**(170)**	**77,422**
Segment results included:				
Other gains/(losses) — net	**43,310**	**(369)**		**42,941**
Finance income	**14**	**292**		**306**
Finance costs	**(19,611)**	**(67)**		**(19,678)**
Depreciation and amortisation	**(27,841)**	**(856)**		**(28,697)**
Net impairment losses on financial assets	**(90)**	**(123)**		**(213)**
Share of profit of associates and joint ventures	**6,543**	**148**		**6,691**
Additions to non-current assets	**178,720**	**13,323**		**192,043**

	For the year ended 31 December 2023			
	Shipping business	Ship management business	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Total reportable segment revenue				
Revenue from external customers	207,957	51,077	—	259,034
Inter-segment revenue	—	5,076	(5,076)	—
Total reportable segment revenue	207,957	56,153	(5,076)	259,034
Cost of sales	(177,545)	(41,386)		(218,931)
Gross profit	30,412	9,691		40,103
Segment results				
Profit before income tax	17,381	4,998	—	22,379
Segment results included:				
Other gains/(losses) — net	5,693	(54)		5,639
Finance income	143	2		145
Finance costs	(9,335)	(54)		(9,389)
Depreciation and amortisation	(26,924)	(1,007)		(27,931)
Net impairment losses on financial assets	(1,475)	(35)		(1,510)
Share of profit of associates and joint ventures	2,838	10		2,848
Additions to non-current assets	259,829	5,695		265,524

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

	As at 31 December 2024			
	Shipping business	**Ship management business**	**Elimination**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
Segment assets	**551,973**	**62,065**	**(15,142)**	**598,896**
Segment liabilities	**345,297**	**37,361**	**(15,142)**	**367,516**

	As at 31 December 2023			
	Shipping business	Ship management business	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment assets	470,933	31,016	(9,892)	492,057
Segment liabilities	312,717	15,502	(9,892)	318,327

(b) Analysis of revenue

The Group's businesses are managed on a worldwide basis. The revenues generated from provision of shipping business and ship management business, which is carried out internationally, and the way in which costs are allocated, preclude a meaningful presentation of geographical information.

The Group's revenues for the year ended 31 December 2024 are recognised over-time.

(i) The revenue is listed as below:

	Year ended 31 December	
	2024	2023
	US$'000	*US$'000*
Revenue from shipping business		
Shipping service income — over time	**128,427**	161,411
Rental income	**76,913**	46,546
	205,340	207,957
Revenue from ship management business		
Ship management income — over time	**76,796**	51,077

(ii) Information about major customers

For the year ended 31 December 2024, there were no sales to any single customer which contributed 10% or more of the Group's revenue (2023: Nil).

(c) Non-current assets

The Group's non-current assets, other than financial instruments and deferred income tax assets ("Geographical Non-Current Assets"), consist of its property, plant and equipment, intangible assets, right-of-use assets, interests in associates and joint ventures and other non-current assets.

The vessels (included in property, plant and equipment and right-of-use assets) are primarily utilized across geographical markets for shipping business throughout the world. Accordingly, it is impractical to present the locations of the vessels by geographical areas and thus the vessels and vessels under construction are presented as unallocated non-current assets.

In respect of the remaining Geographical Non-Current Assets, they are presented based on the geographical locations in which the business operations/assets are located.

	Year ended 31 December	
	2024	**2023**
	US$'000	*US$'000*
Unallocated	**421,782**	398,229
Remaining assets		
— China	**18,034**	4,301
— Hong Kong	**9,938**	10,851
— Others	**1,713**	604

4 OTHER GAINS/(LOSSES) — NET

	Year ended 31 December	
	2024	2023
	US$'000	*US$'000*
Foreign exchange losses, net	**(1,472)**	(219)
Bank charges	**(1,079)**	(533)
Provision for legal proceedings	**(182)**	(552)
Insurance compensation	**1,114**	1,346
Net gains on disposal of property, plant and equipment	**46,166**	6,891
Net fair value losses on derivative financial instruments	**—**	(1,851)
Net fair value gains on financial assets at fair value through profit or loss	**(229)**	447
Others	**(1,377)**	110
	42,941	5,639

5 INCOME TAX EXPENSES

Shipping income from international trade and gain from vessels disposal are either not subject to or exempt from income tax according to the tax regulations prevailing in the jurisdictions in which the Group operates except Japan. Income from ship management income is subject to tax at prevailing rates in the jurisdictions in which these businesses operate.

	Year ended 31 December	
	2024	2023
	US$'000	*US$'000*
Current income tax		
— Hong Kong profits tax	**57**	112
— PRC enterprise income tax	**89**	12
— Japan income tax	**611**	47
— Singapore income tax	**76**	153
Deferred income tax	**1,804**	37
	2,637	361

6 DIVIDENDS

On 27 March 2024, the directors of the Company proposed a final dividend of HK$0.15 per ordinary share and declared a special dividend of HK$0.115 per ordinary share, totaling HK$132,500,000 (equivalents to US$16,933,000) (2023: Nil). The proposed final dividend was fully paid during the year ended 31 December 2024.

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the respective years. The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the capitalisation issue of 374,990,000 shares on 29 March 2023 which are deemed to have been in issue since 1 January 2021.

	Year ended 31 December	
	2024	2023
Profit attributable to the owners of the Company (US$'000)	**70,340**	21,211
Weighted average number of ordinary shares in issue	**500,000,000**	468,750,000
Basic earnings per share (expressed in US$ per share)	**0.141**	0.045

As the Company has no dilutive instruments for the year ended 31 December 2024 (2023: Nil), the Group's diluted earnings per share equals to its basic earnings per share.

8 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	US$'000	*US$'000*
Trade receivables — ship management business		
— third parties	**5,515**	4,698
— related parties	**276**	268
Less: provision for impairment	**(89)**	(70)
Trade receivables — net	**5,702**	4,896
Trade receivables — shipping business		
— third parties	**5,949**	6,397
— related parties	**1,793**	478
Less: provision for impairment	**(1,554)**	(1,552)
Trade receivables — net	**6,188**	5,323
Other receivables		
— advance to related parties	**3,147**	—
— deposits	**6,051**	10,208
— others	**6,735**	5,226
	15,933	15,434
Less: provision for impairment of other receivables	**(211)**	(123)
Other receivables — net	**15,722**	15,311
	27,612	25,530

Aging analysis of trade receivables of the Group on each balance sheet date, based on the invoice date, was as follows:

	As at 31 December	
	2024	2023
	US$'000	*US$'000*
Trade receivables — ship management business		
Within 3 months	**5,568**	4,703
3–6 months	**92**	150
6–12 months	**45**	45
1–2 years	**24**	63
2–3 years	**62**	5
	5,791	4,966
Less: provision for impairment	**(89)**	(70)
	5,702	4,896

	As at 31 December	
	2024	2023
	US$'000	*US$'000*
Trade receivables — shipping business		
Within 3 months	**5,946**	5,081
3–6 months	**244**	—
6–12 months	**—**	244
More than 1 year	**1,552**	1,550
	7,742	6,875
Less: provision for impairment	**(1,554)**	(1,552)
	6,188	5,323

9 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	US$'000	*US$'000*
Trade payables		
— third parties	**16,351**	15,737
— related parties	**12**	10
	16,363	15,747
Other payables		
— advance from related parties	**3,997**	7,035
— deposits from related parties	**200**	13
— deposits and guarantees	**8,488**	2,565
— salaries and staff welfare payable	**5,620**	2,905
— provisions for legal proceeding	**370**	1,640
— others	**155**	645
	18,830	14,803
	35,193	30,550

Aging analysis of trade payable of the Group on each balance sheet date, based on the invoice date, was as follows:

	As at 31 December	
	2024	2023
	US$'000	*US$'000*
Less than 1 year	**16,260**	15,603
1–2 years	**86**	98
2–3 years	**—**	20
Over 3 years	**17**	26
	16,363	15,747

10 CONTINGENCIES

In December 2024, a customer initiated an arbitration proceeding against the Group and claimed for vessel damages under the Group's ship management business. Based on the legal counsel's opinion, management made a provision of US$180,000 in 2024 based on the estimated compensation amount.

In November 2023, a customer claimed a compensation of approximately US$190,000 for overpaid hire for dispute of off-hire and cargo claims. The management made a provision of US$190,000 in 2023 based on the estimated compensation amount.

A controlled vessel of the Group collided with a third-party vessel in 2022. The third party claimed a compensation to the insurance company of the Group amounted to approximately US$4 million which will be covered by the insurance company. The Group has no further liability for compensation.

11 FINANCIAL GUARANTEE CONTRACTS

In 2024, the Group provided financial guarantees in favour of the associates and joint ventures in relation to the external financing amounts to US$363,876,000. As at 31 December 2024, the external financing under these guarantee contracts have incurred a total amount of US$129,483,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Company profile

The Group is an integrated shipping services provider combining ship investment, operation and management. Its comprehensive services provided include (i) shipping services and (ii) ship management services, covering key processes along the value chain of the maritime shipping industry.

Business highlights

Revenue: Revenue amounted to approximately US$282.1 million during the year ended 31 December 2024 (the "**Year**"), representing a year-on-year increase of 8.9% from approximately US$259.0 million in 2023.

Gross profit: Gross profit amounted to approximately US$64.4 million during the Year, representing a year-on-year increase of 60.5% from approximately US$40.1 million in 2023.

Net profit attributable to shareholders of the Company: Net profit attributable to shareholders of the Company amounted to approximately US$70.3 million during the Year, representing a year-on-year increase of 231.6% from approximately US$21.2 million in 2023.

	For the year ended 31 December	
	2024	2023
	US$ million	*US$ million*
Revenue	**282.1**	259.0
Gross profit	**64.4**	40.1
Adjusted net profit	**74.8**	23.8
Earnings before interest and tax	**97.1**	31.8
Profit per share *(US$ per share)*	**0.141**	0.045

Business strategy

Allocation of light or heavy ship assets: Maintaining a well-balanced portfolio of vessel fleet assets is one of the keys to the robust development of the Group's shipping services. As the lease term of the chartered-in vessels is generally short (usually expiring within three months), this approach allows the Group to enjoy greater flexibility in vessel fleet operations while avoiding significant capital expenditure. On the other hand, controlled vessels generally enjoy a higher gross profit and could drive the financial performance. Therefore, the balanced vessel fleet assets will be conducive to the achievement of economies of scale and profit improvement of the Group, while maximizing operational flexibility.

Expanding vessel fleet: In view of the low vessel newbuilding cost in the past few years, the Group has engaged well-established shipyards located in the PRC and Japan to build new vessels for it. During the Year, the Group has a total of additional weight carrying capacity of 268,574 dwt through takeover of two new vessels, bareboat chartering of one vessel and the investment in five vessels. Five new bulk carriers, three new chemical tankers, 2 crew transport vessels are expected to be put into operation in 2025, together with seven purchased second-hand bulk carriers, three bareboat chartered vessels and six additional vessels to be put into operation by joint ventures, which contributes an additional weight carrying capacity of 662,651 deadweight tonnage ("**dwt**"). As at 31 December 2024, the Group's self-owned and bareboat chartered vessels under construction amounted to 20 vessels and together with the 18 vessels under construction held through joint ventures, totalling 38 vessels, including 16 bulk carriers, 16 chemical tankers and 6 medium-range product tankers. The additional weight carrying capacity covers a wide range of vessel types, including oil/chemical tankers, heavy multi-purpose vessels, bulk carriers and multi-purpose dry cargo vessels, which can effectively expand the Group's carrying capacity while balancing asset investment and benefits.

Diversification of fleet portfolio: With a modern and flexible fleet of dry bulk carriers comprising Capesize, Panamax, Ultramax, Supramax, Handymax and Handysize bulk carrier, as well as tankers and chemical tankers, the Group's diversified portfolio of vessels can not only respond more flexibly to changes in the market, but also diversify the risks of single asset and business, which in turn enhances business resilience.

Expanding business presence: To support its business development, the Group has further accelerated its global network deployment and built up a service network covering major routes around the world through the establishment of a number of additional strategic offices and service sites. The opening of the new office of the Group's German branch in October 2023 has significantly enhanced the Group's one-stop service capability in Germany and Europe. The Group plans to establish a Houston office in the United States and a Middle East office in Dubai in 2025 to further enhance the efficiency and capability of its services. By optimising the allocation of resources in each of the major intercontinental hubs, the Group will strive for a higher market share with better services.

One-stop service platform of ship asset covering investment, operation and management: With the extensive maritime knowledge of the Group's management, as well as the operational experience and market information accumulated through shipping services and ship management services, the Group is able to respond in advance to the shipping industry cycles. The Group acquires vessel assets at a lower price, and makes deployments in advance during the market downturn as well as generating revenue through its operation and management service when the market is sluggish. The Group may sell vessels at a premium to take advantage of the opportunities brought by the market cycle when the market is prosperous. Through its regular investment in marine assets and operating activities, the Group was able to generate additional financial income on the basis of stable businesses.

Cost reduction, operation efficiency and quality improvement: In order to minimize the impact of macro factors on its financial performance, the Group endeavours to streamline its existing operating system and process by adopting digital technologies and implementing advanced information technology systems, while seeking diversified financing channels, selecting finance leasing and sale and leaseback in line with the characteristics of the shipping industry, and striving for bank financing at lower interest rates to further reduce financial costs. The Group will also strive to maintain a balanced and diversified vessel fleet asset portfolio, enhancing the controllability of the business and profit margin through controlled addition of vessels, while at the same time leveraging chartered-in vessels to maximize operational flexibility at a lower level of capital investment. The above measures will effectively refine cost structure to maintain profit margin of the Group.

Implementation of environmental, social and corporate governance strategy: In response to the green and low-carbon initiatives, the Group has set up milestones to achieve carbon neutrality. Due to environmental restrictions and the enhanced supervision on carbon emissions intensity of the global shipping industry by the International Maritime Organisation, the Group will gradually replace vessels with higher fuel consumption and carbon emissions with new vessels that have lower fuel consumption and carbon emissions. The Group will also adopt energy-saving operational measures and ensure that all new vessels comply with the new requirements through technological improvements and the use of low-emission fuels, thus seizing the huge opportunities brought about by green logistics.

Controlled and chartered-in vessel fleets

The Group offers shipping services for commodity owners, traders and shipping service companies via its controlled or chartered-in vessels. As of 31 December 2024, the Group has 20 controlled vessels and invested in 6 vessels through joint ventures, including 15 dry bulk cargo carriers and 11 oil/chemical tankers, with a combined weight carrying capacity of 1.23 million dwt, representing a decrease of 14.6% as compared to 1.41 million dwt as of 31 December 2023. The decrease of two vessels was mainly due to the elimination of the Group's old vessel capacity, with a total of ten self-owned and investment vessels sold during the Year, the takeover of two new vessels, bareboat chartering of one vessel and investment in five vessels. In response to the upgrading of environmental protection policies in shipping, the Group has also accelerated the optimisation of its fleet structure, with the average age of vessels being further reduced from 7.0 years in 2023 to 6.0 years.

Change in controlled fleet

	For the year ended 31 December	
	2024	2023
Dry bulk carriers	**15**	20
Oil/chemical tanker		
— Oil tanker	**3**	4
— Chemical tanker	**8**	4
Total	**26**	28

With its market position, flexible and efficient operating model, stable financial condition and performance, and transparent disclosure of information, the Group has established deep cooperative relationships with shipyards in the PRC and Japan for many years, which has rendered the Group shipbuilding opportunities at lower costs. As such, the Group has proactively seized the market trend of low vessel newbuilding cost and has separately engaged well established shipyards located in the PRC and Japan to build new vessels. In terms of new orders, the Group entered into new building orders for 13 dry bulk carriers and oil/chemical tankers, and new building orders for 2 chemical tankers under bareboat charter during the year. The above investments will result in an additional increase of total weight carrying capacity of 626,620 dwt, which accounts for 51.0% of the total weight carrying capacity as at 31 December 2024. By further diversifying its vessel fleet portfolio, the Group aims to enhance its competitiveness in the shipping industry.

Changes in chartered-in vessel fleet

The Group believes that maintaining a suitable proportion of chartered-in vessels to controlled vessels allows the Group to maintain a sizeable fleet of vessels whilst effectively reducing its capital commitments and maximizing flexibility in its business. The chartered-in vessel fleet conducts shipping business via chartered-in vessels on long term, short term and single voyage basis. During the Year, the Group entered into approximately 120 chartered-in vessel engagements with a combined weight carrying capacity of approximately 0.58 million dwt.

Due to the diversity of its chartered-in vessels, the Group is able to transport all major kinds of dry bulks and oil/ chemicals for its customers such as iron ore, coal, grain, steel, logs, cement, fertilizer, nickel ore and bauxite, as well as bulk chemicals, fine chemicals and basic chemical raw materials.

Global network

The Group provides shipping services for customers under time charter and voyage charters, which cover major international dry bulk routes and oil/ chemicals routes, including, among others, South America-China, Australia-Far East, USA-Far East, Africa-Far East, Southeast Asia-Far East, India-China, West Africa-Northwest Europe, West Africa-Mediterranean and China-Southeast Asia.

In order to meet customers' increasing demand for shipping and vessel management services, the Group has set up subsidiaries in China, Singapore, Japan, Greece and Germany, covering Shanghai, Zhoushan, Qingdao, Ningbo, Fuzhou, Hong Kong, Singapore, Tokyo, Athens, Hamburg and other cities, with a commitment to providing services in major markets.

Customer network

Leveraging on over ten years of experience in the industry, the Group has served ship owners, finance leasing companies, shipyards, dry bulk traders and shipping and logistics companies, including leading shipping charterers and global trading multinationals. The Group's customers base includes globally-recognised blue-chip multinationals, such as one of the world's leading dry bulk owners and vessel operators; large multinational conglomerates engaging in the trading of agricultural goods; the world's largest private metals trader; one of Japan's largest steel traders; the world's top four grain traders and global large traders; refining and chemical enterprises on the Fortune Global 500 list; the world's leading new-energy automobile manufacturers; and the major financial leasing companies in China.

Informatization and intelligent development

With the increasing competition in the shipping market, downstream participants continue to raise their demands on the operational capability and efficiency of shipping enterprises. Therefore, the construction of information systems of various shipping enterprises is also accelerating, and informatization and intelligence have become a booster to promote the development of the industry. Through the development of intelligent shipping and management software, the Group has established an integrated and comprehensive shipping management system, equipped with Seacon-AI, a unique big data platform and a big model of Seacon, which, through the centralization, integration and real-time interaction of information, is capable of implementing intelligent management and control as well as analysis of big data, realising all-round and refined management of shipping.

ESG strategy and target

As the world promotes green energy resources and low carbon emissions, the shipping industry is undergoing a transformation. In recent years, the International Maritime Organization (IMO) and the European Union (EU) have enacted a number of regulations to monitor greenhouse gas emissions from ships. In particular, the Marine Environment Protection Committee (MEPC) of the International Maritime Organization , in its latest strategy, has explicitly called for the upgrading of the energy-efficient design of new vessels in order to reduce the carbon emission intensity. These include the need to reduce carbon emissions from ships on international shipping routes by 20% by 2030 and 70% by 2040 as compared with the levels in 2008, and to achieve net zero emissions by 2050 or thereafter. In addition, at least 5% of the energy resources used by ships on international routes by 2030 will need to come from technologies and fuels with zero (or near-zero) greenhouse gas emissions.

To this end, the Group has formulated corresponding short, medium and long term targets. In the short term, the Group is committed to meeting the latest IMO standards for Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Index (CII) for all existing ships from 2023. In the medium term (against the 2008 baseline), the Group targets to achieve a 40% reduction in CO_2 emission intensity by 2030 and a 70% reduction in CO_2 emission intensity by 2050, with the ultimate goal of achieving carbon neutrality.

Industry recognition

Relying on its rich industrial and operational experience, the Group's services are well acclaimed by the market. After successful entering the Lloyd's List 2023 Global Top 10 Ship Management Enterprises and Managers, the Group once again ranked ninth in the world in 2024. In addition, as the only listed company among the top ten ship management companies and the first Chinese-funded shipping company on the list, the ranking further reflects the Company's excellent service capability and outstanding market position. In addition, Mr. Guo Jinkui, chairman of the Company, has been listed on the "Top 100 Most Notable Chinese Individuals in Shipping Industry"* (最受航運界關注的100位中國人) for nine consecutive years, which demonstrates the Company management's contribution and outstanding performance in the PRC shipping industry.

Financial performance

In 2024, the shipping freight market exhibited a fluctuating trend of initial strength followed by weakness. In the first half of the year, with the steady recovery in manufacturing and supply chain imbalances caused by geopolitical events, the global shipping market was generally entering into the recovery phase. However, the second half of the year saw a softening in shipping demand due to escalating geopolitical risks, gradual capacity expansion, and multiple uncertainties in the global trade outlook. Despite these challenges, freight rates remained robust in 2024. The Baltic Dry Index (BDI, being the main benchmark to reflect the volatile movements of the dry bulk carrier charter rates and of the market charter rates) increased by 27.3% year-on-year on average over the year, while the Baltic Clean Tanker Index (BCTI, being a major benchmark for oil tankers charter rates) increased by 2.1% year-on-year on average over the year.

While the average sea freight rate has increased, the Group has been actively optimising its fleet mix and renewing its fleet capacity by phasing out old vessels. At the same time, the Group has also been actively deploying the oil/chemical tanker market and successfully securing a higher charter rate with a diversified fleet. As a result of the above, the Group's total revenue increased by 8.9% on a year-on-year basis to US$282.1 million from US$259.0 million in 2023.

Gross profit margin increased from approximately 15.5% in 2023 to approximately 22.8% during the Year, driving a 60.5% year-on-year increase in gross profit to US$64.4 million (2023: US$40.1 million). Such increase was driven by the increase in average shipping rates, higher contribution from higher margin controlled fleet revenues and higher margin ship management services revenues, as well as greater scale effects from fixed operating costs such as depreciation and crew wages, which aligned with the revenue growth. In addition, as the Group closely monitored investment and trading opportunities for different types of vessels, it sold 10 vessels during the Year, generating a gain of approximately US$46.0 million of asset sales proceeds and share of profit of associates of approximately US$5.6 million. Taking into account the aforesaid factors, profit for the Year was US$74.8 million, a year-on-year increase by 239.7% compared to US$22.0 million in 2023. Profit for the Year attributable to the shareholders of the Company also increased from US$21.2 million in 2023 to approximately US$70.3 million, a year-on-year increase of 231.6%.

The Group also strives to maintain a strong financial condition in light of the fluctuations in the market condition. As of 31 December 2024, the Group's cash and cash equivalents amounted to approximately US$65.8 million, representing a year-on-year increase of 135.1% from approximately US$28.0 million as of 31 December 2023. Total assets increased by 21.7% year on year to approximately US$598.9 million (as of 31 December 2023: US$492.1 million), benefiting from the increase in vessel assets and business growth. Correspondingly, total borrowings increased by 24.5% year on year to approximately US$268.8 million (as of 31 December 2023: US$215.9 million). Gearing ratio, which is total liabilities dividing by total assets, fell to a sound level of approximately 61.4% (as of 31 December 2023: approximately 64.7%). Going forward, the Group will closely monitor its working capital liquidity position and adopt various cost control and efficiency enhancement measures to strengthen liquidity.

Ship management services segment

The Group has been serving as a vessel management service provider since 2012 and provides ship owners, finance leasing companies, shipyards, dry bulk traders, and shipping and logistics companies with tailor-made ship management and value-added services covering the whole life cycle, including technical management, crew manning, business services, sale and purchase support of vessels, insurance and financing assistance of vessels. The ship management contracts are generally entered into with service periods from one year to fifteen years. Such agreements are usually renewable at the end of each such service period. The Group generally charges management fees on lump-sum basis or management fee basis.

The Group manages a wide variety of vessel types such as dry bulk carriers, oil tankers, chemical tankers, cargo ships, container ships, automobile ships, operation support vessel for wind farms, pulp vessels, gas carriers and offshore engineering ships. During the Year, the Group benefited from its extensive management experience and successfully gained the trust of its customers by successfully taking over a super-large liquefied gas vessel with a capacity of 79,000 cubic metres in Doha, Qatar and 3 LNG duel-fuel automobile carriers. In terms of the number of vessels under our combined management by the end of 2024, the Group was once again successfully listed in Lloyd's List 2024 Global Top 10 Ship Management Enterprises and Managers, and also was the only listed company among the top 10 ship management companies, as well as the first Chinese-funded shipping company on the list.

Leveraging its increasingly extensive industry experience and broad customer base, the Group has further broadened its service offerings to provide shipbuilding supervision services in 2019. Such services generally cover the provision of initial feasibility analysis and review of vessel blueprints, professional consultations during the shipbuilding as well as technical evaluations and ongoing support services during the course of the shipbuilding process. Since the commencement of the service provision and up to 31 December 2024, the Group has been engaged to provide shipbuilding supervision services for more than 200 shipbuilding projects of various types, covering bulk carriers, container ships, multi-purpose vessels, oil tankers, chemical tankers and marine engineering vessels, automobile ships, LPG ships, very large gas carriers, fishing breeding vessel, wind power installation ships, liquefied natural gas bunkering vessels, passenger ships, etc. During the Year, the 77,000 dwt multi-purpose pulp vessel, which was supervised by the Group, was also successfully delivered on schedule and was put into operation.

In respect of financial performance, segment revenue increased by 50.4% year on year to US$76.8 million (2023: US$51.1 million) as a result of the increase in the number of vessels under management, particularly the increase in the number of vessels under management that charge management fees under lump-sum basis. Profit before income tax of the segment was US$9.4 million (2023: US$5.0 million), a year-on-year increase by 89.0%, as a result of higher profit associated with the increases in the vessels under management on lump-sum basis. Profit margin of the segment reached 12.3% for the Year (2023: approximately 9.8%).

Shipping services segment

The Group's vessel fleet comprises mainly dry bulk carriers which are able to transport all major kinds of dry bulks, such as coal, grain, steel, logs, cement, fertilizer and iron ore. The Group also transports bunkers and petrochemical products through its oil and chemical tankers.

As at 31 December 2024, controlled fleet of the Group and joint ventures comprises 26 vessels, which has a combined weight carrying capacity of 1.23 million dwt, representing a year-on-year decrease by 14.6% from 1.41 million dwt as at 31 December 2023. As the fleet continued to be replaced, the average age of vessels further decreased to 6.0 years from approximately 7.0 years in 2023. Given its flexibility, chartered-in vessels occupy a portion of fleet of the Group. As at 31 December 2024, the Group entered into approximately 120 charter agreements with a combined weight carrying capacity of approximately 0.58 million dwt.

Maintaining a perfect and balanced asset mix of vessel fleet is crucial to the healthy development of the business. Controlled vessels are predominantly comprised of dry bulk carriers, oil tankers and chemical tankers which we solely own or jointly own with our business partners, or chartered on a long-term basis through bareboat charters or finance lease arrangements. On the other hand, chartered-in vessels are comprised of dry bulk carriers and chemical tankers chartered from vessel suppliers predominantly under term charters. The generally shorter lease term of chartered-in vessels, which is usually within three months, enables the Group to exert its flexibility in vessel fleet operation while avoiding significant capital expenditure. However, controlled vessels generally bring higher gross profits and can drive financial performance of the Group. Therefore, balanced vessel fleet assets will facilitate the Group to benefit from profit improvement and economics of scale and maximise operating flexibility.

Meanwhile, the Group generally charters its vessels to its customers under term charters. The Group also provides shipping services to its customers through voyage charters including the transport of iron ore from India and Australia to China, metallurgical coal from China to Japan, acrylonitrile from East China to Thailand and Malaysia, as well as phenol and acetone from East China to Thailand.

During the Year, due to a slight decrease in fleet size, the recovery in global trade volume and the year-on-year increase in the average BDI and BCTI, segment revenue decreased by 1.3% year on year to US$205.3 million from US$208.0 million in 2023. In particular, revenue from controlled vessels increased by 11.7% year on year to US$120.0 million from US$107.4 million in 2023, while revenue from chartered-in vessels decreased by 15.1% year on year to US$85.4 million from US$100.6 million in 2023.

In terms of gross profit, gross profit of shipping services was US$49.3 million (2023: US$30.4 million) during the Year, a year-on-year increase by 62.2%. In particular, gross profit of controlled vessels increased by 49.2% year on year to US$47.1 million from US$31.5 million in 2023, with a gross profit margin of approximately 39.2% (2023: 29.4%). Gross profit on chartered-in vessels was US$2.3 million (2023: gross loss of US$1.1 million), a year-on-year increase of 301.6%, with a gross profit margin of approximately 2.7% (2023: gross loss margin of approximately 1.1%). During the Year, profit before income tax of the segment increased by 292.1% year on year to US$68.1 million (2023: US$17.4 million), while profit margin of the segment reached approximately 33.2% (2023: 8.4%).

Market overview

In 2024, the global shipping market continued to grow against the dual pressures of geopolitical turmoil and deteriorating operating environment. In terms of demand, the dry bulk market as a whole continued to perform well. According to the data published by the National Bureau of Statistics, China's iron ore imports increased for the second consecutive year in 2024, hitting a record high with a year-on-year of 4.9%. Total coal imports for the year reached 542.7 million tons, a year-on-year increase of 12.58%. These increased commodities were mainly transported via large and medium-sized dry bulk carriers, especially Capesize, which brought stable orders. At the same time, the ongoing conflict between Russia and Ukraine, which continued to affect the shipping capacity of the Black Sea route, the tension in the Red Sea that has forced the average distance of the Asia-Europe route to be extended, and the detour of ships caused by the drought in the Panama Canal, have all led to a tightening of capacity supply and a further increase in transportation costs.

The Baltic Dry Index (BDI) for dry bulk carriers was an annual average of 1,755 points, with a year-on-year increase of 27.3%. Although the BDI fell below 1,000 points in the second half of the year due to port strikes and slowing trade growth, it remained its strong momentum throughout the year. In terms of petrochemicals, although the oil transportation market fluctuated downward in 2024, the annual average values of BDTI (Baltic Dirty Tanker Index) and BCTI were 1,094 points and 818 points, respectively.

There has also been a structural adjustment on the supply side of vessels. The leading shipyards in China, Japan and South Korea continued to shift their production capacity toward large-scale and green vessels, and the decreasing number of active shipyards has pushed up the construction threshold, which has limited short-term growth. The implementation of the IMO's new carbon emission regulations and the FuelEU Maritime Regulation of EU also accelerated the fleet renewal process, and the vessel age structure has entered a period of concentrated replacement.

Looking ahead to 2025, the global shipping market will be a complex game driven by both structural divergence and environmental transformation. Although the Baltic Dirty Tanker Index (BDTI) index saw a brief rebound at the beginning of the year due to restocking demand for Capesize vessels, the dry bulk market will remain under pressure in the first half of the year due to factors such as ongoing suppression of iron ore imports due to the contraction in China's real estate investment and the increasing operating costs from the EU carbon tax (ETS). With China's infrastructure policy shifting towards "dual uses in normal and emergency situations" and the push for new energy projects, coupled with the expansion of iron and steel production capacity in emerging markets such as India and Southeast Asia, the demand for iron ore and coal shipping is expected to take over in the second half of the year, pushing the BDI index closer to the levels in 2024. The Group will continue to monitor the impact of policy changes and geopolitical events on the international shipping market and seize market opportunities.

In terms of ship management market, faced with frequent geopolitical events and increasing compliance requirements, shipowners in the market are gradually inclined to seek advice from professional third-party ship managers. As the world's ninth largest ship management services provider headquartered in the PRC, the Group has obvious advantages in brands, experience and scale, and will strive for a larger market share in the future.

Prospects

Following its listing on the Main Board of the Hong Kong Stock Exchange, the Group has been actively harnessing the international capital to expand controlled vessel fleet and chartered-in vessel fleet with light and heavy assets. During the Year, the Group has took over of 2 new vessels, bareboat chartered 1 vessel and invested in 5 vessels, and its combined weight carrying capacity has reached 1.23 million dwt. Meanwhile, the Group is also actively expanding its fleet coverage. As at 31 December 2024, the Group's self-owned and bareboat chartered vessels under construction amounted to 20 vessels and, together with the 18 vessels under construction held through joint ventures, totalling 38 vessels, including 16 bulk carriers, 16 chemical tankers and 6 medium range product oil tankers, which are expected to be delivered from 2025 to 2027. In addition, the Company has acquired seven 3,800 dwt multi-purpose dry cargo vessels and bareboat chartered 1 bulk carrier and 2 chemical tankers in early 2025, by which time the combined weight carrying capacity will increase by an additional 1,215,251 dwt, accounting for 98.5% of the existing capacity, providing significant support for incremental revenue.

In addition, the operation of new vessels will bring more opportunities for replacing old vessels. The Group will be dedicated to capturing the cyclical nature of the industry and release capital values at market highs to lift its asset return. During the Year, the Group successfully sold a total of 10 self-owned and investment vessels, generating proceeds from the disposal of self-owned vessels (after taxes and expenses) of approximately US$46.0 million and share of profit of associates of approximately US$5.6 million. Subsequent to the reporting period, the Group also continued to implement its vessel replacement plan to optimise its fleet size and improve capital liquidity. In particular, the Group has sold one 13,500 dwt cargo vessel and one 24,576 dwt oil/chemical tankers in January and February 2025, respectively. As the Group eliminates and upgrades fleets in due course, the Group will capture larger market share with vessels that meet the updated international standard and have greater advantages in oil consumption and carbon tax expenses.

In terms of ship management business, the Group will continue to consolidate its market leadership by properly leveraging its roles as the world's top nine and China's largest third-party ship management service provider to utilize the business opportunities from future policies. Following the official opening of the new office in Germany in October 2023, the Group plans to set up offices in Houston, USA and Dubai, Middle East in 2025 to further enhance the efficiency and capability of its services, so as to strive for a higher market share with better services.

Leveraging on its multi-pronged development strategy, the Group will also keep pursuing higher operational efficiency and greater business scale and strive to create higher value for the Shareholders and other stakeholders.

FINANCIAL REVIEW

Revenue

Our revenue was principally derived from the provision of (i) shipping services; and (ii) ship management services. Our revenue increased by approximately US$23.1 million or 8.9% from approximately US$259.0 million for the year ended 31 December 2023 to approximately US$282.1 million for the Year.

Shipping services

Our revenue from shipping services decreased by approximately US$2.6 million or 1.3% from approximately US$208.0 million for the year ended 31 December 2023 to approximately US$205.3 million for the Year primarily due to (i) the recovery of global trade volumes despite a slight reduction in our controlled vessel fleet, which resulted in an 11.7% increase in the revenue from control vessels during the Year; and (ii) a reduction in the Group's chartered-in vessels, leading to a significant decrease in the revenue of chartered-in vessels. The above factors caused an overall decrease in the revenue from shipping services during the Year.

Ship management services

Our revenue from ship management services increased by approximately US$25.7 million or 50.4% from approximately US$51.1 million for the year ended 31 December 2023 to approximately US$76.8 million for the Year primarily due to the increase in the number of vessels under the Group's management where the Group charged management fees under lump-sum basis which generally commanded higher service fees.

Cost of sales

Our cost of sales decreased by approximately US$1.2 million or 0.5% from approximately US$218.9 million for the year ended 31 December 2023 to approximately US$217.8 million for the Year primarily due to a decrease in charter hire cost as a result of a decrease in chartered-in vessels engagements from vessel suppliers during the Year, which was partially offset by an increase in crew manning expenses due to the increase in number of vessels under the Group's management during the Year.

Gross profit and gross profit margin

Our gross profit increased by approximately US$24.3 million or 60.5% from approximately US$40.1 million for the year ended 31 December 2023 to approximately US$64.4 million for the Year. Our overall gross profit margin increased from approximately 15.5% for the year ended 31 December 2023 to approximately 22.8% for the Year. Such increase was primarily due to revenue contribution from the high gross margin-controlled fleet increased, and fixed operating costs such as depreciation and crew wages enjoyed a larger scale effect in line with the increase in revenue.

Selling, general and administrative expenses

Our selling, general and administrative expenses increased by approximately US$1.7 million or 10.8% from approximately US$15.5 million for the year ended 31 December 2023 to approximately US$17.1 million for the Year primarily due to the increase in employee benefit expenses.

Other gains — net

We recorded other gains of approximately US$42.9 million for the Year as compared to approximately US$5.6 million for the year ended 31 December 2023 primarily due to the recognition of net gains of approximately US$46.2 million from the disposal of property, plant and equipment during the Year, which was partially offset by foreign exchange losses and bank charges during the Year.

Net finance costs

Our finance costs increased by approximately US$10.1 million or 109.6% from approximately US$9.2 million for the year ended 31 December 2023 to approximately US$19.4 million for the Year primarily due to an increase in external financing as a result of the addition of several controlled vessels during the Year.

Share of net profits of associates and joint ventures

We recorded share of net profit of approximately US$6.7 million for the Year as compared to approximately US$2.8 million for the year ended 31 December 2023 primarily due to the profit sharing resulting from the disposal of vessels by the Company's associates.

Profit for the Year

As a result of the foregoing, our profit increased by approximately US$52.8 million or 239.7% from approximately US$22.0 million for the year ended 31 December 2023 to approximately US$74.8 million for the Year. Our profit attributable to shareholders of the Company increased by approximately US$49.1 million or 231.6% from approximately US$21.2 million for the year ended 31 December 2023 to approximately US$70.3 million for the Year.

Indebtedness

As of 31 December 2024, our borrowings and lease liabilities amounted to approximately US$318.1 million in aggregate (as of 31 December 2023: US$282.5 million).

As of 31 December 2024, the amount guaranteed by the Group for joint ventures and associates amounted to approximately US$363.9 million (as of 31 December 2023: nil).

Borrowings

Our total borrowings increased from approximately US$215.9 million as at 31 December 2023 to approximately US$268.8 million as at 31 December 2024 primarily due to the finance leases the Group entered into in relation to certain vessels during the Year. Our borrowings are denominated in US$, RMB and JPY. As at 31 December 2024, 0.2% (31 December 2023: 1.60%) of the Group's borrowings were on fixed interest rates.

Pledge of assets

For financing arrangements of our controlled vessels, we generally financed the acquisition or newbuilding of controlled vessels through a mix of internal resources, bank loans and finance lease arrangements. Our Group provides security by way of guarantees or pledge vessels as collateral to secure bank loans or finance lease arrangements.

As at 31 December 2024, property, plant and equipment and prepayment for vessels purchased with the carrying amount of approximately US$267.7 million and US$60.1 million, respectively, were pledged to secure borrowings (as at 31 December 2023: property, plant and equipment with the carrying amount of approximately US$266.9 million).

Lease liabilities

Our lease liabilities primarily represent the long-term bareboat charters with lease periods of one year or more. Our lease liabilities decreased from approximately US$66.6 million as at 31 December 2023 to approximately US$49.4 million as at 31 December 2024.

Contingent liabilities

As at 31 December 2024, we did not have any other material contingent liabilities as of 31 December 2024.

Capital structure

Our total assets increased from approximately US$492.1 million as of 31 December 2023 to approximately US$598.9 million as of 31 December 2024. Our total liabilities increased from approximately US$318.3 million as of 31 December 2023 to approximately US$367.5 million as of 31 December 2024.

Our net debt to equity ratio decreased from approximately 150.5% as of 31 December 2023 to approximately 110.8% as of 31 December 2024 due to the increase in cash and cash equivalents. Net debt to equity ratio is calculated as net debt divided by total equity as of relevant date. Net debt is calculated as total borrowings, lease liabilities, amounts due to related parties and amounts due to third parties less cash and cash equivalents. Total equity is shown in the consolidated balance sheet.

Capital commitments

The capital commitment as at 31 December 2024 was approximately US$333.7 million (as at 31 December 2023: US$278.5 million), which was mainly related to 17 vessels construction contracts under which the vessels were not yet delivered up to 31 December 2024. Among such 17 vessels, the expected delivery date of eight vessels is in 2025, five vessels is in 2026, and four vessels is in 2027.

Save as disclosed, we did not have any other material capital commitments as of 31 December 2023 and 31 December 2024.

Liquidity and financial resources

As at 31 December 2024, we recorded net current assets of approximately US$26.8 million compared to approximately US$776,000 as at 31 December 2023. Our current ratio (namely current assets as of relevant dates divided by current liabilities) increased from 1.0 as of 31 December 2023 to 1.3 as of 31 December 2024.

As at 31 December 2024, our cash and cash equivalents amounted to approximately US$65.8 million and our cash and cash equivalents amounted to approximately US$28.0 million as at 31 December 2023. Our cash and cash equivalents are denominated in US$, RMB, JPY, SG$, EUR and HK$. Gearing ratio, which is total liabilities dividing by total assets, also maintained at a sound level of approximately 61.4% (as of 31 December 2023: approximately 64.7%).

TREASURY POLICY

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and to maintain an optimal capital structure to enhance Shareholders' value in the long term. The Group has adopted a prudent financial management approach towards the treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of its assets, liabilities and other commitments can meet its funding requirements at all times.

FOREIGN EXCHANGE RISK

We are exposed to certain foreign exchange risks in respect of depreciation or appreciation amongst the currencies used in our business operations. Our revenue is denominated in US$ and the primary functional currencies used in our business operations include US$ and RMB. Our cost of sales, operating expenses and capital expenditures are predominantly incurred in US$ while some of our primary payment commitments and expenditures, including but not limited to payment obligations pursuant to shipbuilding contracts, are denominated in RMB or JPY. However, our reporting currency is in US$ and therefore our revenue, cost of sales and other accounting items are all translated into US$ on our consolidated financial statements. As a result, we may be exposed to foreign exchange risk from fluctuation in foreign exchange rate. Our assets and liabilities and transactions in its operations did not expose to material foreign exchange risk. We manage foreign exchange risk by closely monitoring fluctuations in exchange rates of foreign currency, and minimise foreign exchange risk via prudent measures. During the Year, apart from several foreign exchange forward contracts entered into by the Group that expired before March 2024, the Group did not use any financial instruments for hedging purposes.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

We did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group acquired 13 vessels and bareboat chartered two vessels in 2024. As of 31 December 2024, there were 20 vessels under construction for the Group. It is expected that nine, seven and four vessels will be respectively delivered in 2025, 2026 and 2027, respectively. Details of the 15 material ship acquisition and bareboat charter contracts entered into by the Group during the Year have been disclosed in the Company's announcements dated 18 February 2024, 15 March 2024, 15 April 2024, 22 July 2024 and 30 October 2024, respectively, and the Company's circulars dated 23 February 2024 and 24 May 2024.

Save as disclosed, we did not have any other material investment or capital assets during the Year. In addition, we will utilise net proceeds from the global offering in the same manner as indicated in the section headed "Use of Net Proceeds from the Global Offering" of this announcement. Save as disclosed, we do not currently have any other plans for significant investment or capital assets. However, we will continue to seek for new opportunities for business development.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 5 January 2025, Seacon Dubai Ltd (as the charterer) and Seacon Shipping Pte. Ltd. (as the seller), both of which are indirect wholly-owned subsidiaries of the Company, an owner, the Company and a guarantor entered into a finance lease arrangement (the "**Finance Lease Arrangement**"), pursuant to which (i) the seller agreed to sell a vessel to the owner for a consideration of approximately US$31.4 million; (ii) the owner agreed to charter the vessel to the charterer; (iii) the Company entered into the first guarantee in favour of the owner; and (iv) the guarantor entered into the second guarantee in favour of the charterer and the seller. For details, please refer to the announcement of the Company dated 6 January 2025.

On 16 January 2025, Seacon Yokohama Ltd (as the seller), an indirect wholly-owned subsidiary of the Company, and Yuchen Logistics Pte. Ltd. (as the buyer) entered into a memorandum of agreement, pursuant to which the seller agreed to sell, and the buyer agreed to purchase, a vessel for a consideration of approximately US$19.9 million. For details, please refer to the announcement of the Company dated 16 January 2025.

On 24 January 2025, a lender, a wholly-owned subsidiary of the Company, SeaKapital and a joint venture of the Group entered into a loan facility and guarantee agreement, pursuant to which each of the lender and SeaKapital shall (1) make available to the joint venture a maximum loan facility of US$50.0 million; and (2) provide or procure its affiliate(s) to provide guarantees for the joint venture in favour of external financing provider(s) in a maximum aggregate guaranteed amount of US$230.0 million (the "**Loan Facility and Guarantees**"). The provision of the Loan Facility and Guarantees constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company has obtained an irrevocable and unconditional written approval for the provision of the Loan Facility and Guarantee(s) from the closely allied group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the provision of the Loan Facility and Guarantees has been satisfied in lieu of a Shareholders' general meeting of the Company. For details, please refer to the announcement of the Company dated 24 January 2025 and the circular dated 28 February 2025.

On 27 January 2025, Seacon Marine Ltd. (as the buyer), an indirect wholly owned subsidiary of the Company, entered into seven memoranda of agreements with seven sellers for the acquisition of the respective vessels at an aggregate consideration of Euro 63.7 million (equivalent to approximately HKD521.1 million), each at a consideration of Euro 9.1 million (equivalent to approximately HKD74.4 million). For details, please refer to the announcement of the Company dated 27 January 2025.

On 5 February 2025, a buyer entered into a novation agreement with Fujian Southeast Shipbuilding Co., Ltd.* (as the seller) and Seacon Shipping Pte. Ltd. (as the original buyer), an indirect wholly-owned subsidiary of the Company, pursuant to which the original buyer agreed to novate to the buyer the original contracts dated 15 April 2024, which shall be superseded by the two shipbuilding contracts dated 5 February 2025 with substantially the same terms as the original contracts, in relation to the two vessels at an aggregate consideration of approximately US$19.8 million. For details, please refer to the announcement of the Company dated 5 February 2025.

On 7 February 2025, Golden Dahlia Limited (as the seller), an indirect wholly owned subsidiary of the Company, and a buyer entered into a memorandum of agreement, pursuant to which the seller agreed to sell, and the buyer agreed to purchase, a vessel for a consideration of approximately US$32.9 million (the "**Disposal**"). The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Disposal from the closely allied group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Disposal has been satisfied in lieu of a Shareholders' general meeting of the Company. For details, please refer to the announcement of the Company dated 7 February 2025 and the circular dated 28 February 2025.

On 26 February 2025, Seacon Seattle Ltd (as the charterer) and Seacon Shipping Pte. Ltd. (as the seller), both of which are indirect wholly-owned subsidiaries of the Company, two owners, the Company and a guarantor entered into a finance lease arrangement, pursuant to which (i) the seller agreed to sell a vessel to the owners for a consideration of approximately US$34.0 million; (ii) the owners agreed to charter the vessel to the charterer; (iii) the Company entered into the first guarantee in favour of the owners; and (iv) the guarantor entered into the second guarantee in favour of the charterer and the seller. For details, please refer to the announcement of the Company dated 26 February 2025.

Save as disclosed in this announcement, there was no other significant event since 31 December 2024 and up to the date of this announcement that could have a material impact on the Company's operations and financial performance.

DIVIDENDS

The Board resolved not to recommend the payment of any dividend for the year ended 31 December 2024. As at the date of this announcement, there is no arrangement that a Shareholder has waived or agreed to waive any dividend.

EMPLOYEES

The Group recognises that employees are valuable assets of the Group, and that achieving and improving employees' values will facilitate the achievement of the Group's overall goals. The Group has been committed to providing employees with competitive remuneration packages, attracting promotion opportunities and a respectful and professional working environment. The Group participates in and contributes to statutory social benefit and mandatory contribution schemes, social benefits (including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident fund contributions in accordance with applicable laws, rules and regulations. The Group's employees are also entitled to various subsidies and benefits, including but not limited to paid annual leave, paid birthday leave and maternity allowance, etc. The Group believes that its training culture helps the Group to recruit and retain talents. The Group provides internal training and external seminars related to quality, operation, internal control, environment and health and safety policies depending on the departments and scope of work of the employees. The Group will continue to attract and retain more talent by regularly reviewing the performance of its employees and using the review results as reference in determining any salary adjustments and promotions. As of the date of this announcement, certain of the Group's employees belonged to a trade union called Seacon Shandong Shipping Group Union Committee* (山東洲際航運集團工會委員會). The Group believes that it maintains good working relationships with its employees and there were no significant disruptions in the Group's operations due to industrial actions or labour disputes during the Year.

The Company has also adopted a share option scheme pursuant to the written resolutions of the Shareholders and Directors passed on 2 March 2023 (the "**Share Option Scheme**") to incentivise eligible Directors, senior management and employees to attract, motivate and retain skilled and experienced personnel, and to provide incentives or rewards for their contribution or potential contribution to the Group. Further information of the Share Option Scheme will be available in the annual report of the Company for the Year.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Stock Exchange on 29 March 2023 and a global offering of the Company's ordinary shares was offered, comprising 12,500,000 shares under the Hong Kong public offering and 112,500,000 shares under international placing, both at an offer price of HK$3.27 per share (collectively, the "**Global Offering**"). The net proceeds from the Global Offering, after deduction of underwriting fees and related expenses, amounted to approximately HK$333.8 million (the "**Net Proceeds**").

The following table sets forth the status of the use of the Net Proceeds:

Purpose	% of total proceeds	Planned allocation of Net Proceeds (approximately) *(HK$ in million)*	Utilised Net Proceeds as of the date of this announcement (approximately) *(HK$ in million)*	Actual amount utilized during the Year ended 31 December 2024 (approximately) *(HK$ in million)*	Unutilised Net Proceeds as of the date of this announcement (approximately) *(HK$ in million)*
• Expand and optimize the Company's vessel fleet.					
— Expand and optimize the Company's controlled vessel fleet	57.0	190.3	190.3	—	—
— Increase the scale of the Company's chartered-in vessel fleet by entering into 20 to 25 chartered-in engagements predominantly through time charters	20.0	66.8	66.8	—	—
• (i) Reinforce the Company's ship management capabilities by setting up new offices in strategic locations such as Shanghai, Greece, Philippines and Japan by renting office premises, and (ii) expand our current ship management operations in Qingdao, Ningbo and Fuzhou.	10.0	33.4	33.4	—	—
• Adopt digital technologies and implement advanced information technology in the Company's business operations.	3.0	10.0	10.0	6.5	—
• General working capital and other general corporate purpose.	10.0	33.4	33.4	—	—
Total	100	333.8	333.8	6.5	—

There has been no change in the intended use of Net Proceeds as previously disclosed in the Company's prospectus dated 14 March 2023 (the "**Prospectus**"). As at the date of this announcement, the net proceeds from the Global Offering has been fully utilized according to the manner and proportions disclosed in the Prospectus.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, including sales of treasury shares (the "**Treasury Shares**"), within the meaning under the Listing Rules. As at 31 December 2024, the Company did not hold any Treasury Shares.

OTHER INFORMATION

Corporate governance

The Board is committed to maintaining corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the basis for the corporate governance practices of the Company. For this Year, the Company has complied with all applicable code provisions of the CG Code, except for the deviation as follows:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separate and shall not be performed by the same individual. Mr. Guo Jinkui, being the Chairman and executive Director of the Company, is responsible for the operation and management of the Board. No chief executive officer has been appointed by the Company. The day-to-day management of the Group is delegated to other executive Directors and the management of the Company. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development. The Company is committed to enhancing its corporate governance practices used to regulate conduct and promote growth of its business and to reviewing such practices from time to time to ensure that we comply with the CG Code and align with the latest developments of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the Model Code during the Year.

Audit Committee

The Audit Committee of the Company (the "**Audit Committee**") has reviewed, together with the management and auditor of the Company, the accounting principles and policies adopted by the Group and the annual results for the Year. The Audit Committee has reviewed the Group's financial controls, risk management and internal control systems.

Scope of work of PricewaterhouseCoopers

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

Annual general meeting

The forthcoming annual general meeting of the Company (the "**2025 AGM**") will be held on Thursday, 26 June 2025. The notice of the 2025 AGM will be published and made available to the Shareholders in due course in the manner prescribed by the Listing Rules.

Closure of register of members

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the 2025 AGM or any adjournment thereof, the register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the 2025 AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 20 June 2025.

Publication of the annual report

The annual report of the Company for the Year containing all the information required by the Listing Rules will be made available to the Shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.seacon.com) in due course.

By order of the Board
Seacon Shipping Group Holdings Limited
Guo Jinkui
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises executive Directors of Mr. Guo Jinkui, Mr. Chen Zekai, Mr. He Gang, and Mr. Zhao Yong; and independent non-executive Directors of Mr. Fu Junyuan, Ms. Zhang Xuemei, and Mr. Zhuang Wei.

* *For identification purposes only*