XIANGXING INTERNATIONAL HOLDING LIMITED
象興國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1732)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the "**Board**") of directors (the "**Directors**") of XiangXing International Holding Limited (the "**Company**") is pleased to announce the unaudited condensed results of the Company and its subsidiaries for the six months ended 30 June 2023. This announcement, containing the full text of the 2023 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information to accompany preliminary announcement of interim results. The Company's 2023 interim report will be available for viewing on the website of the Stock Exchange at www.hkexnews.hk and of the Company at www.xxlt.com.cn on 4 September 2023, and the printed version of the Company's 2023 interim report will be delivered to the shareholders of the Company in due course.

By Order of the Board
XiangXing International Holding Limited
Cheng Youguo
Chairman

Hong Kong, 25 August 2023

As at the date of this announcement, the Executive Directors are Mr. Cheng Youguo and Mr. Qiu Changwu; and the Independent Non-executive Directors are Mr. Ho Kee Cheung, Mr. Cheng Siu Shan and Ms. Li Zhao.

象興國際
XIANGXING INT

2023 INTERIM REPORT

象興國際控股有限公司
XIANGXING INTERNATIONAL HOLDING LIMITED

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Stock code: 1732

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Financial Highlights

The board (the "Board") of Directors (the "Directors") of XiangXing International Holding Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2023 (the "Period"), together with the comparative figures for the corresponding period in 2022 as follows.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2023	2022	Change %
	RMB'000	RMB'000	
	(unaudited)	(unaudited)	
Revenue	**77,377**	132,174	(41.5%)
Gross profit	**19,670**	26,244	(25.0%)
Profit for the Period	**843**	6,655	(87.3%)

The Group's revenue for the Period amounted to approximately RMB77,377,000, representing a decrease of approximately 41.5% as compared with that of the corresponding period in the previous year. Gross profit for the Period decreased by approximately 25.0% to approximately RMB19,670,000. Profit for the Period was approximately RMB843,000, representing a decrease of approximately 87.3% as compared with that of the corresponding period in the previous year.

The decrease in revenue and profits was mainly attributable to: (1) the Group's initiative to reduce the supply chain operation business to reduce the recoverability risk of the accounts receivable of this business which has led to the large extent of decrease in related revenue and profit; and (2) the decline in the businesses of intra-port and logistics related services due to the impact of the economic environment.

Management Discussion and Analysis

Overview

Founded in 1999, the Group is principally engaged in provision of intra-port services, logistics services and supply chain operations in the area of Xiamen, Quanzhou and Chengdu cities of the PRC. Among them:

- Intra-port services consist of (i) intra-port ancillary services and (ii) intra-port container transportation services;
- Logistics services consist of (i) import and export agency services and (ii) road freight forwarding services; and
- Supply chain operations consist of (i) trading of building materials, (ii) trading of automobile accessories and (iii) disinfection services.

For the six months ended 30 June 2023, the businesses of intra-port related services, logistics related services and the supply chain operation have dropped significantly year-on-year.

Financial Overview

Revenue

For the six months ended 30 June 2023, the Group's revenue amounted to approximately RMB77,377,000, representing a decrease of approximately 41.5% from approximately RMB132,174,000 for the six months ended 30 June 2022.

For the six months ended 30 June 2023, the operating volume and revenue of each major business segment of the Group are as follows:

(1) Intra-port related services:

Operating volume comparison

Classification		**Unit**	**For the six months ended 30 June 2023**	**For the six months ended 30 June 2022**	**Change** (%)
Intra-port ancillary services	Containers	TEU (Note)	2,037,438	2,105,754	(3.2%)
	General cargo	Tonnes	355,325	1,327,462	(73.2%)
Intra-port container transportation services	Containers	TEU (Note)	2,140,279	2,268,266	(6.0%)

Note: twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet and six inches and width of eight feet ("TEU").

Revenue comparison

Classification	Unit	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Change (%)
Intra-port ancillary services	RMB'000	25,107	30,470	(17.6%)
Intra-port container transportation services	RMB'000	37,418	38,740	(3.4%)
Total	RMB'000	62,525	69,210	(9.7%)

The decrease in revenue from intra-port related services was mainly due to the decrease in workload of major terminals serviced by the Group, in particular the throughput of general cargo has dropped significantly.

(2) Logistics related services

Operating volume comparison

Classification		Unit	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Change (%)
Road freight forwarding services	Loaded containers	Unit	4,507	7,212	(37.5%)
	Empty containers	Unit	57,588	55,510	3.7%
	General cargos	Tonnes	560,741	695,380	(19.4%)
Import and export agency services	Containers	Unit	4,443	5,809	(23.5%)

Revenue comparison

Classification	Unit	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Change (%)
Road freight forwarding services	RMB'000	8,402	13,578	(38.1%)
Import and export agency services	RMB'000	3,068	15,920	(80.7%)
Total	RMB'000	11,470	29,678	(61.4%)

The decrease in the logistics related services was mainly due to the significant decline in the volume of heavy container transportation as well as the import and export agency services.

(3) Supply chain operations

Operating volume comparison

Classification	Unit	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Change (%)
Trading of heavy-duty auto parts and tires	Pieces	31,177	53,446	(41.7%)
Trading of building materials	Tonnes	21,844	110,084	(80.2%)
Disinfection services	Units	24	347	(93.1%)

Management Discussion and Analysis

Revenue comparison

Classification	**Unit**	**For the six months ended 30 June 2023**	**For the six months ended 30 June 2022**	**Change** (%)
Trading of heavy-duty auto parts and tires	RMB'000	665	2,583	(74.3%)
Trading of building materials	RMB'000	2,686	28,282	(90.5%)
Disinfection services	RMB'000	31	2,421	(97.7%)
Total	RMB'000	3,382	33,286	(89.8%)

The decrease in the revenue of supply chain operations business was mainly due to the significant decline in the business volume of the Group's trading of building materials business as a result of suspension of trading with certain customers which have long outstanding trade receivable balances due to the Group.

Staff Costs

Staff costs mainly include salaries, wages and other staff benefits. For the six months ended 30 June 2023, the Group's staff cost was approximately RMB45,359,000 (for the six months ended 30 June 2022: approximately RMB49,575,000). As at 30 June 2023, the Group had 879 employees (30 June 2022: 973 employees).

Administrative Expenses

Administrative expenses mainly comprise consumables costs, depreciation and auditors' remuneration. For the six months ended 30 June 2023, the Group's administrative expenses amounted to approximately RMB15,108,000 (for the six months ended 30 June 2022: approximately RMB15,496,000).

Taxation

Under the current laws of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to income tax or capital gains tax in the Cayman Islands and the BVI. Additionally, dividend payments made by the Group are not subject to withholding tax in the Cayman Islands or the BVI.

No Hong Kong profits tax has been provided for as our Group did not have any assessable profit in Hong Kong for the Period.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% except for four subsidiaries which are qualified as Small Low-Profit Enterprises in the PRC and are entitled to a concessionary tax rate of 2.5%.

For the six months ended 30 June 2023, income tax expense was approximately RMB2,460,000 (for the six months ended 30 June 2022: approximately RMB3,593,000).

Placing

A placing was completed by the Company on 3 February 2023 in accordance with the terms and conditions of the placing agreement. A total of 200,000,000 placing shares were allotted and issued to not less than six placees at the placing price of HK$0.16 per placing share. The gross proceeds from the placing amounted to HK$32,000,000 and the net proceeds arising from the placing amounted to approximately HK$31,300,000. Please refer to the announcements of the Company dated 16 January 2023 and 3 February 2023 for further details. During the Period, the Company has applied approximately HK$4,200,000 of the net proceeds from the placing for payment of the administrative expenses outside the PRC and approximately HK$6,200,000 for general working purpose. The Company intends to apply the remaining unutilised net proceed from the placing of approximately HK$20,900,000 to support the development of the supply chain operation business, which is expected to be fully untilised by 31 December 2024.

Profit for the Period

For the six months ended 30 June 2023, the Group's profit was approximately RMB843,000 (for the six months ended 30 June 2022: approximately RMB6,655,000).

Liquidity and Financial Resources

The operation of the Group is mainly financed by the cash generated from its self-owned business operations. As at 30 June 2023, the net current assets of the Group amounted to approximately RMB162,025,000 (31 December 2022: approximately RMB129,044,000) and cash and cash equivalents as at 30 June 2023 amounted to approximately RMB55,870,000 (31 December 2022: approximately RMB28,220,000).

As at 30 June 2023, the Group had no bank borrowing (31 December 2022: borrowings of approximately RMB8,000,000).

Credit risk

The Group measures loss allowances for trade receivables individually or at an amount equal to lifetime expected credit loss (the "ECL") which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases. The normal credit period granted to the Group's customers is 30 to 180 days. Based on the Group's experience, most of the trade receivables would be recovered within 360 days, therefore the Group would usually make full provision on the balances that were past due over 360 days. For long outstanding trade receivables, the Group would take actions including demanding repayment or rescheduling the payment terms with the customers, suspending trading with the customers until settlement of the outstanding balances and/or taking legal actions, to recover the receivables.

Currency Risk

The functional currency of the Group's operating subsidiaries is Renminbi as the Group's revenue is substantially in Renminbi. The Group does not expect any significant currency risk which might materially affect the Group's results of operations.

Management Discussion and Analysis

Capital Commitments

As at 30 June 2023, the Group had no capital commitment (31 December 2022: Nil).

Capital Structure

The Company's capital structure remained unchanged during the six months ended 30 June 2023. The capital structure of the Group comprises equity interest attributable to the equity shareholders of the Company (including issued share capital and reserves). The Directors regularly review the capital structure of the Group. As part of the review, the Directors consider the cost of capital and the associated risks of various types of capital.

Material Acquisitions and Disposals

During the six months ended 30 June 2023, the Group did not have any material acquisitions or disposals of subsidiaries.

Employees and Remuneration Policy

As at 30 June 2023, the Group employed 879 (30 June 2022: 973) employees. Remuneration of employees is determined with reference to factors such as qualification, responsibility, contribution and experiences.

Use of Proceeds

The net proceeds from the listing of shares of the Company (the "Listing") were approximately HK$40.2 million (the "Net Proceeds"). As disclosed in the Prospectus issued by the Company for the Listing, the Company originally intended to use the Net Proceeds: (i) for investing in container-related handling equipment to replace the relevant existing equipment which are operating beyond their estimated life span and to assist in the expansion of the Group's business (the "Investment in Container-related Handling Equipment"); and (ii) for the development of empty container stacking yard (the "Development for Empty Container Stacking Yard").

As disclosed in the Company's announcement dated 16 September 2021, an approximate amount of HK$6.7 million of the Net Proceeds was fully utilised for the Investment in Container-related Handling Equipment; whereas an approximate amount of HK$33.5 million, which were intended to be used for the Development for Empty Container Stacking Yard, was still unutilised as at 16 September 2021 as a result of the prolonged delay of authority's approval in relation to the Group's purchase of a suitable parcel of land for the Development for Empty Container Stacking Yard. To better utilise the Group's resources, the Board resolved on 16 September 2021 to reallocate an amount of approximately HK$18.0 million out of the unutilised amount for the development of intra-port ancillary services and intra-port container transportation services in Wuhan city, the PRC, and an amount of approximately HK$15.5 million for the purchase of electric tractors (the "First Change in Use of Proceeds").

As disclosed in the Company's announcement dated 29 July 2022, with reference to the actual utilisation of the Use of Proceeds since the change in use of proceeds on 16 September 2021 and after considering that: (i) the development of intra-port ancillary services and intra-port container transportation services in Wuhan city, the PRC, may take longer than originally anticipated, and (ii) the greater demand of electric tractors, the Board has resolved on 29 July 2022, to further relocate all remaining untilised Net Proceeds for the purchase of electric tractors.

The table below sets out the unutilised Net Proceeds as at 1 January 2023, the Net Proceeds utilised during the six months ended 30 June 2023, unutilised Net Proceeds as at 30 June 2023 and the expected timeline for fully utilising the unutilised Net Proceeds.

Purposes	**Unutilised Net Proceeds as at 1 January 2023** HK$' million (approximately)	**The Net Proceeds utilised during the six months ended 30 June 2023** HK$' million (approximately)	**Unutilised Net Proceeds as at 30 June 2023** HK$' million (approximately)	**Expected timeline for fully utilising the unutilised Net Proceeds** (Note)
Purchase of electric tractors	23.7	—	23.7	On or before 31 December 2025

Note: The expected timeline for fully utilising the unutilised Net Proceeds is determined on the basis of the Group's best estimate of future market conditions, and is subject to change depending on the market conditions and development at the relevant times.

Charges on the Group's Assets and Contingent Liabilities

As at 30 June 2023, the Group did not have any charges on the Group's assets and contingent liabilities (31 December 2022: Nil).

Recent Development and Prospect

On the whole, China is currently facing a complicated internal and external environment. The tasks of transforming the mode of economic development, optimizing the economic structure, and transforming the driving force for growth are still heavy. Structural, institutional, and cyclical problems are intertwined. Various impacts continue to deepen. The pressure is still high. Some deep-rooted problems in economic operation have become more prominent.

First, the downward pressure on the macro economy is still relatively large

Although the growth rate of our country's economy in the first half of the year ranked among the top among the world's major economies, this was based on the low base of GDP growth of only 0.4% in the second quarter of last year. From a quarter-on-quarter perspective, the GDP growth rate in the first quarter of this year was 2.2% quarter-on-quarter, and the GDP growth rate in the second quarter was only 0.8%, indicating that the sustained growth of the economy is declining. In addition, since the RMB exchange rate against the U.S. dollar fell by an average of 6.43% in the first half of this year, if calculated in U.S. dollars, China's GDP in the first half of the year was 8.56 trillion U.S. dollars, while China's GDP in the first half of 2022 was 8.68 trillion U.S. dollars. Therefore, the GDP has dropped instead. In the first half of 2023, corporate income tax revenue decreased by 5% year-on-year, personal income tax decreased by 1% year-on-year, consumption tax decreased by 13% year-on-year, and industrial profits fell sharply. In the future, our country's economic growth will still face enormous pressure.

Second, the structure of the external market may undergo major changes

Although the scale of our country's foreign trade import and export exceeded 20 trillion yuan for the first time in the first half of the year, a record high for the same period in history. If denominated in US dollars, our country's total import and export volume in the first half of 2023 was 2.92 trillion US dollars, a decrease of 4.7%; of which exports were 1.66 trillion US dollars, a decrease of 3.2%, and imports were 1.25 trillion US dollars, a decrease of 6.7%. In the future, with the continued high interest rate environment of the Federal Reserve, declining demand and the acceleration of the process of de-sinicization, the export growth rate may further decrease. Although our country's exports to the "Belt and Road" and parts of Africa have grown significantly, exports to emerging markets may be difficult to offset the decline in exports to developed countries, and the pressure on export growth in the second half of the year is still not small. Coupled with the high base in the same period last year, the export pressure is relatively high in the near future, and the problem of overcapacity may become more serious.

Management Discussion and Analysis

Third, domestic market constraints may be further strengthened

During the three years of the epidemic, the income of Chinese residents has been greatly affected. Residents' disposable income has dropped from a year-on-year growth rate of about 8% before the epidemic to 3.9% in 2022, and residents' spending power has been constrained. The growth rate of some residents' assets will drop from 10.1% in 2019 to 2.4% in 2022. Young people, as the main force of social consumption, should attach great importance to the problem of declining consumption driving force. In the first half of 2023, the national surveyed urban unemployment rate averaged 5.3%, and the surveyed unemployment rate of 16-24 labour force in 2023 was as high as 21.3%. In the future, the task of enhancing residents' consumption capacity and expanding domestic demand is still arduous.

Fourth, the growth rate of investment in fixed assets has declined and efficiency has decreased

In the first half of 2023, the annual growth rate of national fixed asset investment was 3.8%, which continued to hit a new low since 2021. The year-on-year growth rate fell from 5.1% in January-March to 3.8% in January-June. The deficit ratio and special debt arrangements in 2023 are higher than last year, with a new deficit of RMB510 billion and special debts of RMB150 billion, but the growth rate of infrastructure investment has dropped from more than 20% before 2018 to the current level of within 10%. In 2022, about 4 trillion incremental funds will flow into infrastructure, 2.5 trillion in special bonds, 740 billion in policy development financial instruments, and RMB800 billion in new policy development bank infrastructure loans. 8% growth in infrastructure investment in the narrow sense. It shows that our country's traditional infrastructure projects have been basically saturated, and the new infrastructure has not been able to continue, resulting in a significant reduction in the efficiency of infrastructure investment.

Fifth, monetary policy has not fully achieved the desired effect

At the end of June 2023, China's M2 balance was RMB287.30 trillion, an increase of nearly RMB30 trillion year-on-year, and an increase of RMB21 trillion from the beginning of the year. However, China's GDP in the first half of the year increased by RMB3 trillion, that is to say, RMB21 trillion of liquidity has only brought about RMB3 trillion of GDP growth. The central bank continues to lower the interest rates and reserve requirements. While the growth rate of money is much faster than the growth rate of the economy, funds are idling in the financial system, and the role of monetary policy in promoting the economy has weakened.

Sixth, the problem of local and corporate debt is still prominent

The current local debt problem is still prominent. According to estimates, by the end of 2022, only five provinces and cities across the country have a leverage ratio of less than 60%, which is at a stable level. Other provinces and cities are all at a high or very high level of debt. Since the end of 2022, although some real estate companies have completed credit debt or overseas debt restructuring, delaying debt repayment pressure, there are still a large number of distressed real estate companies that have not yet completed debt restructuring, and the debt repayment pressure is relatively high.

Seventh, changes in the export pattern have led to the restructuring of the industrial chain

Since the second half of 2022, while the growth rate of our country's exports has slowed down, foreign direct investment has also dropped significantly. According to data from the State Administration of Foreign Exchange, foreign direct investment will drop by more than 70% in the second half of 2022, and it will drop by 5.6% year-on-year from January to May this year. At the same time, since the second half of last year, the trend of "de-sinicization" of trade and investment in European and American countries has accelerated, and the trade structure and industrial chain pattern are changing. In 2023, the share of China's exports to the United States declined rapidly. In the first half of this year, our country's export volume to the United States was surpassed by Mexico and Canada, and it lost its position as the largest source of imports to the United States for the first time in 15 years. Since 2010, the share of China's exports to ASEAN has risen rapidly, and has surpassed the United States and the European Union to become China's largest export destination, from 8.8% in 2010 to 12.2% in 2015, and then 15.8% by 2022. Especially in the first five months of this year, the share of China's exports to ASEAN further increased to 16.2%, while the share of exports to the EU, the United States and Japan dropped to 15.4%, 14.3% and 4.8% during the same period. As developed markets such as the United States and Europe still lead the development of high-end industries and are still high-profit markets, in the short term, the rapid growth of China-ASEAN trade will still support China's exports due to the investment layout of domestic enterprises in Southeast Asia and the impact of "entrepot trade". The relocation of the industrial chain may further weaken the competitiveness of China's direct export products, while threatening the downgrade of domestic industries and directly affecting the completeness and stability of China's industrial system.

Against the above background, the Group's original port service and logistics service businesses, which are highly dependent on foreign trade, will continue to be under overall pressure. In order to cope with various unfavorable factors, the Group will focus on promoting the following work in the future:

1) *Restart supply chain operations in due course*

In order to cope with the complicated international environment, China has proposed a new economic development pattern in the past, from the "international cycle" to "the domestic cycle as the main body, and the domestic and international dual cycles promoting each other". Especially under the background that international demand continues to weaken and foreign trade growth is sluggish and likely to decline, domestic infrastructure construction and real estate development have become effective means of economic stimulus. Therefore, the supply chain business which mainly based on building materials of sand and gravel is likely to usher in new opportunities in the future. The Group will pay close attention to this market and restart the supply chain operation business in due course.

2) *Stabilize intra-port service business*

In order to reduce the risk of market fluctuations, after communicating with the two largest port operators in Xiamen, the Group has signed a three-year cooperation agreement with them to achieve a stable intra-port service business; in addition, the construction of the new terminal in Quanzhou Shihu Port Area and Wuhan Yangluo Port Area will be basically completed and accepted in 2023, and will enter a period of business growth, hoping to bring new growth to the Group's intra-port service business.

In short, through the above key aspects of work, the Group strives to achieve the goal of narrowing the decline in revenue and efficiency in 2023 compared with the first half of 2023.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the six months ended 30 June 2023)

	Note	Six months ended 30 June 2023 RMB'000 (unaudited)	Six months ended 30 June 2022 RMB'000 (unaudited)
Revenue	5	**77,377**	132,174
Cost of sales		**(57,707)**	(105,930)
Gross profit		**19,670**	26,244
Other income	5	**589**	624
Other operating expenses		**(1,397)**	(601)
Administrative expenses		**(15,108)**	(15,496)
Impairment losses on trade receivables, net		**(320)**	(151)
Profit from operations		**3,434**	10,620
Finance costs	6(a)	**(131)**	(372)
Profit before taxation	6	**3,303**	10,248
Income tax	7	**(2,460)**	(3,593)
Profit for the period		**843**	6,655
Other comprehensive income/(loss) for the period, net of nil income tax			
Items that will not be reclassified to profit or loss:			
Exchange difference on translation from functional currency to presentation currency		**1,490**	(167)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of operations outside the PRC		**(431)**	(477)
Other comprehensive income/(loss) for the period		**1,059**	(644)
Total comprehensive income for the period		**1,902**	6,011
Profit for the period attributable to:			
Equity shareholders of the Company		**1,096**	6,635
Non-controlling interests		**(253)**	20
		843	6,655
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		**2,155**	5,991
Non-controlling interests		**(253)**	20
		1,902	6,011
		RMB cents	RMB cents
Earnings per share:			
Basic and diluted	9	**0.09**	0.66

The accompanying notes form an integral part of this interim financial report.

Consolidated Statement of Financial Position

(As at 30 June 2023)

	Note	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10(a)&(b)	**29,553**	33,316
Intangible assets		**38**	47
		29,591	33,363
Current assets			
Inventories		**3,966**	4,484
Trade and other receivables	11	**122,092**	126,288
Cash and cash equivalents		**55,870**	28,220
		181,928	158,992
Current liabilities			
Trade and other payables	12	**17,546**	20,011
Bank loans	13	**—**	8,000
Lease liabilities		**410**	401
Income tax payable		**1,947**	1,536
		19,903	29,948
Net current assets		**162,025**	129,044
Total assets less current liabilities		**191,616**	162,407
Non-current liabilities			
Lease liabilities		**646**	856
Net assets		**190,970**	161,551
Capital and reserves			
Share capital	14	**10,428**	8,708
Reserves		**178,875**	150,923
Total equity attributable to equity shareholders of the Company		**189,303**	159,631
Non-controlling interests		**1,667**	1,920
Total equity		**190,970**	161,551

The interim financial report was approved and authorised for issue by the board of directors of the Company on 25 August 2023 and was signed on the Company's behalf by:

Cheng Youguo
Director

Qiu Changwu
Director

The accompanying notes form an integral part of this interim financial report.

Consolidated Statement of Changes in Equity

(For the six months ended 30 June 2023)

	Attributable to equity shareholders of the Company								
		Reserves							
	Share capital	Statutory surplus reserve	Share premium	Other reserve	Retained profits	Translation reserve	Total reserves	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 (audited)	8,708	17,581	57,425	(3,492)	68,382	700	140,596	2,053	151,357
Profit for the period	—	—	—	—	6,635	—	6,635	20	6,655
Other comprehensive income	—	—	—	—	—	(644)	(644)	—	(644)
Total comprehensive income for the period	—	—	—	—	6,635	(644)	5,991	20	6,011
Appropriation to statutory surplus reserve	—	66	—	—	(66)	—	—	—	—
At 30 June 2022 (unaudited)	8,708	17,647	57,425	(3,492)	74,951	56	146,587	2,073	157,368
At 1 January 2023 (audited)	**8,708**	**17,581**	**57,425**	**(3,492)**	**78,599**	**810**	**150,923**	**1,920**	**161,551**
Profit/(loss) for the period	**—**	**—**	**—**	**—**	**1,096**	**—**	**1,096**	**(253)**	**843**
Other comprehensive loss	**—**	**—**	**—**	**—**	**—**	**1,059**	**1,059**	**—**	**1,059**
Total comprehensive income/(loss) for the period	**—**	**—**	**—**	**—**	**1,096**	**1,059**	**2,155**	**(253)**	**1,902**
Issue of shares upon placing	**1,720**	**—**	**25,797**	**—**	**—**	**—**	**25,797**	**—**	**27,517**
At 30 June 2023 (unaudited)	**10,428**	**17,581**	**83,222**	**(3,492)**	**79,695**	**1,869**	**178,875**	**(1,667)**	**190,970**

The accompanying notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

(For the six months ended 30 June 2023)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Operating activities		
Cash generated from operations	**9,415**	4,745
Income tax paid — PRC Tax	**(2,049)**	(3,892)
Net cash generated from operating activities	**7,366**	853
Investing activities		
Payment for the purchase of property, plant and equipment	**(236)**	(5,230)
Other cash flow arising from investing activities	**276**	36
Net cash generated from/(used in) investing activities	**40**	(5,194)
Financing activities		
Proceeds from new bank loan	**—**	3,800
Repayment of bank loan	**(8,000)**	(3,000)
Capital element of lease rentals paid	**(201)**	(1,995)
Interest element of lease rentals paid	**(27)**	(160)
Net proceeds from issue of shares under placing	**27,517**	—
Other cash flow used in financing activities	**(104)**	(212)
Net cash generated from/(used in) financing activities	**19,185**	(1,567)
Net increase/(decrease) in cash and cash equivalents	**26,591**	(5,908)
Cash and cash equivalents at 1 January	**28,220**	23,819
Effect of foreign exchange rates changes, net	**1,059**	(644)
Cash and cash equivalents at 30 June	**55,870**	17,267

The accompanying notes form an integral part of this interim financial report.

Notes to the Unaudited Interim Financial Statements

(For the six months ended 30 June 2023)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 September 2015 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidation and revised) of the Cayman Islands. The addresses of the Company's registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite No. 2, 3rd Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong respectively.

The Company was successfully transferred its listing from GEM to the Main Board of The Stock Exchange of Hong Kong Limited on 6 September 2019.

The functional currency of the Company and its subsidiaries in Hong Kong and its subsidiaries in the People's Republic of China ("PRC") are Hong Kong dollars ("HK$") and Renminbi ("RMB") respectively. The consolidated financial statements is presented in RMB as in the opinion of the directors of the Company, it presents more relevant information to the management who monitors the performance and financial position of the Group based on RMB.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 25 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The interim financial report is unaudited, but has been reviewed by the Company's audit committee.

3. CHANGES IN ACCOUNTING POLICIES

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

– HKFRS 17, Insurance Contracts
– Amendments to HKAS 8, Definition of Accounting Estimates
– Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
– Amendments to HKAS 12, International Tax Reform – Pillar Two Model Rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

None of these impact on the accounting policies of the Group.

4. SEGMENT REPORTING

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the directors of the Company who are also directors of all operating subsidiaries) (the "CODM"), for the purpose of resource allocation and performance assessment and focus on type of services performed and types of goods delivered. The CODM regularly review revenue and results analysis of the Group by the reportable operating segments below:

— Import and export agency services
— Container and stone blocks road freight forwarding services
— Intra-port ancillary services
— Intra-port container transportation services
— Trading of building materials and automobile accessories and provision of disinfection services

No segment assets and liabilities are presented as the information is not regularly reported to the CODM for the purpose of resource allocation and assessment of performance.

In addition to receiving segment information concerning segment results, the CODM is provided with segment information concerning inter-segment sales, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, impairment losses, gain on disposal of property, plant and equipment and additions to non-current assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

4. SEGMENT REPORTING (Continued)

(a) Segment revenue and results

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2023 and 2022 are set out below:

For the six months ended 30 June 2023 (unaudited)

	Import and export agency services RMB'000	Container and stone blocks road freight forwarding services RMB'000	Intra-port ancillary services RMB'000	Intra-port container transportation services RMB'000	Trading of building materials and automobile accessories and provision of disinfection services RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition						
– Point in time	3,068	8,402	25,107	37,418	3,382	77,377
– Over time	—	—	—	—	—	—
Revenue from external customers	3,068	8,402	25,107	37,418	3,382	77,377
Inter-segment revenue	—	—	—	—	2,291	2,291
Reportable segment revenue	3,068	8,402	25,107	37,418	5,673	79,668
Reconciliation:						
Elimination of inter-segment revenue						(2,291)
Consolidated revenue (notes 5)						77,377
Results						
Segment results	1,597	(528)	11,048	7,302	251	19,670
Other income						589
Other operating expenses						(1,397)
Administrative expenses						(15,108)
Impairment losses on trade receivables, net						(320)
Finance costs						(131)
Consolidated profit before taxation						3,303

4. SEGMENT REPORTING (Continued)

(a) Segment revenue and results (Continued)

For the six months ended 30 June 2022 (unaudited)

	Import and export agency services RMB'000	Container and stone blocks road freight forwarding services RMB'000	Intra-port ancillary services RMB'000	Intra-port container transportation services RMB'000	Trading of building materials and automobile accessories and provision of disinfection services RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition						
– Point in time	15,920	13,758	30,470	38,740	33,286	132,174
– Over time	—	—	—	—	—	—
Revenue from external customers	15,920	13,758	30,470	38,740	33,286	132,174
Inter-segment revenue	—	—	—	26	2,565	2,591
Reportable segment revenue	15,920	13,758	30,470	38,766	35,851	134,765
Reconciliation:						
Elimination of inter-segment revenue						(2,591)
Consolidated revenue (notes 5)						132,174
Results						
Segment results	1,150	96	13,784	7,996	3,218	26,244
Other income						624
Other operating expenses						(601)
Administrative expenses						(15,496)
Impairment losses on trade receivables, net						(151)
Finance costs						(372)
Consolidated profit before taxation						10,248

The accounting policies of the operating segments are the same as the Group's accounting policies. Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Segment results represent profit earned from each segment without allocation of other income, other operating expenses, administrative expenses, impairment losses on trade receivables and finance costs. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment.

4. SEGMENT REPORTING (Continued)

(b) Other segment information

For the six months ended 30 June 2023 (unaudited)

	Import and export agency services RMB'000	Container and stone blocks road freight forwarding services RMB'000	Intra-port ancillary services RMB'000	Intra-port container transportation services RMB'000	Trading of building materials and automobile accessories and provision of disinfection services RMB'000	Unallocated RMB'000	Total RMB'000
Addition to non-current assets	—	5	—	74	157	—	236
Amortisation	—	5	—	—	4	—	9
Interest income from bank deposit	—	101	—	13	43	—	157
Interest expenses	—	27	—	104	—	—	131
Depreciation	—	1,079	—	1,807	918	—	3,804
Gain on disposal of property, plant and equipment	—	31	—	37	—	—	68
Impairment losses on trade receivables, net	—	—	—	320	—	—	320

4. SEGMENT REPORTING (Continued)

(b) Other segment information (Continued)

For the six months ended 30 June 2022 (unaudited)

	Import and export agency services RMB'000	Container and stone blocks road freight forwarding services RMB'000	Intra-port ancillary services RMB'000	Intra-port container transportation services RMB'000	Trading of building materials and automobile accessories and provision of disinfection services RMB'000	Unallocated RMB'000	Total RMB'000
Addition to non-current assets	—	662	—	6,063	101	—	6,826
Amortisation	—	5	—	—	4	—	9
Interest income from bank deposit	—	9	—	16	11	—	36
Interest expenses	—	36	—	212	124	—	372
Depreciation	—	1,657	—	1,481	786	—	3,924
Loss on written off of property, plant and equipment	—	—	—	30	—	—	30
Impairment losses on trade receivables, net	—	—	—	151	—	—	151

(c) Major customers

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Customer A (note i)	**42,147**	55,065
Customer B (note i)	**17,525**	23,932
Customer C (note ii)	**N/A***	16,725

Notes:

(i) Revenue from import and export agency services, container and stone blocks road freight forwarding services, intra-port ancillary services and intra-port container transportation services.

(ii) Revenue from trading of building materials and automobile accessories and provision of disinfection services.

Revenues from each of the above customers A to C, including sales to a group of entities which are known to be under common control with these customers, accounted for 10 percent or more of the Group's revenue for the six months ended 30 June 2023 and 2022 respectively.

* The corresponding revenue did not accounted for 10 percent or more of the Group's revenue for the six months ended 30 June 2023.

4. SEGMENT REPORTING (Continued)

(d) Geographical information

An analysis of the Group's revenue from external customers and non-current assets by geographical location has not been presented as the Group's operating activities are all carried out in the PRC (the place of domicile of the Group). An analysis of the Group's financial performance of its business activities carried out in the PRC is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	**77,377**	132,174
Cost of sales	**(57,707)**	(105,930)
Gross profit	**19,670**	26,244
Other income	**589**	624
Other operating expenses	**(1,397)**	(601)
Administrative expenses	**(12,913)**	(13,820)
Impairment losses on trade receivables, net	**(320)**	(151)
Profit from operations	**5,629**	12,296
Finance costs	**(131)**	(372)
Profit before taxation from business activities in the PRC	**5,498**	11,924

Reconciliation between profit before taxation from business activities in the PRC and profit before taxation in the consolidated statement of profit and loss and other comprehensive income is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Profit before taxation from business activities in the PRC	**5,498**	11,924
Administrative expenses outside the PRC	**(2,355)**	(1,676)
Profit before taxation	**3,143**	10,248

5. REVENUE AND OTHER INCOME

The principal activities of the Group are provision of import and export agency services, container and stone blocks road freight forwarding services, intra-port ancillary services, intra-port container transportation services, trading of building materials and automobile accessories and provision of disinfection services.

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:		
Import and export agency services income	**3,068**	15,920
Container and stone blocks road freight forwarding services income	**8,402**	13,758
Intra-port ancillary services income	**25,107**	30,470
Intra-port container transportation services income	**37,418**	38,740
Trading of building materials and automobile accessories and provision of disinfection services	**3,382**	33,286
Total revenue	**77,377**	132,174
Interest income on financial assets measured at amortised costs — bank interest income	**157**	36
Gain on disposal of property, plant and equipment	**68**	—
Government grants	**113**	526
Rental income	**155**	—
Sundry income	**96**	62
Total other income	**589**	624

6. PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on bank loans and overdraft	**104**	212
Interest on lease liabilities	**27**	160
Total interest expense on financial liabilities not at fair value through profit or loss	**131**	372

(b) Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, wages and other benefits	**39,568**	45,131
Retirement benefit scheme contributions	**5,669**	4,354
Staff welfare	**122**	90
	45,359	49,575

6. PROFIT BEFORE TAXATION (Continued)

(c) Other items

	Six months ended 30 June	
	2023 **RMB'000** **(unaudited)**	2022 RMB'000 (unaudited)
Amortisation of intangible assets	**10**	9
Cost of inventories	**15,644**	41,900
Depreciation		
— owned property, plant and equipment	**3,804**	3,621
— right-of-use assets	**144**	303
Gain on disposal of property, plant and equipment	**(68)**	—
Loss on written off of property, plant and equipment	**—**	30
Net foreign exchange gain	**(161)**	(161)

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2023 **RMB'000** **(unaudited)**	2022 RMB'000 (unaudited)
Current tax — PRC Enterprise Income Tax (the "EIT")		
Provision for the period	**2,460**	3,593

Notes:

(i) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(ii) No provision for Hong Kong Profits Tax had been made as the Group did not generate any assessable profits arising in or derived from Hong Kong during the reporting periods.

(iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(iv) Provision for the EIT during the reporting periods was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws and regulations applicable to the subsidiaries operated in the PRC.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except for four subsidiaries (six months ended 30 June 2022: four subsidiaries) which are qualified as Small Low-Profit Enterprises in the PRC and entitle to a concessionary tax rate of 5% (2022: 2.5%).

8. DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2023 and 2022, nor has any dividend been proposed since the end of the reporting period.

9. EARNINGS PER SHARE

a) Basic Earnings Per Share

The calculation of the basic earnings per share attributable to equity shareholders of the Company is based on the following data:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to equity shareholders of the Company for the purpose of basic earnings per share	**1,096**	6,635

	Six months ended 30 June	
	2023	2022
	Number of shares	Number of shares
	(unaudited)	(unaudited)
Ordinary shares (basic)		
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 January	**1,000,000,000**	1,000,000,000
Effect of shares issued under placing	**200,000,000**	—
Weighted average number of ordinary shares	**1,200,000,000**	1,000,000,000

b) Diluted Earnings Per Share

There were no dilutive potential ordinary shares in issue during both periods, and diluted earnings per share is the same as basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

a) Acquisitions and disposals of owned assets

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with costs of approximately RMB236,000 (six months ended 30 June 2022: approximately RMB6,826,000).

Items of property, plant and equipment with net carrying amount of approximately RMB51,000 were disposed during the six months ended 30 June 2023 (six months ended 30 June 2022: written off of approximately RMB30,000), resulting in gain on disposal of approximately RMB68,000 (six months ended 30 June 2022: loss on written off of approximately RMB30,000).

b) Right-of-use assets

During the six months ended 30 June 2023, the Group recognised no additions to right-of-use assets (six months ended 30 June 2022: Nil).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Trade receivables	**111,397**	119,012
Bills receivables	**777**	3,977
Total trade and bills receivables	**112,174**	122,989
Less: Provision for impairment allowance	**(19,495)**	(19,175)
	92,679	103,814
Deposits	**2,346**	3,005
Prepayments	**26,142**	18,192
Other receivables	**909**	1,170
Other tax recoverable	**16**	107
	29,413	22,474
	122,092	126,288

11. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

a) The aging analysis of trade and bills receivables based on the date of revenue recognition and net of loss allowance is as follows:

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
0 - 30 days	**9,056**	21,372
31 - 60 days	**6,980**	5,138
61 - 90 days	**4,416**	4,056
91 - 180 days	**7,443**	12,789
181 - 360 days	**13,158**	27,260
Over 360 days	**51,626**	33,199
	92,679	103,814

b) Provision for impairment allowance

The Group measures loss allowances for trade receivables individually or at an amount equal to lifetime expected credit losses ("ECLs") which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases. The customer bases consist of the following groups:

Group 1: Customers from the operating segments of: Import and export agency services, Container and stone blocks road freight forwarding services
Group 2: Customers from the operating segments of: Intra-port ancillary services, Intra-port container transportation services
Group 3: Customers from the operating segments of: Trading of building materials and automobile accessories and provision of disinfection services

11. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

b) Provision for impairment allowance (Continued)

Trade receivables of RMB47,059,000 (At 31 December 2022: RMB54,917,000) are assessed based on provision matrix within lifetime ECLs.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	At 30 June 2023 (unaudited)			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Group 1 customers				
— Current (not past due)	0.99%	5,277	52	5,225
— 1 to 30 days past due	1.53%	868	13	855
— 31 to 90 days past due	3.27%	681	22	659
— 91 to 180 days past due	8.92%	6,334	565	5,769
— 181 to 360 days past due	22.11%	140	31	109
— Over 360 days past due	N/A	—	—	—
		13,300	683	12,617
Group 2 customers				
— Current (not past due)	0.99%	10,910	108	10,802
— 1 to 30 days past due	1.53%	3,628	56	3,572
— 31 to 90 days past due	3.27%	1,111	36	1,075
— 91 to 180 days past due	N/A	—	—	—
— 181 to 360 days past due	N/A	—	—	—
— Over 360 days past due	N/A	—	—	—
		15,649	200	15,449
Group 3 customers				
— Current (not past due)	0.99%	440	4	436
— 1 to 30 days past due	1.53%	9	—	9
— 31 to 90 days past due	3.27%	5	—	5
— 91 to 180 days past due	36.04%	831	299	532
— 181 to 360 days past due	22.11%	792	175	617
— Over 360 days past due	100.00%	16,033	16,033	—
		18,110	16,511	1,599
Individual impairment assessment	3.27%	64,338	2,101	62,237
		111,397	19,495	91,902

11. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

b) Provision for impairment allowance (Continued)

	At 31 December 2022 (audited)			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Group 1 customers				
— Current (not past due)	0.99%	8,962	89	8,873
— 1 to 30 days past due	1.53%	1,720	27	1,693
— 31 to 90 days past due	3.27%	4,822	158	4,664
— 91 to 180 days past due	N/A	—	—	—
— 181 to 360 days past due	N/A	—	—	—
— Over 360 days past due	100.00%	140	140	—
		15,644	414	15,230
Group 2 customers				
— Current (not past due)	0.99%	12,385	122	12,263
— 1 to 30 days past due	N/A	—	—	—
— 31 to 90 days past due	3.27%	498	16	482
— 91 to 180 days past due	N/A	—	—	—
— 181 to 360 days past due	22.11%	506	112	394
— Over 360 days past due	N/A	—	—	—
		13,389	250	13,139
Group 3 customers				
— Current (not past due)	0.97%	3,093	30	3,063
— 1 to 30 days past due	1.52%	1,514	23	1,491
— 31 to 90 days past due	3.24%	1,852	60	1,792
— 91 to 180 days past due	41.24%	2,592	1,069	1,523
— 181 to 360 days past due	51.46%	3,253	1,674	1,579
— Over 360 days past due	100.00%	13,580	13,580	—
		25,884	16,436	9,448
Individual impairment assessment	3.24%	64,095	2,075	62,020
		119,012	19,175	99,837

12. TRADE AND OTHER PAYABLES

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Trade payables (note a)	**4,648**	6,489
Accruals and other payables	**4,884**	4,164
Salary payables	**6,800**	8,024
Financial liabilities measured at amortised cost	**16,332**	18,677
Other tax payables	**681**	843
Contract liabilities – Billings in advance of performance	**533**	491
	17,546	20,011

Note:

a) The aging analysis of trade payables presented based on invoice date as at the end of the reporting period is as follows:

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
0 - 60 days	**3,944**	3,110
61 - 90 days	**261**	559
91 - 180 days	**392**	1,027
Over 180 days	**51**	1,793
	4,648	6,489

13. BANK LOAN MOVEMENT

	Currency	Nominal interest rate	Year of maturity	Principal RMB'000	Carrying amount RMB'000
Balance at 1 January 2023 (audited)					8,000
Repayments					
Secured bank loan	RMB	4.90%	2023	8,000	(8,000)
Balance at 30 June 2023 (unaudited)					—

14. SHARE CAPITAL

	Par value HK$	Number of shares	Amount HK$
Authorised ordinary shares			
At 1 January 2022, 30 June 2022, 1 July 2022, 31 December 2022, 1 January 2023 and 30 June 2023 (unaudited)	0.01	4,000,000,000	40,000,000

	Par value HK$	Number of shares	Amount HK$	Amount RMB
Issued and fully paid, ordinary shares				
At 1 January 2022, 30 June 2022, 1 July 2022, 31 December 2022 and 1 January 2023	0.01	1,000,000,000	10,000,000	8,708,098
Issue of shares under placing (note a)	0.01	200,000,000	2,000,000	1,719,780
At 30 June 2023 (unaudited)	0.01	1,200,000,000	12,000,000	10,427,878

Note:

a) Placing of shares

On 3 February 2023, a total of 200,000,000 placing shares have been successfully placed to not less than six placees at the placing price of HK$0.16 per placing share pursuant to the term and conditions of the placing agreement. The net proceeds arising from the placing amounted to HK$31,300,000 (gross proceeds of HK$32,000,000 less expenses of HK$700,000).

15. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the unaudited interim financial statements, the Group has entered into the following transactions with related parties:

(a) Key management personal remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors, is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term employee benefits and bonuses	**776**	734
Post-employment benefits	**36**	33
	812	767

(b) Indemnity

At 30 June 2023 and 31 December 2022, Mr. Cheng Youguo, the director of the Company has provided indemnities with respect to any possible social insurance claimed against the Group for the period up to 31 December 2017 in the future.

Other Information

Interim Dividend

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2023 (30 June 2022: Nil).

Purchase, Sale or Redemption of the Company's Shares

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of shares of the Company.

Securities Transactions by Directors

The Group has adopted the Model Code for Securities Transaction by Directors of the Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. The Group has made specific enquiries of all the Directors and the Directors have confirmed that they have been complying with the required standard of dealings and the related code of conduct regarding Director's securities transactions. As far as the Group is aware, the Directors and employees of the Group have not breached the requirements of the Model Code.

Directors' and Chief Executives' Interests in Shares

As at 30 June 2023, the Directors and their associates had the following interests or short positions in shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Positions of the Shares of the Company

Substantial Shareholder	**Capacity/Nature of interest**	**Number of Shares held** (Note 1)	**Percentage of interests in our Company** (Note 2)
Mr. Cheng Youguo (Note 3)	Interest in a controlled corporation	562,500,000 Shares (L)	46.88%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. As at 30 June 2023, the Company had 1,200,000,000 Shares in issue.

3. Shares in which Mr. Cheng Youguo is interested consist of 562,500,000 shares held by Glory Fame Venture Limited, a company wholly owned by Mr. Cheng, in which Mr. Cheng is deemed to be interested under the SFO.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2023, the interests and short positions of substantial shareholders and other persons (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company which would fall to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long Positions of the Shares of the Company

Substantial Shareholder	**Capacity/Nature of interest**	**Number of Shares held** (Note 1)	**Percentage of interests in our Company** (Note 2)
Glory Fame Venture Limited (Note 2)	Beneficial owner	562,500,000 shares	46.88%
Ms. Huang Meili (Note 2 & 3)	Interest of spouse	562,500,000 shares	46.88%

Notes:

1. As at 30 June 2023, the Company had 1,200,000,000 Shares in issue.

2. Glory Fame Venture Limited is wholly owned by Mr. Cheng Youguo.

3. Ms. Huang Meil is the spouse of Mr. Cheng Youguo. Under the SFO, Ms. Huang is deemed to be interested in 562,500,000 shares in which Mr. Cheng is interested.

Save as disclosed herein, our Directors are not aware of any person who, as at 30 June 2023, has an interest or short position in the shares or underlying shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

For the six months ended 30 June 2023, the Company or any of its subsidiaries had not entered into any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

None of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party as at 30 June 2023.

Other Information

COMPETING INTERESTS

For the six months ended 30 June 2023, the Directors are not aware of any business or interest of each Director, controlling shareholder, management shareholder and their respective associates (as defined in Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

COMPLIANCE WITH PRACTICES ON CORPORATE GOVERNANCE CODE

The Directors consider that for the six months ended 30 June 2023, the Company has adopted the principles and complied with all the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

Pursuant to Rule 3.21 of the Listing Rules, the Company has established an audit committee ("Audit Committee"), which operates under terms of reference approved by the Board. It is the Board's responsibility to ensure that an effective internal control and risk management structure is in place within the Company, including internal controls and risk management to deal with the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial factors such as the benchmarking of key operational performance indicators. The Board has delegated the responsibility for the initial establishment and the maintenance of a structure of internal controls and risk management and ethical standards for the Group's management to the Audit Committee. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Cheng Siu Shan, Mr. Ho Kee Cheung and Ms. Li Zhao. Mr. Cheng Siu Shan is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2023.

By Order of the Board
XiangXing International Holding Limited
Cheng Youguo
Chairman

Hong Kong, 25 August 2023

As at the date of this report, the Executive Directors are Mr. Cheng Youguo and Mr. Qiu Changwu; and the Independent Non-executive Directors are Mr. Ho Kee Cheung, Mr. Cheng Siu Shan and Ms. Li Zhao.