

FINANCIAL REVIEW

During 2024, the global port industry faced various challenges, such as changes in market demand, fluctuations in cargo throughput and the Red Sea incident. However, the Group maintained stable operation and development of its core business despite multiple challenges, demonstrating its strong resilience. The Company reported a profit attributable to equity holders of the Company in 2024 of US\$308,816,000 (2023: US\$324,557,000), decreased by 4.8% YoY.

During 2024, profit from the terminals in which the Group has controlling stakes and non-controlling terminals amounted to US\$424,426,000 (2023: US\$431,601,000) in total, decreased by 1.7% YoY, and profit from terminals in which the Group has controlling stakes amounted to US\$103,137,000 (2023: US\$132,871,000), decreased by 22.4% YoY. Profit from terminals in which the Group has controlling stakes was mainly attributable to Xiamen Ocean Gate Terminal, Piraeus Terminal and Tianjin Container Terminal. Xiamen Ocean Gate Terminal recorded a profit of US\$36,109,000 in 2024 (2023: US\$40,408,000), decreased by US\$4,299,000 YoY due to the decline in throughput. Impacted by the Red Sea incident, Piraeus Terminal experienced a drop in both throughput and revenue, recording a profit of US\$29,002,000 (2023: US\$47,165,000), decreased by US\$18,163,000 YoY. Tianjin Container Terminal recorded a profit of US\$17,220,000 in 2024 (2023: US\$22,427,000), decreased by US\$5,207,000 YoY, due to the change in business structure and higher labor costs compared to 2023. Apart from the above terminals in which the Group has controlling stakes with higher profit contribution, CSP Spain Related Companies recorded a YoY increase in profit contribution of US\$7,156,000 during the year due to the increase in throughput, rate adjustments and higher storage income. CSP Abu Dhabi Terminal recorded an increase of 36.3% YoY in throughput, and increased US\$2,845,000 in profit contribution YoY due to business expansion. On the other hand, CSP Wuhan Terminal transferred its construction in progress into fixed assets in the fourth quarter of 2023, leading to expanded terminal

operation scale. Due to the high proportion of fixed costs in the early stages of terminal operations, it recorded a loss of US\$9,881,000 in 2024 (2023: US\$5,162,000), with an increase of US\$4,719,000 in loss YoY.

In respect of non-controlling terminals, the profit recorded during 2024 was US\$321,289,000 (2023: US\$298,730,000), increased by 7.6% YoY. In particular, the share of profit of Success Enterprises Limited and Wattus Limited and their subsidiaries (collectively "Yantian Terminals Related Companies") which held Yantian Terminals, as well as Antwerp Terminal and Dalian Container Terminal, increased by US\$10,353,000, US\$3,391,000 and US\$2,350,000 YoY, respectively.

FINANCIAL ANALYSIS

Revenues

In 2024, throughput of terminals in which the Group has controlling stakes increased by 6.2% YoY, and revenues of the Group amounted to US\$1,502,989,000 (2023: US\$1,454,353,000), increased by 3.3% YoY. CSP Spain Related Companies recorded a revenue of US\$337,852,000 (2023: US\$286,612,000) due to the YoY increase in throughput, increased by 17.9% YoY. On the other hand, Piraeus Terminal recorded a revenue of US\$306,603,000 (2023: US\$333,443,000) due to the YoY decrease in throughput and revenue as affected by the Red Sea incident, decreased by 8.0% YoY. Xiamen Ocean Gate Terminal recorded a revenue of US\$121,588,000 (2023: US\$132,259,000) due to a YoY decrease in throughput of 6.3%, decreased by 8.1% YoY. In addition, owing to satisfactory business expansion, CSP Abu Dhabi Terminal recorded a revenue of US\$79,091,000 (2023: US\$66,428,000), increased by 19.1% YoY. Nantong Tonghai Terminal recorded a revenue of US\$36,076,000 (2023: US\$28,100,000), increased by 28.4% YoY. CSP Wuhan Terminal recorded a revenue of US\$7,112,000 (2023: US\$2,408,000), increased by 195.3% YoY.

Financial Review

Cost of Sales

Cost of sales mainly comprised operating expenses of terminals in which the Group has controlling stakes. Cost of sales was US\$1,086,164,000 (2023: US\$1,033,491,000) in 2024, increased by 5.1% YoY. Amongst which, CSP Spain Related Companies recorded a cost of US\$274,910,000 (2023: US\$243,647,000), increased by 12.8% YoY. Due to the decrease in throughput and the decrease in concession fees driven by the decrease in revenue, Piraeus Terminal recorded a cost of US\$245,282,000 (2023: US\$249,039,000), decreased by 1.5% YoY; due to the year-on-year decrease in throughput by 6.3% YoY, Xiamen Ocean Gate Terminal recorded a cost of US\$69,605,000 (2023: US\$76,432,000), decreased by 8.9% YoY. In addition, due to the expansion of its business, CSP Abu Dhabi Terminal recorded a cost of US\$55,241,000 (2023: US\$48,832,000), increased by 13.1% YoY; Nantong Tonghai Terminal recorded a cost of US\$27,905,000 (2023: US\$25,610,000), increased by 9.0% YoY; CSP Wuhan Terminal recorded a cost of US\$14,952,000 (2023: US\$5,561,000), increased by 168.9% YoY.

Administrative Expenses

Administrative expenses were US\$168,776,000 (2023: US\$164,596,000) in 2024, slightly increased by 2.5% YoY.

Other Operating Income, Net

Net other operating income was US\$19,074,000 (2023: US\$18,550,000) in 2024, and net income increased by 2.8% YoY.

Finance Costs

The Group's finance costs amounted to US\$152,451,000 (2023: US\$171,189,000) in 2024, decreased by 10.9% YoY. The average balance of bank loans for the year amounted to US\$3,101,786,000 (2023: US\$2,984,791,000), increased by 3.9% YoY. The decrease in finance costs was mainly due to the significant effect of various measures taken by the Group during the year, including the replacement of existing loans, the optimization of debt structure, and the repayment of parts of high-interest loans with self-owned funds. Taking into account the capitalised interest, the average cost of bank borrowings (including the amortization of transaction costs over bank loans and notes) was 5.21% in 2024 (2023: 5.30%).

Share of Profits Less Losses of Joint Ventures and Associates

The Group's share of profits less losses of joint ventures and associates for 2024 totalled US\$320,115,000 (2023: US\$297,861,000), increased by 7.5% YoY. Of which, the share of profit of Yantian Terminals Related Companies for 2024 amounted to US\$60,846,000 (2023: US\$50,493,000), increased by 20.5% YoY; the share of profit of Dalian Container Terminal amounted to US\$8,004,000 (2023: US\$5,654,000), increased by 41.6% YoY, and the share of profit of Antwerp Terminal amounted to US\$3,798,000 (2023: US\$407,000), increased by US\$3,391,000 YoY.

Taxation

Taxation for the year amounted to US\$73,057,000 (2023: US\$35,206,000), increased by US\$37,851,000 YoY. It was mainly attributable to the reversal of tax provisions made in previous years in 2023, totalling US\$20,051,000 and the adjustment of tax policies applicable to certain terminals, resulting in a YoY increase in taxation for 2024.

Financial Review

FINANCIAL POSITION

Cash flow

In 2024, the Group continued to receive steady cash flow income. The Group's net cash generated from operating activities amounted to US\$408,578,000 (2023: US\$482,447,000) during the year. In 2024, the Group borrowed bank loans of US\$1,158,880,000 (2023: US\$1,376,793,000) and repaid loans of US\$1,233,415,000 (2023: US\$1,078,098,000). During the year, US\$435,086,000 (2023: US\$346,466,000) was paid in cash by the Group for the expansion of berths and the purchase of property, plant and equipment. In addition, the Group has paid a total of approximately US\$95,801,000 in cash for equity interest investments.

Financing and credit facilities

As at 31 December 2024, the Group's total outstanding borrowings amounted to US\$3,114,481,000 (31 December 2023: US\$3,234,631,000) and cash balance amounted to US\$1,029,233,000 (31 December 2023: US\$1,208,039,000). Banking facilities unutilised amounted to US\$696,217,000 (31 December 2023: US\$1,043,341,000).

Assets and liabilities

As at 31 December 2024, the Group's total assets and total liabilities were US\$12,021,386,000 (31 December 2023: US\$11,931,881,000) and US\$4,976,139,000 (31 December 2023: US\$5,089,356,000), respectively. Net assets were US\$7,045,247,000 (31 December 2023: US\$6,842,525,000). As at 31 December 2024, net asset value attributable to equity holders per share of the Company was US\$1.58 (31 December 2023: US\$1.62).

As at 31 December 2024, the net debt-to-total-equity ratio was 29.6% (31 December 2023: 29.6%). The interest coverage was 5.0 times (2023: 4.2 times), excluding finance charges relating to lease liabilities.

As at 31 December 2024, certain assets of the Group with an aggregate net book value of US\$1,216,090,000 (31 December 2023: US\$803,286,000), and interest in subsidiaries, were pledged to secure bank loans, totalling US\$1,103,288,000 (31 December 2023: US\$1,078,453,000).

Financial Review

Debt analysis

	As at 31 December 2024		As at 31 December 2023	
	US\$	(%)	US\$	(%)
By repayment term				
Within the first year	276,719,000	8.9	959,038,000	29.7
Within the second year	605,730,000	19.5	233,474,000	7.2
Within the third year	496,416,000	15.9	254,936,000	7.9
Within the fourth year	359,265,000	11.5	427,764,000	13.2
Within the fifth year and after	1,376,351,000	44.2	1,359,419,000	42.0
	3,114,481,000*	100.0	3,234,631,000*	100.0
By category				
Secured borrowings	1,103,288,000	35.4	1,078,453,000	33.3
Unsecured borrowings	2,011,193,000	64.6	2,156,178,000	66.7
	3,114,481,000*	100.0	3,234,631,000*	100.0
By denominated currency				
US dollar borrowings	1,536,836,000	49.3	1,776,704,000	54.9
RMB borrowings	985,035,000	31.6	738,352,000	22.8
Euro borrowings	502,051,000	16.2	619,325,000	19.2
HK dollar borrowings	90,559,000	2.9	100,250,000	3.1
	3,114,481,000*	100.0	3,234,631,000*	100.0

* Net of unamortised transaction costs on borrowings.

Financial guarantee contracts

As at 31 December 2024 and 31 December 2023, the Company did not have any guarantee contract.

As at 31 December 2024, 4.7% (31 December 2023: 6.9%) of the Group's borrowings were at fixed rates. In light of market conditions, the Group will continue to monitor and regulate its fixed and floating-rate debt portfolio, with a view to minimising its potential interest rate exposure.

Treasury policy

The Group manages its foreign exchange risk by matching the currencies of its loans with the Group's functional currency of major cash receipts and underlying assets as much as possible. The functional currency of the Group's terminals business is mainly either Euro or Renminbi, the same currency of its borrowings, revenues and expenses, so as to provide a natural hedge against the foreign exchange volatility.