The following is the text of a report on LC Logistics, Inc., prepared for the purpose of incorporation in this document received from the reporting accountants of our Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LC LOGISTICS, INC., CITIC SECURITIES (HONG KONG) LIMITED AND ABCI CAPITAL LIMITED

Introduction

We report on the historical financial information of LC Logistics, Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-87, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2020, 2021 and 2022 and 30 April 2023 and the statements of financial position of the Company as at 31 December 2022 and 30 April 2023, and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-86 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2020, 2021 and 2022 and 30 April 2023, and of the Company as at 31 December 2022 and 30 April 2023, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the four months ended 30 April 2022 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[●]
Certified Public Accountants
Hong Kong

[**REDACTED**]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Four months ended 30 April	
	Notes	**2020**	**2021**	**2022**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
REVENUE	*5*	781,524	4,195,393	4,607,929	2,011,085	453,795
Cost of sales		(717,738)	(3,738,556)	(4,062,629)	(1,752,118)	(340,058)
GROSS PROFIT		63,786	456,837	545,300	258,967	113,737
Other income and gains, net	*5*	9,819	23,731	9,507	2,994	3,345
Selling and distribution expenses		(9,839)	(14,686)	(18,608)	(5,905)	(5,812)
Administrative expenses		(28,914)	(49,816)	(87,141)	(17,218)	(19,827)
Other expenses		(84)	(4,154)	(3,396)	(2,783)	(762)
Finance costs	*7*	(3,809)	(8,033)	(4,827)	(1,947)	(2,165)
Impairment losses on assets held for sale		–	–	(36,450)	–	–
Impairment losses on financial assets		(1,135)	(2,116)	(8,843)	(147)	(5,560)
Share of profits and losses of associates		281	5,960	(159)	(53)	(11)
PROFIT BEFORE TAX	*6*	30,105	407,723	395,383	233,908	82,945
Income tax (expense)/credit	*10*	(2,565)	(15,685)	(9,076)	(5,591)	1,045
PROFIT FOR THE YEAR/PERIOD		27,540	392,038	386,307	228,317	83,990
Attributable to:						
Owners of the parent		25,521	384,085	380,944	223,597	83,012
Non-controlling interests		2,019	7,953	5,363	4,720	978
		27,540	392,038	386,307	228,317	83,990
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted	*12*	N/A	N/A	N/A	N/A	N/A

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2020	2021	2022	Four months ended 30 April 2022	2023
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
PROFIT FOR THE YEAR/PERIOD		27,540	392,038	386,307	228,317	83,990
OTHER COMPREHENSIVE (LOSS)/INCOME						
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Exchange differences:						
Exchange differences on translation of foreign operations		(4,352)	(5,466)	85,920	19,940	(2,857)
		(4,352)	(5,466)	85,920	19,940	(2,857)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		(4,352)	(5,466)	85,920	19,940	(2,857)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:						
Equity investments designated at fair value through other comprehensive income:						
Changes in fair value		–	–	141	–	846
Income tax effect		–	–	(35)	–	(212)
		–	–	106	–	634
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		–	–	106	–	634
OTHER COMPREHENSIVE (LOSS)/INCOME FOR YEAR/PERIOD, NET OF TAX		(4,352)	(5,466)	86,026	19,940	(2,223)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		23,188	386,572	472,333	248,257	81,767
Attributable to:						
Owners of the parent		21,320	378,677	466,055	243,325	80,813
Non-controlling interests		1,868	7,895	6,278	4,932	954
		23,188	386,572	472,333	248,257	81,767

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2020	31 December 2021	31 December 2022	30 April 2023
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Prepayments and other receivables	*22*	128	9,820	377,181	572,405
Property, plant and equipment	*13*	115,996	260,421	400,338	387,705
Right-of-use assets	*14*	4,076	4,504	8,028	9,905
Goodwill	*15*	8,572	8,572	8,572	8,572
Intangible assets	*16*	2,831	2,248	2,127	2,030
Investments in associates	*17*	6,355	3,416	181	170
Equity investments designated at fair value through other comprehensive income	*18*	–	2,250	2,391	3,237
Deferred tax assets	*28*	2,632	2,809	3,010	5,407
Total non-current assets		140,590	294,040	801,828	989,431
CURRENT ASSETS					
Inventories	*19*	3,327	17,039	6,598	3,187
Assets held for sale	*20*	–	–	86,557	80,815
Trade receivables	*21*	117,312	311,287	149,140	119,445
Due from related parties	*36*	205	122	631	157
Prepayments and other receivables	*22*	14,458	317,792	49,276	39,941
Income tax recoverable		–	–	118	41
Financial assets at fair value through profit or loss	*23*	–	3,300	6,368	14,390
Cash and bank balances	*24*	50,669	190,006	339,991	152,615
Total current assets		185,971	839,546	638,679	410,591
CURRENT LIABILITIES					
Trade payables	*25*	143,613	453,118	336,390	260,268
Other payables and accruals	*26*	23,768	83,373	126,793	91,649
Due to related parties	*36*	297	3,097	9,711	–
Interest-bearing bank and other borrowings	*27*	30,625	67,097	27,514	26,629
Tax payable		3,592	16,567	1,263	2,285
Lease liabilities	*14*	2,845	2,915	3,399	4,345
Total current liabilities		204,740	626,167	505,070	385,176
NET CURRENT (LIABILITIES)/ASSETS		(18,769)	213,379	133,609	25,415
TOTAL ASSETS LESS CURRENT LIABILITIES		121,821	507,419	935,437	1,014,846
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings		13,528	22,943	39,416	36,196
Lease liabilities		1,585	2,116	4,590	5,054
Deferred tax liabilities		–	395	252	303
Total non-current liabilities		15,113	25,454	44,258	41,553
NET ASSETS		106,708	481,965	891,179	973,293

	Notes	31 December 2020	31 December 2021	31 December 2022	30 April 2023
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
EQUITY					
Equity attributable to owners of the parent					
Share capital	*29*	–	–	29	29
Reserves	*30*	99,020	475,973	878,880	959,693
		99,020	475,973	878,909	959,722
Non-controlling interests		7,688	5,992	12,270	13,571
TOTAL EQUITY		106,708	481,965	891,179	973,293

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to ordinary equity holders of the parent									
	Issued capital *RMB'000* *Note 29*	Share premium account *RMB'000*	Capital reserve *RMB'000* *Note 30(a)*	Fair value reserve of financial assets at fair value through other comprehensive income *RMB'000* *Note 30(b)*	Statutory surplus reserve *RMB'000* *Note 30(c)*	Exchange fluctuation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2020	–	–	46,295	(184)	30	3,162	28,397	77,700	4,594	82,294
Profit for the year	–	–	–	–	–	–	25,521	25,521	2,019	27,540
Other comprehensive loss for the year:										
Exchange differences on translation of foreign operations	–	–	–	–	–	(4,201)	–	(4,201)	(151)	(4,352)
Total comprehensive income for the year	–	–	–	–	–	(4,201)	25,521	21,320	1,868	23,188
Acquisition of a subsidiary that is not a business	–	–	–	–	–	–	–	–	1,226	1,226
At 31 December 2020 and 1 January 2021	–	–	46,295	(184)	30	(1,039)	53,918	99,020	7,688	106,708
Profit for the year	–	–	–	–	–	–	384,085	384,085	7,953	392,038
Other comprehensive loss for the year:										
Exchange differences on translation of foreign operations	–	–	–	–	–	(5,408)	–	(5,408)	(58)	(5,466)
Total comprehensive income for the year	–	–	–	–	–	(5,408)	384,085	378,677	7,895	386,572

	Attributable to ordinary equity holders of the parent									
	Issued capital *RMB'000* *Note 29*	**Share premium account** *RMB'000*	**Capital reserve** *RMB'000* *Note 30(a)*	**Fair value reserve of financial assets at fair value through other comprehensive income** *RMB'000* *Note 30(b)*	**Statutory surplus reserve** *RMB'000* *Note 30(c)*	**Exchange fluctuation reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
Acquisition of non-controlling interests	–	–	(1,724)	–	–	–	–	(1,724)	(3,897)	(5,621)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	(5,694)	(5,694)
Appropriations to statutory surplus reserve	–	–	–	–	1,410	–	(1,410)	–	–	–
At 31 December 2021 and 1 January 2022	–	–	44,571	(184)	1,440	(6,447)	436,593	475,973	5,992	481,965
Profit for the year	–	–	–	–	–	–	380,944	380,944	5,363	386,307
Other comprehensive income for the year:										
Changes in fair value of equity investments at fair value through other comprehensive income	–	–	–	105	–	–	–	105	1	106
Exchange differences on translation of foreign operations	–	–	–	–	–	85,006	–	85,006	914	85,920
Total comprehensive income for the year	–	–	–	105	–	85,006	380,944	466,055	6,278	472,333
Issue of shares	29	8,390	–	–	–	–	–	8,419	–	8,419
Deemed distribution arising from the reorganisation*	–	–	(71,538)	–	–	–	–	(71,538)	–	(71,538)
Appropriations to statutory surplus reserve	–	–	–	–	714	–	(714)	–	–	–
At 31 December 2022	29	8,390	(26,967)	(79)	2,154	78,559	816,823	878,909	12,270	891,179

	Attributable to ordinary equity holders of the parent									
	Issued capital	**Share premium account**	**Capital reserve**	**Fair value reserve of financial assets at fair value through other comprehensive income**	**Statutory surplus reserve**	**Exchange fluctuation reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 29		*Note 30(a)*	*Note 30(b)*	*Note 30(c)*					
At 31 December 2021 and 1 January 2022	–	–	44,571	(184)	1,440	(6,447)	436,593	475,973	5,992	481,965
Profit for the period	–	–	–	–	–	–	223,597	223,597	4,720	228,317
Other comprehensive income for the period:										
Changes in fair value of equity investments at fair value through other comprehensive income	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	–	–	19,728	–	19,728	212	19,940
Total comprehensive income for the period	–	–	–	–	–	19,728	223,597	243,325	4,932	248,257
At 30 April 2022 (Unaudited)	–	–	44,571	(184)	1,440	13,281	660,190	719,298	10,924	730,222

	Attributable to ordinary equity holders of the parent									
	Issued capital	Share premium account	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 29		*Note 30(a)*	*Note 30(b)*	*Note 30(c)*					
At 31 December 2022 and 1 January 2023	29	8,390	(26,967)	(79)	2,154	78,559	816,823	878,909	12,270	891,179
Profit for the period	–	–	–	–	–	–	83,012	83,012	978	83,990
Other comprehensive income for the period:										
Changes in fair value of equity investments at fair value through other comprehensive income	–	–	–	627	–	–	–	627	7	634
Exchange differences on translation of foreign operations	–	–	–	–	–	(2,826)	–	(2,826)	(31)	(2,857)
Total comprehensive income for the period	–	–	–	627	–	(2,826)	83,012	80,813	954	81,767
Capital contribution from a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	347	347
At 30 April 2023	29	8,390	(26,967)	548	2,154	75,733	899,835	959,722	13,571	973,293

* These consideration of RMB71,538,000 paid by the Group to acquire the shipping business from the then shareholders of the subsidiaries now comprising the Group which is treated as deemed distribution and is recognised as a deduction of capital reserve.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Four months ended 30 April	
	Notes	**2020**	**2021**	**2022**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		30,105	407,723	395,383	233,908	82,945
Adjustments for:						
Finance costs	*7*	3,809	8,033	4,827	1,947	2,165
Interest income	*5*	(889)	(177)	(2,081)	(1,434)	(90)
Share of profits and losses of associates	*17*	(281)	(5,960)	159	53	11
(Gains)/losses on disposal of property, plant and equipment	*6*	(7,834)	(18,442)	2,816	(1,294)	750
Gain on disposal of a subsidiary	*5*	–	(1,724)	–	–	–
Fair value losses/(gains) on financial assets at fair value through profit or loss		–	–	232	–	(316)
Gains on disposal of associates	*5*	(100)	(3,277)	–	–	–
Exchange (gain)/loss		(293)	811	1,424	705	257
Depreciation of property, plant and equipment	*6, 13*	6,056	26,986	34,566	8,214	12,465
Depreciation of right-of-use assets	*6, 14*	2,044	2,564	4,434	1,246	1,714
Amortisation of intangible assets	*6, 16*	913	642	375	147	130
Impairment of prepayments and other receivables	*6, 22*	44	921	(623)	(684)	341
Impairment of trade receivables	*6, 21*	1,091	1,195	9,466	830	5,219
Impairment of assets held for sale		–	–	36,450	–	–
		34,665	419,295	487,428	243,638	105,591
(Increase)/decrease in inventories		(972)	(13,712)	10,441	(27,785)	3,411
(Increase)/decrease in trade receivables		(16,935)	(212,834)	152,681	52,546	24,476
Decrease/(increase) in prepayments and other receivables		2,306	(69,975)	27,084	(46,645)	7,602
Increase/(decrease) in trade payables		28,766	326,677	(116,728)	(6,301)	(76,122)
Increase/(decrease) in other payables and accruals		1,485	58,220	47,237	(6,639)	(19,746)
Increase/(decrease) in amounts due to related parties		32	(31)	–	–	–
Increase in amounts due from related parties		–	–	–	–	(38)
Decrease/(increase) in restricted cash		850	(1)	1	1	–
Decrease in pledged deposits		200	–	–	–	–
Cash generated from operations		50,397	507,639	608,144	208,815	45,174
Interest received	*5*	889	177	2,081	1,434	62
Tax paid		(378)	(2,873)	(24,878)	(4,000)	(414)
Net cash flows from operating activities		50,908	504,943	585,347	206,249	44,822

	Notes	Year ended 31 December 2020 RMB'000	2021 RMB'000	2022 RMB'000	Four months ended 30 April 2022 RMB'000 (Unaudited)	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(45,353)	(695,949)	(620,521)	(30,719)	(213,845)
Purchases of intangible assets	16	–	(59)	(254)	(240)	(33)
Acquisition of a subsidiary that is not a business		(5,213)	–	–	–	–
Disposal of items of property, plant and equipment, and assets held for sale		25,866	298,444	277,593	197,987	11,016
Disposal of a subsidiary		–	(2,510)	–	–	–
Investment in an associate		(8,591)	–	–	–	–
Advances to related parties		(7,449)	(9,388)	(512)	–	–
Repayment of advances to related parties	36	7,262	9,471	3	–	512
Disposal of financial assets at fair value through profit or loss		1,800	–	–	–	–
Purchases of financial assets at fair value through profit or loss		–	(7,400)	(3,300)	–	(7,678)
Disposal of investments in associates		100	12,176	–	–	–
Net cash flows (used in)/from investing activities		(31,578)	(395,215)	(346,991)	167,028	(210,028)
CASH FLOWS FROM FINANCING ACTIVITIES						
Deemed distribution arising from the reorganisation		–	–	(61,827)	–	(9,711)
Issue of shares		–	–	8,419	–	–
Capital contribution from a non-controlling shareholder of a subsidiary		–	–	–	–	347
Acquisition of non-controlling interests		–	(5,621)	–	–	–
Proceeds from interest-bearing bank and other borrowings		28,880	118,116	52,345	3,000	3,000
Repayment of interest-bearing bank and other borrowings		(26,303)	(72,229)	(95,135)	(20,855)	(8,148)
Interest paid		(3,431)	(7,599)	(4,372)	(1,750)	(877)
Increase in restricted cash		–	–	–	–	(4,936)
Principal portion of lease payments	14	(2,281)	(3,096)	(5,454)	(1,464)	(2,426)
Advances from related parties	36	12,781	8,795	90	1	–
Repayment of advances from related parties	36	(12,928)	(5,964)	(3,187)	–	–
Net cash flows (used in)/from financing activities		(3,282)	32,402	(109,121)	(21,068)	(22,751)

	Notes	Year ended 31 December 2020 RMB'000	2021 RMB'000	2022 RMB'000	Four months ended 30 April 2022 RMB'000 (Unaudited)	2023 RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		16,048	142,130	129,235	352,209	(187,957)
Cash and cash equivalents at beginning of year/period		32,147	50,669	190,005	190,005	339,991
Effect of foreign exchange rate changes, net		2,474	(2,794)	20,751	16,495	(4,355)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		50,669	190,005	339,991	558,709	147,679
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*24*	50,669	190,006	339,991	558,709	152,615
Less: Restricted cash	*24*	–	1	–	–	4,936
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS		50,669	190,005	339,991	558,709	147,679

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	**31 December 2022** *RMB'000*	**30 April 2023** *RMB'000*
NON-CURRENT ASSETS			
Investments in subsidiaries	*40*	8,390	8,390
Total non-current assets		8,390	8,390
CURRENT ASSETS			
Prepayments and other receivables		29	29
Cash and bank balances		–	4
Total current assets		29	33
CURRENT LIABILITIES			
Other payables and accruals		–	277
Total current liabilities		–	277
NET ASSETS		8,419	8,146
EQUITY			
Share capital	*29*	29	29
Reserves		8,390	8,117
TOTAL EQUITY		8,419	8,146

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 27 July 2022. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were principally engaged in the provision of integrated cross-border logistics services and other services.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the Document. Apart from the Reorganization, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct or indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have characteristics substantially similar to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	*Notes*	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company	Principal activities
Directly held:					
(樂艙物流國際有限公司) LC Logistics International Co., Limited ("LC (BVI)")	*(3)*	BVI 5 August 2022	USD50,000	100%	Investment holding
PCW Investment Limited ("PCW Investment")	*(3)*	BVI 29 June 2022	USD50,000	100%	Investment holding
Indirectly held:					
(樂艙控股(香港)有限公司) LC Holdings (Hong Kong) Co., Limited ("LC (HK)")	*(3)*	Hong Kong 18 August 2022	HKD1	100%	Investment holding
PCW (Hong Kong) International Limited ("PCW (HK)")	*(3)*	Hong Kong 14 July 2022	HKD1	100%	Investment holding
樂艙(青島)物流供應鏈有限公司 Lcang (Qingdao) Logistics Supply Chain Co., Ltd. ("Lcang (Qingdao)")**	*(3)*	PRC/Mainland China 8 October 2022	RMB5,000,000	100%	Investment holding
山東樂艙企業管理服務有限公司 Shandong Lcang Enterprise Management Service Co., Ltd. ("Lcang Enterprise Management")	*(3)*	PRC/Mainland China 31 May 2022	RMB86,000,000	100%	Investment holding
山東樂艙網國際物流股份有限公司 Shandong Lcang International Logistics Inc. Corp. Ltd ("Shandong Lcang")*	*(9)*	PRC/Mainland China 16 November 2004	RMB42,618,000	99%	Provision of cross-border logistics services
上海涵運網絡科技有限責任公司 Shanghai Hanyun Network Technology Co., Ltd. ("Shanghai Hanyun")*	*(1)*	PRC/Mainland China 23 March 2015	RMB20,000,000	99%	Provision of cross-border logistics services
寧波博亞國際物流有限公司 Ningbo Boya International Logistics Co., Ltd. ("Ningbo Boya")*	*(1)*	PRC/Mainland China 11 January 2017	RMB5,000,000	99%	Provision of cross-border logistics services
博亞集團控股(香港)有限公司 BURNGROUP HOLDING CO., LIMITED ("Burngroup Holding")*	*(6)*	Hong Kong 3 June 2015	USD2,800,000	99%	Investment holding
海南洋浦星洋國際海運有限公司 Hainan Yangpu Xingyang International Shipping Co., Ltd. ("Hainan Yangpu Xingyang")*	*(1)*	PRC/Mainland China 21 September 2020	RMB20,000,000	99%	Not yet commenced operation
深圳樂艙國際物流有限公司 Shenzhen Lcang International Logistics Co., Ltd. ("Shenzhen Lcang International Logistics")*	*(2)*	PRC/Mainland China 23 June 2021	RMB5,000,000	99%	Provision of cross-border logistics services

Name	*Notes*	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company	Principal activities
Indirectly held:					
上海絲金國際運輸有限公司 Shanghai Sijin Int'l Transport Co., Ltd. ("Shanghai Sijin")*	*(7)*	PRC/Mainland China 8 January 1996	RMB7,470,000	74%	Provision of cross-border logistics services
青島萬豪國際船舶管理有限公司 Qingdao Wanhao International Ship Management Co., Ltd. ("Qingdao Wanhao")*	*(1)*	PRC/Mainland China 15 April 2019	RMB6,000,000	50%	Provision of vessel management and other service
博安航運有限公司 BOAN SHIPPING ENTERPRISE CO., LIMITED ("Boan Shipping")*	*(5)*	Hong Kong 17 December 2018	HKD10,000	99%	Vessel chartering
深圳樂艙跨境供應鏈科技有限公司 Shenzhen Lcang Cross Border Supply Chain Technology Co., Ltd. ("Shenzhen Lcang Cross Border Supply Chain")*	*(3)*	PRC/Mainland China 10 May 2022	RMB5,000,000	99%	Provision of cross-border logistics and e-commerce services
海南融倉供應鏈有限公司 Hainan Rongcang Supply Chain Co., Ltd. ("Hainan Rongcang")*	*(3)*	PRC/Mainland China 24 April 2022	RMB1,000,000	99%	Not yet commenced operation
寶星航運有限公司 BAL STAR SHIPPING CO., LIMITED ("BAL Star")*	*(5)*	Hong Kong 22 January 2018	USD20,000,000	99%	Vessel chartering
樂艙航運有限公司 LECANG SHIPPING. ENTERPRISE CO., LIMITED ("Lecang Shipping")*	*(5)*	Hong Kong 22 January 2018	HKD10,000	99%	Vessel chartering
上海樂易物流有限公司 Shanghai Leyi Logistics Co., Ltd. ("Shanghai Leyi")*	*(1)*	PRC/Mainland China 10 October 2020	RMB2,000,000	99%	Road cargo transportation
青島博亞國際物流有限公司 Qingdao Boya International Logistics Co., Ltd. ("Qingdao Boya")*	*(1)*	PRC/Mainland China 30 March 2018	USD800,000	99%	Provision of cross-border logistics services
博亞青島航運有限公司 BAL QINGDAO SHIPPING ENTERPRISE CO., LIMITED ("BAL Qingdao")*	*(5)*	Hong Kong 20 December 2019	HKD10,000	99%	Vessel chartering business
博亞(上海)航運有限公司 BAL SHANGHAI SHIPPING ENTERPRISE CO., LIMITED ("BAL Shanghai")*	*(1)*	Hong Kong 16 October 2019	HKD1	99%	Vessel operation and chartering
博亞國際海運有限公司 BAL CONTAINER LINE CO., LIMITED ("BAL Container Line")*	*(8)*	Hong Kong 14 August 2012	HKD1	99%	Provision of cross-border transportation services
張家港樂昶網絡科技有限公司 Zhangjiagang Lechang Network Technology Co., Ltd. ("Zhangjiagang Lechang")*	*(2)*	PRC/Mainland China 4 February 2021	RMB2,000,000	99%	Not yet commenced operation
廈門樂艙國際物流有限公司 Xiamen Lcang International Logistics Co., Ltd. ("Xiamen Lcang")*	*(3)*	PRC/Mainland China 27 April 2022	RMB5,000,000	99%	Provision of cross-border logistics services
BAL (USA) SHIPPING INC. ("BAL USA Shipping")*	*(2)*	USA 19 July 2021	USD100,000	99%	Provision of customer service in the U.S.
博亞(新加坡)航運有限公司 BAL (SINGAPORE) SHIPPING PTE. LTD. ("BAL Singapore")*	*(2)*	Singapore 6 July 2021	SGD10,000	99%	Investment holding
博亞海南航運有限公司 BAL HAINAN SHIPPING CO., LIMITED ("BAL Hainan")*	*(2)*	Hong Kong 27 May 2021	USD630,000	99%	Not yet commenced operation
上海融倉供應鏈有限公司 Shanghai Rongcang Supply Chain Co., Ltd. ("Shanghai Rongcang")*	*(3)*	PRC/Mainland China 19 April 2018	RMB10,000,000	99%	Not yet commenced operation
BAL (AUSTRALIA) SHIPPING PTY LTD ("BAL Australia")*	*(3)*	Australia 11 August 2022	AUD100	99%	Not yet commenced operation
BAL USA LOGISTIC INC. ("BAL USA Logistic")*	*(3)*	USA 7 July 2022	USD100,000	99%	Provision of agency services

Name	*Notes*	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company	Principal activities
Indirectly held:					
BAL (VIETNAM) SHIPPING COMPANY LIMITED ("BAL Vietnam")*	*(3)*	Vietnam 17 October 2022	VDN2,338,000,000	99%	Not yet commenced operation
LC WESTERN POST LOGISTIC INC ("LC Western")*	*(3)*	USA 26 October 2022	USD480,000	79%	Provision of warehousing services
博亞廣州航運有限公司 BAL GUANGZHOU SHIPPING CO., LIMITED ("BAL Guangzhou")	*(4)*	Hong Kong 15 March 2023	HKD10,000	99%	Not yet commenced operation
博亞山東航運有限公司 BAL SHANDONG SHIPPING CO., LIMITED ("BAL Shandong")	*(4)*	Hong Kong 15 March 2023	HKD10,000	99%	Not yet commenced operation

* These companies are subsidiaries of non-wholly-owned subsidiaries of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company having control over them.

** Lcang (Qingdao) is registered as a wholly-foreign-owned enterprise under PRC law.

(1) No audited financial statements have been prepared or issued for these entities for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 as these companies are not subject to any statutory audit requirements under the relevant rules and regulations.

(2) No audited financial statements have been prepared or issued for these entities for the years ended 31 December 2021 and 2022 and the four months ended 30 April 2023 as these companies are not subject to any statutory audit requirements under the relevant rules and regulations.

(3) No audited financial statements have been prepared or issued for these entities for the year ended 31 December 2022 and the four months ended 30 April 2023 as these companies are not subject to any statutory audit requirements under the relevant rules and regulations.

(4) No audited financial statements have been prepared or issued for these entities for the four months ended 30 April 2023 as these companies are not subject to any statutory audit requirements under the relevant rules and regulations.

(5) The statutory financial statements for the years ended 31 December 2020 and 2021 prepared under Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") were audited by SBC CPA LIMITED (駿業會計師事務所有限公司), certified public accountants registered in the Hong Kong. The statutory financial statement for the year ended 31 December 2022 prepared under HKFRS for Private Entities were audited by CHENG & CHENG CPA LIMITED (鄭鄭會計師事務所有限公司), certified public accountants registered in the Hong Kong. No audited financial statements have been prepared or issued for these entities for the four months ended 30 April 2023 as these companies are not subject to any statutory audit requirements under the relevant rules and regulations.

(6) No audited financial statements have been prepared and issued for the entity for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 as the company is not subject to any statutory audit requirements under the relevant rules and regulations.

(7) No audited financial statements have been prepared and issued for the entity for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 as the company is not subject to any statutory audit requirements under the relevant rules and regulations.

(8) The statutory financial statement for the year ended 31 December 2020 prepared under HKFRS for Private Entities were audited by SBC CPA LIMITED (駿業會計師事務所有限公司), certified public accountants registered in the Hong Kong. The statutory financial statements for the year ended 31 December 2021 and 2022 prepared under HKFRS for Private Entities were audited by CHENG & CHENG CPA LIMITED (鄭鄭會計師

事務所有限公司), certified public accountants registered in the Hong Kong. No audited financial statements have been prepared or issued for these entities for the four months ended 30 April 2023 as these companies are not subject to any statutory audit requirements under the relevant rules and regulations.

(9) The consolidated financial statements for the year ended 31 December 2020 prepared under PRC GAAP were audited by Grant Thornton Certified Public Accountants LLP (致同會計師事務所). The consolidated financial statements for the year ended 31 December 2021 prepared under PRC GAAP were audited by Henan Zhaoyuan Certified Public Accountants (河南昭源會計師事務所). The consolidated financial statements for the year ended 31 December 2022 prepared under PRC GAAP were audited by Ernst & Young (安永華明會計師事務所(特殊普通合夥)上海分所).

The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganization, as more fully explained in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the Document, the Company became the holding company of the companies now comprising the Group on 19 October 2022. As the Reorganization mainly involved inserting new holding companies and has not resulted in any change of economic substance, the Historical Financial Information for the Relevant Periods has been presented as a continuation of the existing companies as if the Reorganisation had been completed at the beginning of the Relevant Periods.

The consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods include the results and cash flows of all companies now comprising the Group as if the current group structure had been in existence throughout the Relevant Periods. The consolidated statements of financial position of the Group as at 31 December 2020, 2021 and 2022 and 30 April 2023 include the consolidated assets and liabilities of all companies now comprising the Group as if the current group structure had been in existence as of the respective dates. No adjustments are made to reflect fair values or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries and/or businesses held by parties other than the Controlling Shareholders, and changes therein, prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRSs effective for the accounting period commencing from 1 January 2023, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVTPL") which have been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information. The list of IFRSs only includes those applicable to the Group.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[1,3]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[1]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*[4]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]

1. Effective for annual periods beginning on or after 1 January 2024

2. No mandatory effective date yet determined but available for adoption

3. As a consequence of 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024

4. Effective either immediately or for annual periods beginning on or after 1 January 2023 but it is not applicable for any interim periods before 31 December 2023

The Group is in the process of making an assessment of the impact of these revised IFRSs upon initial application. So far, it has concluded that the adoption of these standards will not have a material impact on the Group's financial position and financial performance.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

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

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

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss, the consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations not under common control and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial assets at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

1.	Containers	10%
2.	Container vessels	7% to 13%
3.	Motor vehicles	19% to 24%
4.	Furniture and fixtures	19% to 32%
5.	Electronic equipment	19% to 32%
6.	Decoration and improvements	29% to 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 5 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset as follows:

Leased office buildings	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g. a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Sale and leaseback transactions

The transfer of an asset by the Group does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset and the Group continue to recognise the transferred asset and recognise a financial liability equal to the proceeds of the transfer. The Group is accounted for the financial liability applying IFRS 9.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Equity investments designated at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss and the statement of comprehensive income. Dividends are recognised as other income in the statement of profit or loss and the statement of comprehensive income when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, due to related parties and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are calculated on a specific identification basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS15.

The following is a description of accounting policy for the revenue streams of the Group:

(a) Revenue from activities related to cross-border logistics services is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages as at the end of each of the Relevant Periods.

(b) Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

(c) *Other revenue*

Revenue from a time charter is recognised on the straight-line basis over the period of the charter.

(d) *Other income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when the payment is received or the payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss and other comprehensive income are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss and the statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The key judgements, estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2020, 2021 and 2022 and 30 April 2023, the carrying amounts of goodwill were RMB8,572,000, RMB8,572,000, and RMB8,572,000 and RMB8,572,000, respectively. Further details are given in note 15 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the Historical Financial Information.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Income tax

Significant management judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 28 to the Historical Financial Information.

Estimated useful lives and residual values of container vessels and containers

The Group's major operating assets are container vessels and containers. Management determines the estimated useful lives, residual values and related depreciation expenses for its container vessels and containers. Management estimates the useful lives of the container vessels and containers by reference to the Group's business model, its asset management policy, the industry practice, expected usage of the vessels, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the vessel market.

Management determines the estimated residual values for its container vessels and containers by reference to all relevant factors (including the use of the current scrap values of steel in an active market) at each measurement date. The depreciation expense will change where the useful lives or residual values of container vessels and containers are different from the previous estimates.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and only has one reportable operating segment. Management monitors the results of the Group's operating segments as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Greater China	711,121	4,030,172	4,236,275	1,858,924	346,617
Others	70,403	165,221	371,654	152,161	107,178
	781,524	4,195,393	4,607,929	2,011,085	453,795

The revenue information above is based on the outbound cargoes of each geographical territory.

(b) Non-current assets

The container vessels and containers (included in property, plant and equipment) are primarily utilised across geographical markets for shipment of cargoes around the world. Accordingly, it is impractical to present the locations of the container vessels and containers by geographical areas. Therefore, the container vessels, containers and vessels and containers under construction are presented as unallocated non-current assets.

Information about a major customer

Revenue from continuing operations of approximately nil, nil, RMB76,804,000, RMB40,353,000 (Unaudited) and RMB48,689,000 was derived from the time charter income segment to a single customer for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023, respectively.

5. REVENUE, OTHER INCOME AND GAINS

An analysis is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue from contracts with customers	746,074	4,088,077	4,389,175	1,970,732	346,617
Revenue from other sources					
Time charter income	35,450	107,316	218,754	40,353	107,178
	781,524	4,195,393	4,607,929	2,011,085	453,795

Revenue from contracts with customers

(i) Disaggregated revenue information

	Cross-border logistics services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
For the year ended 31 December 2020			
Types of goods or services			
Cross-border logistics services	743,475	–	743,475
Sale of goods	–	2,599	2,599
Total revenue from contracts with customers	743,475	2,599	746,074
Timing of revenue recognition			
Services transferred over time	743,475	–	743,475
Goods transferred at a point in time	–	2,599	2,599
Total revenue from contracts with customers	743,475	2,599	746,074
Geographical markets			
Greater China	691,071	2,599	693,670
Others	52,404	–	52,404
Total revenue from contracts with customers	743,475	2,599	746,074
For the year ended 31 December 2021			
Types of goods or services			
Cross-border logistics services	4,088,077	–	4,088,077
Total revenue from contracts with customers	4,088,077	–	4,088,077

	Cross-border logistics services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
Services transferred over time	4,088,077	–	4,088,077
Total revenue from contracts with customers	4,088,077	–	4,088,077
Geographical markets			
Greater China	4,010,271	–	4,010,271
Others	77,806	–	77,806
Total revenue from contracts with customers	4,088,077	–	4,088,077
For the year ended 31 December 2022			
Types of goods or services			
Cross-border logistics services	4,389,175	–	4,389,175
Total revenue from contracts with customers	4,389,175	–	4,389,175
Timing of revenue recognition			
Services transferred over time	4,389,175	–	4,389,175
Total revenue from contracts with customers	4,389,175	–	4,389,175
Geographical markets			
Greater China	4,140,022	–	4,140,022
Others	249,153	–	249,153
Total revenue from contracts with customers	4,389,175	–	4,389,175
For the four months ended 30 April 2022 (Unaudited)			
Types of goods or services			
Cross-border logistics services	1,970,732	–	1,970,732
Total revenue from contracts with customers	1,970,732	–	1,970,732
Timing of revenue recognition			
Services transferred over time	1,970,732	–	1,970,732
Total revenue from contracts with customers	1,970,732	–	1,970,732

	Cross-border logistics services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
Geographical markets			
Greater China	1,835,521	–	1,835,521
Others	135,211	–	135,211
Total revenue from contracts with customers	1,970,732	–	1,970,732
For the four months ended 30 April 2023			
Types of goods or services			
Cross-border logistics services	344,195	–	344,195
Sale of goods	–	2,422	2,422
Total revenue from contracts with customers	344,195	2,422	346,617
Timing of revenue recognition			
Services transferred over time	344,195	–	344,195
Goods transferred at a point in time	–	2,422	2,422
Total revenue from contracts with customers	344,195	2,422	346,617
Geographical markets			
Greater China	298,888	2,422	301,310
Others	45,307	–	45,307
Total revenue from contracts with customers	344,195	2,422	346,617

The following table shows the amounts of revenue recognised during the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue recognised that was included in contract liabilities at the beginning of the year/period:					
Cross-border logistics services	5,920	7,769	39,625	39,625	19,585

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Cross-border logistics services

The revenues from the operation of integrated cross-border logistics services business are recognised over time, which is determined on the time proportion of each individual vessel voyage completed at the end of the year/period.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023 are as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Amounts expected to be recognised as revenue:					
In one year:	7,769	39,625	19,585	29,387	9,164

All of the amounts of transaction prices allocated to the performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Other income and gains					
Gains on disposal of property, plant and equipment	7,834	18,442	–	1,294	–
Gain on disposal of a subsidiary	–	1,724	–	–	–
Government grants	410	81	571	245	84
Interest income	889	177	2,081	1,434	90
Foreign exchange gains	201	–	6,803	–	2,765
Gains on disposal of associates	100	3,277	–	–	–
Fair value gains on financial assets at fair value through profit or loss	–	–	–	–	316
Others	385	30	52	21	90
	9,819	23,731	9,507	2,994	3,345

6. PROFIT BEFORE TAX

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

		Year ended 31 December			Four months ended 30 April	
	Notes	**2020**	**2021**	**2022**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Cost of service provided		711,093	3,714,919	4,025,832	1,744,835	329,411
Cost of inventories sold		2,058	–	–	–	2,407
Depreciation of property, plant and equipment	*13*	6,056	26,986	34,566	8,214	12,465
Depreciation of right-of-use assets	*14(a)*	2,044	2,564	4,434	1,246	1,714
Amortisation of intangible assets	*16*	913	642	375	147	130
Impairment of assets held for sale		–	–	36,450	–	–
Impairment of financial assets, net						
– Trade receivables	*21*	1,091	1,195	9,466	830	5,219
– Other receivables	*22*	44	921	(623)	(684)	341
Fair value losses/(gains) on financial assets at fair value through profit or loss		–	–	232	–	(316)
Foreign exchange (gains)/losses		(201)	4,036	(6,803)	2,658	(2,765)
Interest income		(889)	(177)	(2,081)	(1,434)	(90)
(Gains)/losses on disposal of property, plant and equipment		(7,834)	(18,442)	2,816	(1,294)	750
Gain on disposal of a subsidiary		–	(1,724)	–	–	–
Gains on disposal of associates		(100)	(3,277)	–	–	–
[**REDACTED**]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expense (excluding directors' and chief executive's remuneration *(note 8)*):						
Wages, salaries and other allowances		18,754	35,464	51,525	16,733	15,725
Pension scheme contributions and social welfare		1,704	5,315	8,324	2,717	2,463
		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Interest on bank and other borrowings	3,431	7,599	4,372	1,750	1,920
Interest expense on lease liabilities *(note 14(b))*	378	434	455	197	245
	3,809	8,033	4,827	1,947	2,165

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Certain of the directors received remuneration from the subsidiaries now comprising the Group for their appointments as directors of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the subsidiaries is set out below:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Fees	–	100	150	51	51
Other emoluments:					
Salaries, allowances and benefits in kind	793	1,629	2,293	702	714
Performance-related bonuses	152	600	1,044	160	80
Pension scheme contributions and social welfare	62	167	218	70	72
	1,007	2,496	3,705	983	917

(a) Independent non-executive directors

Subsequent to the end of the Relevant Periods, Mr. Du Haibo, Mr. Gu Lin and Mr. Qi Yinliang were appointed as independent non-executive directors of the Company on August 23, 2023.

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Independent non-executive directors					
Mr. Du Haibo	–	50	50	17	17
Mr. Gu Lin	–	50	50	17	17
Mr. Qi Yinliang	–	–	50	17	17
	–	100	150	51	51

(b) Executive directors

2020

	Fees	**Salaries, allowances and benefits in kind**	**Performance-related bonuses**	**Pension scheme contributions and social welfare**	**Total remuneration**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Ms. Li Yan	–	299	32	25	356
Ms. Zhu Jiali	–	113	60	8	181
Mr. Yu Zhenrong	–	–	–	–	–
	–	412	92	33	537
Chief executive:					
Mr. Xu Xin	–	381	60	29	470
	–	793	152	62	1,007

2021

	Fees	**Salaries, allowances and benefits in kind**	**Performance-related bonuses**	**Pension scheme contributions and social welfare**	**Total remuneration**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Ms. Li Yan	–	721	200	58	979
Ms. Zhu Jiali	–	256	200	36	492
Mr. Yu Zhenrong	–	–	–	–	–
	–	977	400	94	1,471
Chief executive:					
Mr. Xu Xin	–	652	200	73	925
	–	1,629	600	167	2,396

2022

	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Ms. Li Yan	–	1,320	694	54	2,068
Ms. Zhu Jiali	–	360	180	38	578
Mr. Yu Zhenrong	–	–	–	–	–
	–	1,680	874	92	2,646
Chief executive:					
Mr. Xu Xin	–	613	170	126	909
	–	2,293	1,044	218	3,555

Four months ended 30 April 2022 (Unaudited)

	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Ms. Li Yan	–	441	100	16	557
Ms. Zhu Jiali	–	120	40	13	173
Mr. Yu Zhenrong	–	–	–	–	–
	–	561	140	29	730
Chief executive:					
Mr. Xu Xin	–	141	20	41	202
	–	702	160	70	932

Four months ended 30 April 2023

	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Ms. Li Yan	–	290	50	17	357
Ms. Zhu Jiali	–	122	–	13	135
Mr. Yu Zhenrong	–	–	–	–	–
	–	412	50	30	492
Chief executive:					
Mr. Xu Xin	–	302	30	42	374
	–	714	80	72	866

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023 included 3, 2, 2 and 2 and 2 directors, respectively. Details of directors' remuneration are set out in note 8 above. Details of the remuneration for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023 of the remaining 2, 3, 3 and 3 and 3 highest paid employees, respectively, who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	271	868	2,769	1,208	479
Performance-related bonuses	58	1,039	317	150	32
Pension scheme contributions and social welfare	92	178	224	75	97
	421	2,085	3,310	1,433	608

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	Number of employees	*Number of employees*	*Number of employees*	*Number of employees (Unaudited)*	*Number of employees*
Nil to HK$1,000,000	2	3	–	3	3
HK$1,000,001 to HK$1,500,000	–	–	3	–	–
Total	2	3	3	3	3

10. INCOME TAX

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.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

The Group's subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the Relevant Periods.

Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax ("CIT") with a tax rate of 25% for the Relevant Periods except for the following subsidiaries: Shanghai Hanyun, Ningbo Boya, Hainan Yangpu Xingyang, Zhangjiagang Lechang, Shanghai Bowei, Qingdao Boya, Qingdao Wanhao, Jiangsu Xinboya, Shanghai Sijin, Shenzhen Lcang Cross Border Supply Chain, Xiamen Lcang, Shanghai Rongcang and Shanghai Leyi. Shanghai Hanyun was accredited as a high and new technology enterprise ("HNTE") with a tax rate of 15%. Ningbo Boya, Hainan Yangpu Xingyang, Zhangjiagang Lechang, Shanghai Bowei, Qingdao Boya, Qingdao Wanhao, Jiangsu Xinboya, Shanghai Sijin, Shenzhen Lcang Cross Border Supply Chain, Xiamen Lcang, Shanghai Rongcang and Shanghai Leyi enjoy the preferential tax rate policy for small and micro enterprise and were entitled to a preferential tax rate of 20% during the Relevant Periods except for Ningbo Boya with a tax rate of 25% from 2021.

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current tax:					
Mainland China	611	11,684	8,598	5,383	692
Hong Kong	1,797	3,887	857	302	821
Deferred tax *(note 28)*	157	114	(379)	(94)	(2,558)
Total tax charge for the year/period	2,565	15,685	9,076	5,591	(1,045)

A reconciliation of tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective tax rate is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit before tax	30,105	407,723	395,383	233,908	82,945
Tax at the statutory tax rate	7,527	101,930	98,846	58,477	20,736
Effect of different tax rate applicable to subsidiaries	(2,821)	(30,720)	(30,940)	(18,126)	(7,679)
Expenses not deductible for tax	401	895	476	229	22
Income not subject to tax (a)	(2,501)	(56,463)	(59,424)	(35,025)	(14,443)
Tax losses and deductible temporary differences not recognised	4	28	78	23	316
Profits and losses attributable to associates	(45)	15	40	13	3
Tax charge at the Group's effective rate	2,565	15,685	9,076	5,591	(1,045)

(a) The Group's Hong Kong subsidiaries' shipping business profits were not derived from or arising from Hong Kong which were exempted from Hong Kong income tax and were reflected as income not subject to tax.

The share of tax attributable to associates amounted to RMB(45,000), RMB15,000, RMB40,000, RMB13,000 and RMB3,000 for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023, respectively. The share of tax is included in "Investment income in associates" in the consolidated statements of profit or loss and statements of comprehensive income.

11. DIVIDENDS

No dividends have been paid or declared by the Company since the date of incorporation.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Information about earnings per share is not presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful due to the Reorganisation and the basis of presentation of the Group for the Relevant Periods as disclosed in note 2.1 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

	Containers	Container vessels	Motor vehicles	Furniture and fixtures	Electronic equipment	Decoration and improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2020							
At 1 January 2020							
Cost	33,262	41,681	1,886	846	1,740	1,714	81,129
Accumulated depreciation	(11,075)	(1,577)	(1,158)	(597)	(1,439)	(296)	(16,142)
Exchange realignment	330	345	–	–	–	11	686
Net carrying amount	22,517	40,449	728	249	301	1,429	65,673
At 1 January 2020							
Additions	23,576	20,399	330	44	290	714	45,353
Acquisition of a subsidiary that is not a business	–	35,884	–	–	–	–	35,884
Disposals	(18,013)	–	–	(1)	(18)	–	(18,032)
Depreciation provided during the year *(note 6)*	(1,987)	(2,600)	(206)	(176)	(100)	(987)	(6,056)
Exchange realignment	(1,414)	(5,391)	–	–	–	(21)	(6,826)
At 31 December 2020							
Net of accumulated depreciation	24,679	88,741	852	116	473	1,135	115,996
At 31 December 2020							
Cost	38,825	97,964	2,216	889	2,012	2,428	144,334
Accumulated depreciation	(13,062)	(4,177)	(1,364)	(773)	(1,539)	(1,283)	(22,198)
Exchange realignment	(1,084)	(5,046)	–	–	–	(10)	(6,140)
Net carrying amount	24,679	88,741	852	116	473	1,135	115,996
31 December 2021							
At 1 January 2021							
Cost	38,825	97,964	2,216	889	2,012	2,428	144,334
Accumulated depreciation	(13,062)	(4,177)	(1,364)	(773)	(1,539)	(1,283)	(22,198)
Exchange realignment	(1,084)	(5,046)	–	–	–	(10)	(6,140)
Net carrying amount	24,679	88,741	852	116	473	1,135	115,996

	Containers	Container vessels	Motor vehicles	Furniture and fixtures	Electronic equipment	Decoration and improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021							
Additions	687,813	–	4,069	256	649	9,246	702,033
Disposal of a subsidiary	–	–	(1,242)	(5)	(48)	(130)	(1,425)
Disposals	(526,282)	(135)	(79)	(12)	(17)	–	(526,525)
Depreciation provided during the year *(note 6)*	(21,770)	(1,867)	(118)	(47)	(202)	(2,982)	(26,986)
Exchange realignment	(551)	(2,031)	–	–	–	(90)	(2,672)
At 31 December 2021							
Net of accumulated depreciation	163,889	84,708	3,482	308	855	7,179	260,421
At 31 December 2021							
Cost	200,356	97,829	6,206	1,133	2,644	11,674	319,842
Accumulated depreciation	(34,832)	(6,044)	(2,724)	(825)	(1,789)	(4,395)	(50,609)
Exchange realignment	(1,635)	(7,077)	–	–	–	(100)	(8,812)
Net carrying amount	163,889	84,708	3,482	308	855	7,179	260,421
31 December 2022							
At 1 January 2022							
Cost	200,356	97,829	6,206	1,133	2,644	11,674	319,842
Accumulated depreciation	(34,832)	(6,044)	(2,724)	(825)	(1,789)	(4,395)	(50,609)
Exchange realignment	(1,635)	(7,077)	–	–	–	(100)	(8,812)
Net carrying amount	163,889	84,708	3,482	308	855	7,179	260,421
At 1 January 2022							
Additions	298,136	–	2,773	929	508	9,868	312,214
Disposals	(36,522)	–	(186)	(8)	(12)	–	(36,728)
Transfer to assets held for sale *(note 20)*	(124,126)	–	–	–	–	–	(124,126)
Depreciation provided during the period *(note 6)*	(23,818)	(2,996)	(1,232)	(123)	(409)	(5,988)	(34,566)
Exchange realignment	15,109	7,825	–	–	–	189	23,123
At 31 December 2022							
Net of accumulated depreciation	292,668	89,537	4,837	1,106	942	11,248	400,338
At 31 December 2022							
Cost	325,009	97,829	8,793	2,054	3,140	21,542	458,367
Accumulated depreciation	(45,815)	(9,040)	(3,956)	(948)	(2,198)	(10,383)	(72,340)
Exchange realignment	13,474	748	–	–	–	89	14,311
Net carrying amount	292,668	89,537	4,837	1,106	942	11,248	400,338

	Containers	Container vessels	Motor vehicles	Furniture and fixtures	Electronic equipment	Decoration and improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 April 2023							
At 1 January 2023							
Cost	325,009	97,829	8,793	2,054	3,140	21,542	458,367
Accumulated depreciation	(45,815)	(9,040)	(3,956)	(948)	(2,198)	(10,383)	(72,340)
Exchange realignment	13,474	748	–	–	–	89	14,311
Net carrying amount	292,668	89,537	4,837	1,106	942	11,248	400,338
At 1 January 2023							
Additions	28	–	1,590	374	243	5,009	7,244
Disposals	(5,099)	–	(29)	–	–	–	(5,128)
Depreciation provided during the period *(note 6)*	(7,888)	(1,108)	(530)	(92)	(168)	(2,679)	(12,465)
Exchange realignment	(1,705)	(521)	–	–	–	(58)	(2,284)
At 30 April 2023							
Net of accumulated depreciation	278,004	87,908	5,868	1,388	1,017	13,520	387,705
At 30 April 2023							
Cost	319,938	97,829	10,354	2,428	3,383	26,551	460,483
Accumulated depreciation	(53,703)	(10,148)	(4,486)	(1,040)	(2,366)	(13,062)	(84,805)
Exchange realignment	11,769	227	–	–	–	31	12,027
Net carrying amount	278,004	87,908	5,868	1,388	1,017	13,520	387,705

As at 31 December 2022 and 30 April 2023, management of the Group assessed and identified there were indicators of impairment for long-lived assets mainly included property, plant and equipment, prepayments for the purchase of container vessels, and right-of-use assets, with a consideration of volatile market conditions. The recoverable amounts of the cash-generating units including such long-lived assets at the balance sheet days had been determined based on value in use calculations, using cash flow projections covering the corresponding operating periods. The discount rates applied to the cash flow projections were in a range from 12.5% to 14.7% and the long-term growth rates used were in a range from 2% to 2.3%. The discount rates used are before tax and reflect specific risks relating to the relevant units. In the opinion of the Company's directors, any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause each cash-generating unit's carrying amount to exceed its recoverable amount.

Based on the result of the assessments, the directors of the Group concluded that the recoverable amounts of the cash-generating units were higher than their carrying amounts and no impairment was recognized as at 31 December 2022, 30 April 2023 or during the Relevant Periods.

Certain of the Group's container vessels with a net carrying amount of approximately RMB49,166,000, RMB51,736,000, RMB33,955,000 and RMB33,468,000 were pledged to secure other borrowings granted to the Group as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively (note 34).

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, vessels and containers. Leases of buildings generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. Vessels and containers generally have lease terms of 12 months or less. The Group has elected not to recognise right-of-use assets on this short-term lease contract. There are no restrictions or covenants imposed.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during each of the Relevant Periods are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	4,076	4,076	4,504	8,028
Additions	2,044	3,435	7,958	3,591
Disposal of a subsidiary	–	(443)	–	–
Depreciation provided *(note 6)*	(2,044)	(2,564)	(4,434)	(1,714)
Carrying amount at the end of the year/period	4,076	4,504	8,028	9,905

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during each of the Relevant Periods are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	4,289	4,430	5,031	7,989
New leases	2,044	3,435	7,957	3,591
Disposal of a subsidiary	–	(172)	–	–
Accretion of interest recognised during the year/period	378	434	455	245
Payments	(2,281)	(3,096)	(5,454)	(2,426)
Carrying amount at the end of the year/period	4,430	5,031	7,989	9,399

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Current portion	2,845	2,915	3,399	4,345
Non-current portion	1,585	2,116	4,590	5,054

The maturity analysis of lease liabilities is disclosed in note 39 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest on lease liabilities	378	434	455	245
Depreciation charge of right-of-use assets	2,044	2,564	4,434	1,714
Expense relating to short-term leases (included in administrative expenses)	–	1,022,154	1,220,697	10,205
Total amount recognised in profit or loss	2,422	1,025,152	1,225,586	12,164

The total cash outflow for leases is disclosed in note 32(c) to the Historical Financial Information.

The Group as a lessor

The Group leases certain of its container vessels to third parties under operating lease arrangements. Leases for container vessels are negotiated for terms ranging from 1 month to 2 years.

The amounts of rental income recognised by the Group for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 were RMB35,450,000, RMB107,316,000, RMB218,754,000 and RMB107,168,000, respectively.

During the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	26,376	49,418	133,872	61,373
After one year but within two years	941	13,322	–	–
	27,317	62,740	133,872	61,373

As at 31 December 2022 and 30 April 2023, management of the Group assessed and identified there were indicators of impairment for long-lived assets mainly included property, plant and equipment, prepayments for the purchase of container vessels, and right-of-use assets, with a consideration of volatile market conditions. Details please refer to Note 13.

15. GOODWILL

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at the beginning of the year/period	8,572	8,572	8,572	8,572
Acquisition of a subsidiary	–	–	–	–
Cost and net carrying amount at the end of the year/period	8,572	8,572	8,572	8,572

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit for impairment testing:

Shanghai Sijin cash-generating unit

The recoverable amount of the Shanghai Sijin cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The discount rates applied to the cash flow projections are 14.3%, 14.6%, 14.7% and 14.7% for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, respectively. The growth rates used to extrapolate the cash flows beyond the five-year period are 3%, 2.3%, 2.3% and 2.3% as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively.

Management of the Group believes that any reasonably possible change in the key assumptions of the value-in-use calculation would not cause the carrying amount to exceed recoverable amount of the Shanghai Sijin cash-generating unit.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Carrying amount of goodwill			
	31 December			30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Shanghai Sijin	8,572	8,572	8,572	8,572

Assumptions were used in the value-in-use calculation of the Shanghai Sijin cash-generating unit during the Relevant Periods. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – Amounts of the budgeted sales are based on the historical data and management's expectation on the future market.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year.

Long-term growth rates – The basis used to determine the value assigned to the annual revenue growth rates is the annual revenue achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on the annual revenue growth rates of Shanghai Sijin and pre-tax discount rate are consistent with external information sources.

	31 December			30 April
	2020	2021	2022	2023
Long-term growth rates	3.0%	2.3%	2.3%	2.3%
Discount rates	14.3%	14.6%	14.7%	14.7%

Sensitivity to changes in key assumptions

The management of the Company has performed sensitivity test by decreasing 1% of long-term growth rates or increasing 1% of discount rates, with all other assumptions held constant. The impacts on the amount by which Shanghai Sijin cash-generating unit's recoverable amount above its carrying amount (headroom) are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Headroom	15,034	18,084	7,154	7,154
Impact by long-term growth rates	(2,021)	(2,087)	(1,595)	(1,595)
Impact by increasing discount rates	(3,241)	(3,383)	(2,593)	(2,593)

Considering there was still sufficient headroom based on the assessment, the management of the Company believes that a reasonably possible change in the above key parameters would not cause the carrying amount of Shanghai Sijin cash-generating unit to exceed its recoverable amount as at 31 December 2020, 2021 and 2022 and 30 April 2023.

The Goodwill had been tested for impairment as at 30 April 2023. The directors of the Company concluded there were no significant changes on the key assumptions adopted compared with those used when completing the impairment assessment of the Goodwill as at 31 December 2022 and were of the opinion that there was no impairment provision as at 30 April 2023.

16. INTANGIBLE ASSETS

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software				
At the beginning of the year/period:				
Cost	6,418	6,418	6,477	6,731
Accumulated amortisation	(2,674)	(3,587)	(4,229)	(4,604)
Net carrying amount	3,744	2,831	2,248	2,127
Carrying amount at the beginning of the year/period	3,744	2,831	2,248	2,127
Additions	–	59	254	33
Amortisation provided during the year/period *(note 6)*	(913)	(642)	(375)	(130)
Carrying amount at the end of the year/period	2,831	2,248	2,127	2,030
At the end of the year/period:				
Cost	6,418	6,477	6,731	6,764
Accumulated amortisation	(3,587)	(4,229)	(4,604)	(4,734)
Net carrying amount	2,831	2,248	2,127	2,030

17. INVESTMENTS IN ASSOCIATES

	31 December			30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	6,355	3,416	181	170

Particulars of the Group's associates are as follows:

31 December 2020

Name	Nominal value of registered share capital	Place of registration and business	Percentage of Ownership interest	Voting power	Profit sharing	Principal activities
上海融倉供應鏈有限公司 Shanghai Rongcang Supply Chain Co., Ltd. *(b)*	RMB10,000,000	PRC/Mainland China	40%	40%	40%	Not yet commenced operation
寶亮航運有限公司 BAL BRIGHT SHIPPING CO., LIMITED *(a)*	USD900,000	Hong Kong	45%	45%	45%	Vessel chartering services

31 December 2021

Name	Nominal value of registered share capital	Place of registration and business	Percentage of Ownership interest	Voting power	Profit sharing	Principal activities
上海融倉供應鏈有限公司 Shanghai Rongcang Supply Chain Co., Ltd. *(b)*	RMB10,000,000	PRC/Mainland China	40%	40%	40%	Not yet commenced operation
樂艙網國際物流(無錫)有限公司 Lecang International Logistics (Wuxi) Co., Ltd.	RMB5,000,000	PRC/Mainland China	40%	40%	40%	Provision of cross-border logistics services

31 December 2022

Name	Nominal value of registered share capital	Place of registration and business	Percentage of Ownership interest	Voting power	Profit sharing	Principal activities
樂艙網國際物流(無錫)有限公司 Lecang International Logistics (Wuxi) Co., Ltd.	RMB5,000,000	PRC/Mainland China	40%	40%	40%	Provision of cross-border logistics services

30 April 2023

Name	Nominal value of registered share capital	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
樂艙網國際物流(無錫)有限公司 Lecang International Logistics (Wuxi) Co., Ltd.	RMB5,000,000	PRC/Mainland China	40%	40%	40%	Provision of cross-border logistics services

(a) On 28 December 2021, the Company entered into an agreement with SKYFIELD DRAGON LTD to dispose of its 45% interest in BAL BRIGHT SHIPPING CO., LIMITED.

(b) On 27 July 2022, the Company acquired a 60% equity interest in Shanghai Rongcang Supply Chain Co., Ltd. from Ms. Wang Jianhua (王建華) at nil consideration for the purpose of group integration in order to expand the business. Shanghai Rongcang did not constitute a business as defined by IFRS 3 at the date of the acquisition. The transaction was accounted as an asset acquisition. The previously held interest in Shanghai Rongcang (40%) was remeasured at fair value and the difference between the fair value and the carrying amount amounting to RMB5,000 was recorded in profit or loss.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	31 December 2020	31 December 2021	31 December 2022	30 April 2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associate's profit for the year/period	281	5,960	(159)	(11)
Share of the associate's total comprehensive income	281	5,960	(159)	(11)
Aggregate carrying amount of the Group's investments in the associates	6,355	3,416	181	170

The Group's other receivable balances with associates are disclosed in note 36.

18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2020	31 December 2021	31 December 2022	30 April 2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
Unlisted equity investments, at fair value	–	2,250	2,391	3,237

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

19. INVENTORIES

	31 December			30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bunkers	–	15,919	4,403	997
Consumables and others	3,327	1,120	2,195	2,190
	3,327	17,039	6,598	3,187

20. ASSETS HELD FOR SALE

	31 December 2022	30 April 2023
	RMB'000	*RMB'000*
Carrying amount at the beginning of the year/period	–	86,557
Transferred from property, plant and equipment *(note 13)*	124,126	–
Disposals	–	(5,238)
Impairment losses recognised	(36,450)	–
Exchange realignment	(1,119)	(504)
At the end of the year/period	86,557	80,815

The movements in provision for impairment of assets held for sale are as follows:

	31 December 2022	30 April 2023
	RMB'000	*RMB'000*
At the beginning of the year/period	–	36,450
Disposals	–	(660)
Impairment losses recognised *(note 6)*	36,450	–
At the end of the year/period	36,450	35,790

In December 2022, the Group entered into an agreement pursuant to which the Group planned to sell the underlying 4,000 containers to an independent third-party buyer, before December 2023. The Group had classified the underlying assets as held for sale, as its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The assets for sale are measured at the lower of their carrying amounts and fair values less costs to sell. There was no disposal gain or loss on assets held for sale which were disposed of during the four months ended 30 April 2023.

21. TRADE RECEIVABLES

	31 December			30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	122,490	317,660	164,979	140,503
Impairment	(5,178)	(6,373)	(15,839)	(21,058)
	117,312	311,287	149,140	119,445

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 60 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of Relevant Periods, based on the invoice date, is as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	93,377	261,424	42,050	49,564
1 to 3 months	24,940	51,464	58,631	9,981
3 to 6 months	700	775	30,185	34,232
6 to 12 months	143	262	34,027	19,789
Over 1 year	3,330	3,735	86	26,937
	122,490	317,660	164,979	140,503

The movements in the loss allowance for impairment of trade receivables are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	4,087	5,178	6,373	15,839
Impairment losses, net *(note 6)*	1,091	1,195	9,466	5,219
At end of year/period	5,178	6,373	15,839	21,058

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2020

			Past due			
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**Over 1 year**	**Total**
Expected credit loss rate (%)	1.21	2.49	7.57	30.77	100	4.23
Gross carrying amount (RMB'000)	93,377	24,940	700	143	3,330	122,490
Expected credit losses (RMB'000)	1,130	621	53	44	3,330	5,178

31 December 2021

			Past due			
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**Over 1 year**	**Total**
Expected credit loss rate (%)	0.69	1.36	6.71	28.63	100	2.01
Gross carrying amount (RMB'000)	261,424	51,464	775	262	3,735	317,660
Expected credit losses (RMB'000)	1,810	701	52	75	3,735	6,373

31 December 2022

			Past due			
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**Over 1 year**	**Total**
Expected credit loss rate (%)	0.62	1.43	6.68	48.26	100	3.64
Gross carrying amount (RMB'000)	42,050	58,072	26,800	3,705	86	130,713
Expected credit losses (RMB'000)	261	828	1,790	1,788	86	4,753

30 April 2023

			Past due			
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**Over 1 year**	**Total**
Expected credit loss rate (%)	0.68	1.84	7.42	42.05	100	9.22
Gross carrying amount (RMB'000)	49,564	9,981	34,232	10,258	2,443	106,478
Expected credit losses (RMB'000)	338	184	2,540	4,314	2,443	9,819

During the year 2022 and the four months ended 30 April 2023, the Group recognised lifetime ECLs for trade receivables relating to a customer and measured the lifetime ECLs on a specific basis according to management's assessment of the recoverability of the individual receivable, with expected credit losses amount of RMB11,086,000 and RMB11,239,000, respectively.

22. PREPAYMENTS AND OTHER RECEIVABLES

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments (a)	3,834	50,126	406,543	587,272
Consideration receivables for disposal of containers	–	246,523	1,392	–
Deposits	6,364	16,579	9,145	9,617
Dividend receivable	–	835	835	835
Other tax recoverable	1,674	185	482	635
Consideration receivables	–	9,956	–	–
Others	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Impairment allowance	(551)	(1,472)	(849)	(1,190)
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Analysed into:				
Current portion	14,458	317,792	49,276	39,941
Non-current portion	128	9,820	377,181	572,405

(a) Prepayments are primarily prepayments for the purchase of vessels and are presented as non-current assets at 31 December 2022 and 30 April 2023.

As at 31 December 2022 and 30 April 2023, management of the Group assessed and identified there were indicators of impairment for long-lived assets mainly included property, plant and equipment, prepayments for the purchase of container vessels, and right-of-use assets, with a consideration of volatile market conditions. Details please refer to Note 13.

Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.

The movements in the loss allowance for impairment of other receivables and deposits are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	507	551	1,472	849
Impairment losses recognised/(reversed)	44	921	(623)	341
At end of year/period	551	1,472	849	1,190

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		31 December		30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments, at fair value	–	3,300	6,368	6,684
Wealth management products	–	–	–	7,706
	–	3,300	6,368	14,390

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

The wealth management products are issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. CASH AND BANK BALANCES

		31 December		30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	50,669	190,006	339,991	152,615
Less: Restricted cash	–	1	–	4,936
Cash and cash equivalents	50,669	190,005	339,991	147,679

As at 31 December 2021, the restricted cash was restricted due to temporary administration issues. As at 30 April 2023, the restricted cash was restricted mainly for the issuance of letters of credit.

		31 December		30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances:				
Denominated in RMB	25,274	10,281	45,495	6,716
Denominated in USD	25,395	179,724	294,495	145,845
Denominated in JPY	–	–	1	–
Denominated in EUR	–	–	–	52
Denominated in HKD	–	–	–	2
	50,669	190,005	339,991	152,615

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values at 31 December 2020, 2021 and 2022 and 30 April 2023.

25. TRADE PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	141,863	452,050	335,838	259,780
Over 1 year	1,750	1,068	552	488
	143,613	453,118	336,390	260,268

The trade payables are non-interest-bearing and are normally settled on the terms of 30 to 60 days.

26. OTHER PAYABLES AND ACCRUALS

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities (a)	7,769	39,265	19,585	9,164
Deposits	1,765	4,610	6,000	6,668
Payroll and welfare payables	3,398	11,795	11,615	7,537
Payables for purchase of container	–	6,084	45,432	34,053
Consideration payables	99	2,582	–	–
Other tax payables	69	1,005	405	360
Others	10,668	18,032	43,756	33,867
	23,768	83,373	126,793	91,649

Note:

(a) Details of contract liabilities are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Cross-border logistics services	7,769	39,265	19,585	9,164
Total contract liabilities	7,769	39,265	19,585	9,164

Contract liabilities include short-term advances payments received from the customers for the cross-border logistics services, which will be recognised as revenue as the performance obligation is satisfied with one year.

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2020			31 December 2021			31 December 2022			30 April 2023		
	Effective interest rate	Maturity		Effective interest rate	Maturity		Effective interest rate	Maturity		Effective interest rate	Maturity	
	(%)		*RMB'000*	*(%)*		*RMB'000*	*(%)*		*RMB'000*	*(%)*		*RMB'000*
Current												
Bank loans – secured	3.75-4.59	2021	12,000	3.65-3.85	2022	10,004	3.65-3.7	2023	10,000	3.65-3.7	2023-2024	10,000
Other loans – secured	–	–	–	8.00	2022	5,095	–	–	–	–	–	–
Current portion of other long-term loans – secured	10.00	2021	18,625	8.90-9.05	2022	51,998	11.81	2023	17,514	11.81	2023-2024	16,629
			30,625			67,097			27,514			26,629
Non-current												
Other loans – secured	10.00	2022	13,528	8.90-9.05	2023	22,943	11.81	2024	19,384	11.81	2024	15,997
Other loans – unsecured			–			–	4.35	2024	20,032	4.35	2024	20,199
			13,528			22,943			39,416			36,196
			44,153			90,040			66,930			62,825

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans and overdraft repayable:				
Within one year or on demand	12,000	10,004	10,000	10,000
Other borrowings repayable:				
Within one year	18,625	57,093	17,514	16,629
In the second year	13,528	22,943	39,416	36,196
	32,153	80,036	56,930	52,825
	44,153	90,040	66,930	62,825

Except for the borrowings in the amounts of RMB32,153,000, RMB80,036,000, RMB56,930,000 and RMB52,825,000 denominated in USD, the remaining borrowings of the Group were denominated in RMB as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively.

All of the Group's bank and other borrowings bear interest at fixed interest rates as at 31 December 2020, 2021 and 2022 and 30 April 2023.

Certain of the bank and other borrowings up to RMB13,809,000 and RMB80,036,000 were guaranteed by the controlling shareholders as at 31 December 2020 and 2021, respectively. The guarantees provided by the controlling shareholders have been fully released as at 31 December 2021.

Certain of the bank and other borrowings up to RMB5,000,000 were guaranteed by the controlling shareholders and independent third parties as at 31 December 2020, which had been repaid during the year ended 31 December 2021 and the related guarantees had been fully released accordingly.

Certain of the bank and other borrowings of up to RMB12,000,000, RMB10,004,000, RMB10,000,000 and RMB10,000,000 were guaranteed by a non-controlling shareholder of a subsidiary and his spouse, and an independent third party as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively, which will not be released upon [**REDACTED**]. Among the underlying borrowings of RMB10,000,000 as at 30 April 2023, RMB4,000,000 will mature in September 2023, RMB3,000,000 will mature in November 2023, and the remaining RMB3,000,000 will mature in March 2024. The directors of the Group expect that the loans will not be settled before [**REDACTED**] and the guarantees will be continued until the settlement of loans.

The Group has mortgaged the container vessels with carrying amounts of RMB49,166,000, RMB51,736,000, RMB33,955,000 and RMB33,468,000 to secure bank and other borrowings amounting to RMB23,345,000, RMB21,357,000, RMB36,898,000 and RMB32,626,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023. The Group has pledged receivables to secure bank and other borrowings amounting to RMB58,679,000 as at 31 December 2021.

28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

	Lease liability	Fair value adjustments arising from financial assets at FVTPL	Accrued expenses	Fair value adjustments of equity investments at fair value through other comprehensive income	Losses available for offsetting against future taxable profits	Impairment of financial assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2020	945	–	–	63	2,604	901	4,513
Deferred tax (charged)/credited to profit or loss during the year	(35)	–	–	–	(297)	23	(309)
At 31 December 2020 and 1 January 2021	910	–	–	63	2,307	924	4,204
Deferred tax credited/(charged) to profit or loss during the year	258	–	–	–	(880)	618	(4)
Disposal of subsidiary *(note 31)*	–	–	–	–	–	(104)	(104)

	Lease liability	Fair value adjustments arising from financial assets at FVTPL	Accrued expenses	Fair value adjustments of equity investments at fair value through other comprehensive income	Losses available for offsetting against future taxable profits	Impairment of financial assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2021 and 1 January 2022	1,168	–	–	63	1,427	1,438	4,096
Deferred tax charged to other comprehensive income	–	–	–	(35)	–	–	(35)
Deferred tax credited/(charged) to profit or loss during the period	433	58	1,058	–	(324)	(324)	901
At 31 December 2022 and 1 January 2023	1,601	58	1,058	28	1,103	1,114	4,962
Deferred tax charged to other comprehensive income	–	–	–	(28)	–	–	(28)
Deferred tax credited/(charged) to profit or loss during the period	497	(58)	(10)	–	1,858	827	3,114
At 30 April 2023	2,098	–	1,048	–	2,961	1,941	8,048

Deferred tax liabilities

	Fair value adjustments arising from business combinations *RMB'000*	Right-of-use assets *RMB'000*	Fair value adjustments arising from financial assets at FVTPL *RMB'000*	Fair value adjustments of equity investments at fair value through other comprehensive income *RMB'000*	Total *RMB'000*
At 1 January 2020	817	907	–	–	1,724
Deferred tax credited to profit or loss during the year	(88)	(64)	–	–	(152)
At 31 December 2020 and 1 January 2021	729	843	–	–	1,572
Deferred tax (credited)/charged to profit or loss during the year	(88)	198	–	–	110
At 31 December 2022 and 1 January 2022	641	1,041	–	–	1,682
Deferred tax (credited)/charged to profit or loss during the year	(88)	610	–	–	522
At 31 December 2022 and 1 January 2023	553	1,651	–	–	2,204
Deferred tax charged to other comprehensive income	–	–	–	184	184
Deferred tax (credited)/charged to profit or loss during the period	(29)	564	21	–	556
At 30 April 2023	524	2,215	21	184	2,944

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

	31 December 2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*	30 April 2023 *RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	2,632	2,809	3,010	5,407
Net deferred tax liabilities recognised in the consolidated statements of financial position	–	(395)	(252)	(303)

Deferred tax assets have not been recognised in respect of the following items:

	31 December			30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	546	1,189	3,987	5,031

The Group had tax losses arising in Mainland China of RMB13,412,000, RMB12,151,000, RMB11,717,000 and RMB18,047,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively, that will expire in one to five years for offsetting against future taxable profits of the entities in which the losses arose.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2020, 2021 and 2022 and 30 April 2023, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors of the Company, the Group's fund will be retained in Mainland China for the expansion of the Group's operation so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB53,918,000, RMB436,593,000, RMB816,836,000 and RMB899,517,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively.

29. SHARE CAPITAL

Shares

	31 December 2022	30 April 2023
	USD	*USD*
Authorised:		
500,000,000 ordinary shares of USD0.0001	50,000	50,000

	31 December 2022	30 April 2023
	RMB'000	*RMB'000*
Issued and fully paid:		
42,590,526 ordinary shares of USD0.0001	29	29

The Company was incorporated in the Cayman Island on 27 July 2022 with an authorised share capital of USD50,000.00 divided into 500,000,000 shares of USD0.0001 par value each.

On the date of its incorporation, one share, which was allotted and issued at par to an initial subscriber, an independent third party, was then transferred at par to Lecang Shining Limited, a company ultimately controlled by Ms. Li. For the purpose of reflecting the then shareholding structure of Shandong Lcang before the Reorganization at the offshore level, on the same date, the Company allotted and issued 42,164,521 Shares to the offshore holding vehicles of each of the then shareholders of Shandong Lcang corresponding to their respective shareholdings in Shandong Lcang.

On 7 October 2022, PCW Limited ("PCW") entered into a share swap agreement with the Company, pursuant to which PCW transferred one share of PCW Investment, representing the entire issued share capital of PCW Investment, to the Company in consideration of the issuance of 426,004 Shares, representing approximately 1.00% of our issued share capital, by the Company to PCW. Upon completion of such share swap, PCW Investment became a wholly-owned subsidiary of the Company and PCW (HK), the wholly-owned subsidiary of PCW Investment, became an indirect wholly-owned subsidiary of the Company.

30. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve of the Group represents the issued capital of the then holding company of the companies now comprising the Group and the capital contributions from the equity holders of certain subsidiaries now comprising the Group before the completion of the Reorganisation.

(b) Fair value reserve of financial assets at fair value through other comprehensive income

The fair value reserve of financial assets at fair value through other comprehensive income represents unrealised fair value gains or losses for equity investment designated at FVOCI.

(c) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Group, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the Group. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

31. DISPOSAL OF SUBSIDIARIES

31 December 2021

The Group disposed of its 36% interest in Jiangsu Xinboya International Logistics to a non-controlling shareholder for a cash consideration of RMB5,400,000 during the year. Net assets disposed of and a reconciliation of disposal loss to cash outflow on disposal are as follows:

	Notes	*RMB'000*
Net assets disposed of:		
Property, plant and equipment	*13*	1,425
Right-of-use assets		443
Deferred tax assets	*28*	104
Cash and cash equivalents		5,264
Financial assets at fair value through profit or loss		4,100
Trade and notes receivables		17,664
Prepayments and other receivables		4,146
Other current assets		1,051
Trade payables		(17,172)
Contract liabilities		(184)
Other payables and accruals		(4,076)
Tax payable		(534)
Other current liabilities		(439)
Lease liabilities		(172)
		11,620

	Notes	*RMB'000*
Non-controlling interests		(5,694)
Net assets attributable to the Group disposed of:		5,926
Gain on disposal of a subsidiary		1,724
		7,650
Satisfied by:		
Cash		2,754
Prepayments and other receivables		2,646
Fair value of the Group's the retained equity interests		2,250
		7,650

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	RMB'000
Cash consideration	2,754
Cash and bank balances disposed of	(5,264)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(2,510)

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,044,000, RMB3,435,000, RMB7,957,000 and RMB3,591,000, respectively, in respect of lease arrangements for office spaces.

During the year ended 31 December 2022, the Group entered into an agreement with a container supplier, BORT MARINE ENGINEERING PTE. LTD., to extend the payment schedule of payables amounting to RMB19,680,000.00 at a rate of 4.35% due on 31 December 2024.

On 5 August 2022, Mr. Xu and Lcang Enterprise management entered into a share transfer agreement with a deferred closing date, together with a voting rights entrustment agreement and an income rights transfer agreement, pursuant to which (i) Mr. Xu agreed that he shall transfer 6,373,171 shares at a cash consideration amounting to RMB9,711,000, representing approximately 14.96% of the total issued shares of Shandong Lcang (the "Relevant Shares") to Lcang Enterprise Management on 5 February 2023 and the consideration was settled on 6 February 2023; (ii) prior to the transfer of the Relevant Shares, Mr. Xu agreed to entrust the voting rights and income (including dividends, other distributions and other economic benefits) rights of the Relevant Shares to Lcang Enterprise Management from 5 August 2022.

(b) Changes in liabilities arising from financing activities

	Interest-bearing other borrowings *RMB'000*	Lease liabilities *RMB'000*	Due to related parties *RMB'000*
At 1 January 2020	18,204	4,289	412
Cash flows from financing activities	2,577	(2,281)	(147)
Cash flows from non-financing activities	–	–	32
Acquisition of a subsidiary that is not a business	23,372	–	–
Interest paid	(3,431)	–	–
Interest expense	3,431	378	–
New leases	–	2,044	–
At 31 December 2020	44,153	4,430	297
Cash flows from financing activities	45,887	(3,096)	2,831
Cash flows from non-financing activities	–	–	(31)
Interest paid	(7,599)	–	–
Interest expense	7,599	434	–
New leases	–	3,435	–
Disposal	–	(172)	–
At 31 December 2021	90,040	5,031	3,097
Cash flows from financing activities	(42,790)	(5,454)	(3,097)
Non-cash transaction	19,680	–	9,711
Interest paid	(4,372)	–	–
Interest expense	4,372	455	–
New leases	–	7,957	–
At 31 December 2022	66,930	7,989	9,711

	Interest-bearing other borrowings	Lease liabilities	Due to related parties
	RMB'000	*RMB'000*	*RMB'000*
(Unaudited)			
At 31 December 2021	90,040	5,031	3,097
Cash flows from financing activities	(17,855)	(1,464)	1
Interest paid	(1,750)	–	–
Interest expense	1,750	197	–
New leases	–	5,017	–
At 30 April 2022	72,185	8,781	3,098
At 31 December 2022	66,930	7,989	9,711
Cash flows from financing activities	(5,148)	(2,426)	(9,711)
Interest paid	(877)	–	–
Interest expense	1,920	245	–
New leases	–	3,591	–
At 30 April 2023	62,825	9,399	–

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Within operating activities	–	1,034,601	1,216,166	441,464	12,447
Within financing activities	2,281	3,096	5,454	1,464	2,426
	2,281	1,037,697	1,221,620	442,928	14,873

33. CONTINGENT LIABILITIES

During the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, there are no material contingent liabilities in the financial statements.

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's certain bank and other borrowings at each end of the Relevant Periods are as follows:

	Year ended 31 December			Four months ended 30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	49,166	51,736	33,955	33,468
Trade receivables	–	58,679	–	–
	49,166	110,415	33,955	33,468

35. COMMITMENTS

	Year ended 31 December			Four months ended 30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted but not provided for				
Container vessels	–	–	1,508,722	1,361,951
Investment in associates	3,545	2,600	–	–
Unlisted equity investment	–	–	3,400	3,400
	3,545	2,600	1,512,122	1,365,351

36. RELATED PARTY TRANSACTIONS

(a) Name of related parties and relationship with the Group

Name of related parties	Relationship with the Group
許昕 ("Mr. Xu Xin")	Controlling Shareholder
李艷 ("Ms. Li Yan")	Controlling Shareholder
朱佳麗 ("Ms. Zhu Jiali")	The Director of the Group
寧波九州伯樂供應鏈管理服務有限公司 ("Ningbo Jiuzhoubole Supply Chain Management Service Co., Ltd.")(i)	The associate of the Group
上海融倉供應鏈有限公司 ("Shanghai Rongcang Supply Chain Co., Ltd.")(ii)	The associate of the Group
青島安佳聯網絡科技有限公司 ("Qingdao Anjialian Network Technology Co., Ltd.")	Company controlled by a close family member of a Director
青島弘毅企業管理合夥企業(有限合夥) ("Qingdao Hongyi Enterprise Management Partnership (Limited Partnership)")	Company controlled by a close family member of a Controlling Shareholder
樂艙網國際物流(無錫)有限公司 ("Lecang International Logistics (Wuxi) Co., Ltd.")	The associate of the Group
寶亮航運有限公司 ("BAL BRIGHT SHIPPING CO., LIMITED")(iii)	The associate of the Group
青島樂艙科技有限公司 ("Qingdao Lecang Technology Co., Ltd.")	Company controlled by a Controlling Shareholder

(i) On 21 September 2020, Ningbo Jiuzhoubole Supply Chain Management Service Co., Ltd. cancelled its registration.

(ii) On 27 July 2022, the Company acquired a 60% equity interest in Shanghai Rongcang Supply Chain Co., Ltd. from Ms. Wang Jianhua (王建華) at nil consideration for the purpose of group integration in order to expand the business.

(iii) On 28 December 2021, the Company entered into an agreement with SKYFIELD DRAGON LTD to dispose of its 45% interest in BAL BRIGHT SHIPPING CO., LIMITED.

(b) In addition to the transaction detailed in note 32 (a) to the financial statements, the Group had the following transactions with related parties during the Relevant Periods:

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Advances to related parties					
Ms. Li Yan	60	3	–	–	–
Mr. Xu Xin	35	–	–		
Ms. Zhu Jiali	–	–	50	–	–
Shanghai Rongcang Supply Chain Co., Ltd.	–	4,770	–	–	–
Qingdao Hongyi Enterprise Management Partnership (Limited Partnership)	–	119	–	–	–
Qingdao Anjialian Network Technology Co., Ltd.	7,242	4,496	–	–	–
BAL BRIGHT SHIPPING CO., LIMITED	112	–	–	–	–
Qingdao Lecang Technology Co., Ltd.	–	–	462	–	–
	7,449	9,388	512	–	–
Repayment of advances to related parties					
Ms. Li Yan	60	–	3	–	–
Mr. Xu Xin	52	–	–	–	–
Ms. Zhujiali	–	–	–	–	50
Shanghai Rongcang Supply Chain Co., Ltd.	–	4,770	–	–	–
Qingdao Hongyi Enterprise Management Partnership (Limited Partnership)	–	1	–	–	–
BAL BRIGHT SHIPPING CO., LIMITED	112	–	–	–	–
Qingdao Anjialian Network Technology Co., Ltd.	7,038	4,700	–	–	–
Qingdao Lecang Technology Co., Ltd.	–	–	–	–	462
	7,262	9,471	3	–	512
Advances from related parties					
Shanghai Rongcang Supply Chain Co., Ltd.	3,012	3,060	–	–	–
Mr. Xu Xin	22	24	90	1	–
Qingdao Anjialian Network Technology Co., Ltd.	8,764	–	–	–	–
BAL BRIGHT SHIPPING CO., LIMITED	983	5,711	–	–	–
	12,781	8,795	90	1	–

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Repayment of advances from related parties					
Mr. Xu Xin	21	1	114	–	–
Ningbo Jiuzhoubole Supply Chain Management Service Co., Ltd.	400	–	–	–	–
Shanghai Rongcang Supply Chain Co., Ltd.	3,012	–	3,072	–	–
Qingdao Anjialian Network Technology Co., Ltd.	8,764	–	1	–	–
BAL BRIGHT SHIPPING CO., LIMITED	731	5,963	–	–	–
	12,928	5,964	3,187	–	–

	Year ended 31 December			Four months ended 30 April	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Internet service fee to Qingdao Anjialian Network Technology Co., Ltd.	75	167	–	–	–
Interest income from Qingdao Anjialian Network Technology Co., Ltd.	261	–	–	–	–
Income from Lecang International Logistics (Wuxi) Co., Ltd.	–	–	–	–	38
	261	–	–	–	38

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(c) Outstanding balances with related parties

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from related parties:				
Trade-related				
Lecang International Logistics (Wuxi) Co., Ltd.	–	–	–	38

	31 December			30 April
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from related parties:				
Non-trade-related				
Qingdao Hongyi Enterprise Management Partnership Limited Partnership	1	119	119	119
Ms. Li Yan	–	3	–	–
Ms. Zhu Jiali	–	–	50	–
Anjialian Network Technology Co., Ltd.	204	–	–	–
Qingdao Lecang Technology Co., Ltd.	–	–	462	–
	205	122	631	157
Due to related parties:				
Trade-related				
Qingdao Anjialian Network Technology Co., Ltd.	32	1	–	–
Due to related parties:				
Non-trade-related				
Shanghai Rongcang Supply Chain Co., Ltd.	12	3,072	–	–
Mr. Xu Xin	1	24	9,711	–
BAL BRIGHT SHIPPING CO., LIMITED	252	–	–	–
	297	3,097	9,711	–

The amounts due to and due from related parties will be fully settled prior to [**REDACTED**].

(d) Other transactions with related parties

As at 31 December 2020, 2021, the Group's borrowings of RMB18,809,000, RMB80,036,000 were guaranteed by Mr Xu Xin and Ms Li Yan, respectively. The guarantees provided by the controlling shareholders have been fully released as at 31 December 2021.

(e) Compensation of key management personnel of the Group

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	953	2,168	4,146	1,714	1,234
Performance-related bonuses	188	1,483	1,536	363	112
Pension scheme contributions and social welfare	98	284	484	162	206
Total compensation paid to key management personnel	1,239	3.935	6,166	2,239	1,552

Further details of directors' emoluments are included in note 8 to the Historical Financial Information.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments are as follows:

31 December 2020

Financial assets

	Financial assets at amortised cost *RMB'000*
Financial assets included in prepayments and other receivables	9,078
Trade receivables *(note 21)*	117,312
Due from related parties *(note 36)*	205
Cash and cash equivalents *(note 24)*	50,669
	177,264

Financial liabilities

	Financial assets at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals	10,766
Interest-bearing bank and other borrowings *(note 27)*	44,153
Due to related parties *(note 36)*	297
Trade payables *(note 25)*	143,613
	198,829

31 December 2021

Financial assets

	Equity investments designated at fair value through other comprehensive income *RMB'000*	**Financial assets at fair value through profit or loss** *RMB'000*	**Financial assets at amortised cost** *RMB'000*
Financial assets included in prepayments and other receivables	–	–	277,301
Financial assets at fair value through profit or loss *(note 23)*	–	3,300	–
Equity investments at fair value through other comprehensive income *(note 18)*	2,250	–	–
Trade receivables *(note 21)*	–	–	311,287
Due from related parties *(note 36)*	–	–	122
Cash and cash equivalents *(note 24)*	–	–	190,005
	2,250	3,300	778,715

Financial liabilities

	Financial assets at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals	18,917
Interest-bearing bank and other borrowings *(note 27)*	90,040
Due to related parties *(note 36)*	3,097
Trade payables *(note 25)*	453,118
	565,172

31 December 2022

Financial assets

	Equity investments designated at fair value through other comprehensive income *RMB'000*	**Financial assets at fair value through profit or loss** *RMB'000*	**Financial assets at amortised cost** *RMB'000*
Financial assets included in prepayments and other receivables	–	–	19,432
Financial assets at fair value through profit or loss *(note 23)*	–	6,368	–
Equity investments at fair value through other comprehensive income *(note 18)*	2,391	–	–
Trade receivables *(note 21)*	–	–	149,140
Due from related parties *(note 36)*	–	–	631
Cash and cash equivalents *(note 24)*	–	–	339,991
	2,391	6,368	509,194

Financial liabilities

	Financial assets at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals	72,404
Interest-bearing bank and other borrowings *(note 27)*	66,930
Due to related parties *(note 36)*	9,711
Trade payables *(note 25)*	336,390
	485,435

30 April 2023

Financial assets

	Equity investments designated at fair value through other comprehensive income *RMB'000*	Financial assets at fair value through profit or loss *RMB'000*	Financial assets at amortised cost *RMB'000*
Financial assets included in prepayments and other receivables	–	–	16,017
Financial assets at fair value through profit or loss *(note 23)*	–	14,390	–
Equity investments at fair value through other comprehensive income *(note 18)*	3,237	–	–
Trade receivables *(note 21)*	–	–	119,445
Due from related parties *(note 36)*	–	–	157
Cash and cash equivalents *(note 24)*	–	–	147,679
	3,237	14,390	283,298

Financial liabilities

	Financial assets at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals	59,356
Interest-bearing bank and other borrowings *(note 27)*	62,825
Trade payables *(note 25)*	260,268
	382,449

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts				Fair values			
	31 December			30 April	31 December			30 April
	2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*	2023 *RMB'000*	2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*	2023 *RMB'000*
Financial assets								
Financial assets at fair value through profit or loss	–	3,300	6,368	14,390	–	3,300	6,368	14,390
Equity investments designated at fair value through other comprehensive income	–	2,250	2,391	3,237	–	2,250	2,391	3,237
	–	5,550	8,759	17,627	–	5,550	8,759	17,627

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments and other receivables, deposits, financial liabilities included in other payables and accruals, interest-bearing other borrowings, and amounts due from/to related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of unlisted equity investments classified as financial assets at fair value through profit or loss have been estimated by using asset-based approach, the significant unobservable inputs of which is adjusted carrying amount of net assets. A significant increase in adjusted carrying amount of net assets would result in a significant increase in the fair value of the financial assets at fair value through profit or loss. If the fair value of the equity investments classified as financial assets at fair value through profit or loss held by the group had been 10% higher/lower, the profits for the year ended 31 December 2022 and the four months ended 30 April 2023 would have been approximately RMB637,000 and RMB669,000 lower/higher, respectively. The fair values of other unlisted investments are based on quoted market prices.

The fair value of the unlisted equity investment designated at fair value through other comprehensive income has been estimated by using the market approach, using the ratio of price to book value ("PB ratio") of certain comparable companies in the same industry, in arriving at an indicated value of the unlisted equity interest. The valuation takes account of a discount for lack of marketability on this investment. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each of the Relevant Periods.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2022 and 30 April 2023:

		Range of inputs		
Description	**Unobservable inputs**	**31 December 2022**	**30 April 2023**	**Relationship of unobservable inputs to fair value**
Equity investments designated at fair value through other comprehensive income	Discount for lack of marketability ("DLOM")	37.85%	37.85%	The higher the DLOM, the lower the fair value

The DLOM represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

If the fair value of the equity investments designated at a fair value through other comprehensive income held by the Group had been 10% higher/lower, the total comprehensive income for the year ended 31 December 2022 and the four months ended 30 April 2023 would have been approximately RMB11,000 and RMB243,000 higher/lower, respectively.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	–	–

31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit and loss	–	–	3,300	3,300
Equity investments designated at fair value through other comprehensive income	–	2,250	–	2,250
	–	2,250	3,300	5,550

31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit and loss	–	–	6,368	6,368
Equity investments designated at fair value through other comprehensive income	–	–	2,391	2,391
	–	–	8,759	8,759

30 April 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit and loss	7,706	–	6,684	14,390
Equity investments designated at fair value through other comprehensive income	–	–	3,237	3,237
	7,706	–	9,921	17,627

There were no transfers of fair value measurements between Level 1 and Level 2 and no other transfers into or out of Level 3 for both financial assets and financial liabilities during the Relevant Periods except for the fair value measurements of equity investments designated at fair value through other comprehensive income being transferred out of Level 2 and transferred into Level 3 during the year ended 31 December 2022.

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVTPL and FVOCI:				
At the beginning of the year/period	–	–	3,300	8,759
Purchase	–	3,300	3,300	–
Total gains recognised in profit	–	–	(232)	316
Total gains recognised in other comprehensive income	–	–	141	846
Transfers out of Level 2 (a)	–	–	2,250	–
At the end of the year/period	–	3,300	8,759	9,921

(a) Transferred from Level 2 to Level 3 because observable recent transaction became unavailable for the unlisted investments.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include financial assets included in trade and notes receivables, the amounts due from related parties, prepayments and other receivables, cash and cash equivalents, financial liabilities included in other payables and accruals, which arise directly from its operations. The Group has other financial assets and liabilities such as interest-bearing other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. To keep the Group's exposure to these risks at a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's other borrowings set out in note 27. The Group does not use derivative financial instruments to hedge interest rate risk. The Group manages its interest cost using a fixed rate.

(b) Foreign currency risk

The Group has minimal transactional currency exposure as most of the Group's sales and purchases by operating units are denominated in the functional currencies of the relevant operating units. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's profit before (or after) tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of forward currency contracts).

	Increase/ (decrease) in rate	**Increase/ (decrease) in profit before tax**
	%	*RMB'000*
2020		
If RMB weakens against USD	(5.0)	2,626
If RMB strengthens against USD	5.0	(2,626)

	Increase/ (decrease) in rate	**Increase/ (decrease) in profit before tax**
	%	*RMB'000*
2021		
If RMB weakens against USD	(5.0)	7,181
If RMB strengthens against USD	5.0	(7,181)

	Increase/ (decrease) in rate	**Increase/ (decrease) in profit before tax**
	%	*RMB'000*
2022		
If RMB weakens against USD	(5.0)	2,351
If RMB strengthens against USD	5.0	(2,351)

	Increase/ (decrease) in rate	Increase/ (decrease) in profit before tax
	%	*RMB'000*
30 April 2023		
If RMB weakens against USD	(5.0)	1,665
If RMB strengthens against USD	5.0	(1,665)

(c) Credit risk

The Group is exposed to credit risk in relation to its trade and notes receivables, financial assets included in prepayments and other receivables, amounts due from related parties, and cash and cash equivalents.

The Group expects that there is no significant credit risk associated with cash and cash equivalents since they are deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from the non-performance risk by these counterparties.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the shared credit risk characteristics and the days past due. The expected credit loss also incorporates forward-looking information. As at 31 December 2020, 2021 and 2022 and 30 April 2023, the Group has assessed that the expected credit loss rate for trade-related amounts due from related parties was low since the related parties have a strong capacity to meet the contractual cash flow obligation in the near term. Therefore, no impairment provision was recognised during the Relevant Periods for trade-related amounts due from related parties.

For trade receivables from third parties, the Group has a large number of customers and there was no concentration of credit risk as the customer base of the Group's trade receivables is widely dispersed. In addition, the receivable balances are monitored on an ongoing basis.

The Group expected there is no significant credit risk associated with financial assets included in prepayments and other receivables since they have low historical default risk.

The Group expected the credit risk associated with non-trade-related amounts due from related parties to be low, since they have a strong capacity to meet the contractual cash flow obligation in the near term. The Group has assessed that the ECL rate for non-trade-related amounts due from related parties was immaterial under the 12-month ECL method and considered them to have low risk, and thus the loss allowance was immaterial.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2020, 2021 and 2022 and 30 April 2023.

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	122,490	122,490
Financial assets included in prepayments and other receivables					
– Normal**	9,629	–	–	–	9,629
Due from related parties**	205	–	–	–	205
Cash and cash equivalents					
– Not yet past due	50,669	–	–	–	50,669
	60,503	–	–	122,490	182,993

As at 31 December 2021

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	317,660	317,660
Financial assets included in prepayments and other receivables					
– Normal**	278,773	–	–	–	278,773
Due from related parties**	122	–	–	–	122
Cash and cash equivalents					
– Not yet past due	190,005	–	–	–	190,005
	468,900	–	–	317,660	786,560

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	34,266	130,713	164,979
Financial assets included in prepayments and other receivables					
– Normal**	20,281	–	–	–	20,281
Due from related parties**	631	–	–	–	631
Cash and cash equivalents					
– Not yet past due	339,991	–	–	–	339,991
	360,903	–	34,266	130,713	525,882

As at 30 April 2023

	12-month ECLs		Lifetime ECLs		
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	34,025	106,478	140,503
Financial assets included in prepayments and other receivables					
– Normal**	17,207	–	–	–	17,207
Due from related parties**	157	–	–	–	157
Cash and cash equivalents					
– Not yet past due	147,679	–	–	–	147,679
	165,043	–	34,025	106,478	305,546

* For trade receivables to which the Group applied the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments and other receivables and amounts due from related parties is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing other borrowings. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, was as follows:

31 December 2020

	Less than 3 months or on demand	More than 3 months and within 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables *(note 25)*	143,613	–	–	143,613
Other payables and accruals	10,766	–	–	10,766
Interest-bearing bank and other borrowings	4,571	30,165	14,498	49,234
Lease liabilities	743	2,177	1,826	4,746
Due to related parties *(note 36)*	297	–	–	297
	159,990	32,342	16,324	208,656

31 December 2021

	Less than 3 months or on demand *RMB'000*	More than 3 months and within 1 year *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Trade payables *(note 25)*	453,118	–	–	453,118
Other payables and accruals	18,917	–	–	18,917
Interest-bearing bank and other borrowings	19,228	49,764	25,405	94,397
Lease liabilities	812	2,437	3,453	6,702
Due to related parties *(note 36)*	3,097	–	–	3,097
	495,172	52,201	28,858	576,231

31 December 2022

	Less than 3 months or on demand *RMB'000*	More than 3 months and within 1 year *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Trade payables *(note 25)*	336,390	–	–	336,390
Other payables and accruals	72,404	–	–	72,404
Interest-bearing bank and other borrowings	8,688	23,983	41,935	74,606
Lease liabilities	1,182	3,545	4,740	9,467
Due to related parties *(note 36)*	9,711	–	–	9,711
	428,375	27,528	46,675	502,578

30 April 2023

	Less than 3 months or on demand *RMB'000*	More than 3 months and within 1 year *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Trade payables *(note 25)*	260,268	–	–	260,268
Other payables and accruals	59,356	–	–	59,356
Interest-bearing bank and other borrowings	5,545	24,031	36,471	66,047
Lease liabilities	1,227	3,467	5,945	10,639
	326,396	27,498	42,416	396,310

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is the sum of interest-bearing borrowings and due to related parties divided by total equity. The gearing ratio as at 31 December 2020, 2021 and 2022 and 30 April 2023 was as follows:

	31 December			30 April
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings *(note 27)*	44,153	90,040	66,930	62,825
Due to related parties *(note 36)*	297	3,097	9,711	–
Total equity	106,708	481,965	891,179	973,293
Gearing ratio	41.7%	19.3%	8.6%	6.5%

40. INVESTMENTS IN SUBSIDIARIES

	31 December 2022	30 April 2023
	RMB'000	*RMB'000*
Interest in subsidiaries, at cost	8,390	8,390
	8,390	8,390

Details of the subsidiaries of the Company are disclosed in CORPORATE INFORMATION.

LC (BVI) was incorporated in the BVI with limited liability on 5 August 2022 as the intermediate holding company of the Group in the BVI. On the date of its incorporation, one share of LC (BVI) was allotted and issued to the Company at par and LC (BVI) then became wholly owned by the Company.

PCW Investment was incorporated in the BVI with limited liability on 29 June 2022 and a wholly owned subsidiary of the Company, the amount of investment in which is RMB8,390,000. On 7 October 2022, PCW entered into a share swap agreement with the Company, pursuant to which PCW transferred one share of PCW Investment, representing the entire issued share capital of PCW Investment, the Company in consideration of the issuance of 426,004 Shares, representing approximately 1.00% of our issued share capital, by the Company to PCW. Upon completion of such share swap, PCW Investment became a wholly-owned subsidiary of the Company. PCW is a company incorporated in BVI with limited liability and is wholly owned by Mr. Wang Cheng.

41. EVENTS AFTER THE RELEVANT PERIODS

[In July 2023, the Group entered into a memorandum of agreement to purchase another second-hand vessel with a capacity of 13,802 tons at the price of USD8,650,000.]

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 April 2023.