

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



LC Logistics, Inc.

乐 舱 物 流 股 份 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2490)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL AND OPERATION HIGHLIGHT

- Revenue for the six months ended 30 June 2025 was RMB905.0 million.
- Profit attributable to shareholders for the six months ended 30 June 2025 was RMB127.8 million.
- Basic earnings per share for the six months ended 30 June 2025 was RMB0.19.
- Container shipping volume of cross-border logistics services for the six months ended 30 June 2025 was 197,195 TEUs.

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of LC Logistics, Inc. (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) with comparative figures for the six months ended 30 June 2024. These interim results have been prepared in accordance with International Financial Reporting Standards (the “**IFRSs**”) and have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	30 June 2024 (Unaudited) RMB'000
REVENUE	4	904,984	754,238
Cost of sales		<u>(822,587)</u>	<u>(686,134)</u>
GROSS PROFIT		82,397	68,104
Other income and gains		91,126	5,021
Selling and distribution expenses		(12,092)	(9,127)
Administrative expenses		(35,747)	(45,730)
Other expenses		(824)	(5,270)
Finance costs	6	(5,203)	(4,198)
Reversal of impairment losses on financial assets, net		8,628	4,205
Share of losses of associates		<u>(234)</u>	<u>—</u>
PROFIT BEFORE TAX	5	128,051	13,005
Income tax expense	7	<u>(238)</u>	<u>(199)</u>
PROFIT FOR THE PERIOD		<u>127,813</u>	<u>12,806</u>
Attributable to:			
Owners of the parent		111,300	9,393
Non-controlling interests		<u>16,513</u>	<u>3,413</u>
		<u>127,813</u>	<u>12,806</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		<u>RMB0.19</u>	(Restated) <u>RMB0.02</u>

	30 June 2025 (Unaudited) RMB'000	30 June 2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	127,813	12,806
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(5,258)</u>	<u>8,808</u>
	<u>(5,258)</u>	<u>8,808</u>
Net other comprehensive (losses)/income that may be reclassified to profit or loss in subsequent periods	<u>(5,258)</u>	<u>8,808</u>
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	<u>(42)</u>	<u>628</u>
Income tax effect	<u>—</u>	<u>—</u>
	<u>(42)</u>	<u>628</u>
Net other comprehensive (losses)/income that will not be reclassified to profit or loss in subsequent periods	<u>(42)</u>	<u>628</u>
OTHER COMPREHENSIVE (LOSSES)/INCOME FOR THE PERIOD, NET OF TAX	<u>(5,300)</u>	<u>9,436</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>122,513</u>	<u>22,242</u>
Attributable to:		
Owners of the parent	105,984	16,239
Non-controlling interests	<u>16,529</u>	<u>6,003</u>
	<u>122,513</u>	<u>22,242</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Prepayments and other receivables		522,300	426,593
Property, plant and equipment		411,829	402,973
Right-of-use assets		63,655	74,258
Goodwill		8,572	8,572
Intangible assets		1,454	1,670
Investment in an associate		29,043	626
Equity investments designated at fair value through other comprehensive income		1,726	1,768
Deferred tax assets		838	429
Total non-current assets		<u>1,039,417</u>	<u>916,889</u>
CURRENT ASSETS			
Inventories		5,868	6,327
Trade receivables	10	143,096	107,605
Due from related parties		10,501	19
Prepayments and other receivables		176,675	53,778
Income tax recoverable		–	938
Financial assets at fair value through profit or loss		61,669	58,371
Cash and bank balances		572,005	779,637
Total current assets		<u>969,814</u>	<u>1,006,675</u>
CURRENT LIABILITIES			
Trade payables		110,918	135,438
Other payables and accruals		174,037	69,187
Due to a related party		27,000	–
Interest-bearing bank and other borrowings		48,433	57,451
Tax payable		284	796
Lease liabilities		32,429	30,211
Total current liabilities		<u>393,101</u>	<u>293,083</u>
NET CURRENT ASSETS		<u><u>576,713</u></u>	<u><u>713,592</u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,616,130</u></u>	<u><u>1,630,481</u></u>

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	19,640	27,204
Lease liabilities	38,154	51,600
Deferred tax liabilities	439	42
	<hr/>	<hr/>
Total non-current liabilities	58,233	78,846
	<hr/>	<hr/>
Net assets	1,557,897	1,551,635
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	205	205
Reserves	1,493,236	1,503,550
	<hr/>	<hr/>
	1,493,441	1,503,755
	<hr/>	<hr/>
Non-controlling interests	64,456	47,880
	<hr/>	<hr/>
Total equity	1,557,897	1,551,635
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 25 September 2023. 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 period, the Company's subsidiaries were principally engaged in the provision of integrated cross-border logistics services.

In the opinion of the directors, the ultimate controlling shareholders are Mr. Xu Xin, Ms. Li Yan and Ms. Liu Quanyang by virtue of the acting in concert deed.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IAS 21	<i>Lack of Exchangeability</i>
----------------------	--------------------------------

The nature and impact of the amended IFRSs are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. 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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Mainland China	746,820	697,642
Others	158,164	56,596
	<u>904,984</u>	<u>754,238</u>

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

(b) Non-current assets

The 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 vessels and containers by geographical areas. Therefore, the vessels and containers are presented as unallocated non-current assets.

Information about a major customer

No revenue from a major customer accounted for 10% or more of the Group's revenue during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers	861,156	713,895
Revenue from other sources		
Time charter income	<u>43,828</u>	<u>40,343</u>
Total	<u>904,984</u>	<u>754,238</u>

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of service provided	783,924	641,769
Cost of inventories sold	–	24,726
Depreciation of property, plant and equipment	29,639	22,906
Depreciation of right-of-use assets	15,776	15,085
Amortisation of intangible assets	216	200
Impairment losses of financial assets, net		
– Trade receivables	2,370	(4,205)
– Other receivables	(10,998)	–
Foreign exchange gain, net	(2,934)	(1,173)
Interest income	(13,635)	(3,295)
(Gains)/losses on disposal of property, plant and equipment	(61,483)	5,115

6. FINANCE COSTS

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	2,929	1,509
Interest on lease liabilities	2,274	2,689
Total	5,203	4,198

7. INCOME TAX EXPENSE

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 for the period.

Except for certain subsidiaries of the Group which were entitled to a preferential income tax rate of 20% for small and micro enterprises during the period with the first RMB1,000,000 of annual taxable income eligible for a 75% reduction, the provision for Chinese Mainland current income tax is based on the statutory rate of 25% of the assessable profits of the subsidiaries in Chinese Mainland as determined in accordance with the Corporate Income Tax Law.

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax:		
Chinese Mainland	226	87
Hong Kong	–	–
Deferred	12	112
	<hr/>	<hr/>
Total tax charge for the period	238	199

8. DIVIDENDS

The board of directors has resolved not to pay an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of 572,538,312 (six months ended 30 June 2024: (Restated) 572,538,312) ordinary shares in issue during the period, as adjusted to reflect the rights issue during the period.

On 28 July 2025, the Company conducted a 1 to 2 share split and each existing share was split into 2 shares. The calculation of basic and diluted earnings per share for all periods presented was retrospectively adjusted.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2025 and 2024.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculation of the basic earnings per share is based on:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>111,300</u>	<u>9,393</u>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>572,538,312</u>	<u>572,538,312</u>

10. TRADE RECEIVABLES

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Within 1 month	67,719	62,696
1 to 3 months	55,371	31,657
3 to 6 months	13,262	7,887
6 to 12 months	<u>6,744</u>	<u>5,365</u>
Total	<u>143,096</u>	<u>107,605</u>

11. TRADE PAYABLES

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Within 1 year	95,107	123,969
Over 1 year	<u>15,811</u>	<u>11,469</u>
Total	<u>110,918</u>	<u>135,438</u>

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

BUSINESS REVIEW

During the Period, the Group principally operated two business lines, namely cross-border logistics services and time charter services.

Cross-border logistics services

With the experience and industry knowledge of the Group's management team, the Group is able to promptly adapt its service offering strategy and adjust its business focus to flexibly allocate its shipping resources between the two business lines of cross-border logistics services and time charter services from time to time. During the Period, self-operated cross-border logistics services contributed approximately 4.7% of revenue from cross-border logistics services. The Company's self-operated cross-border logistics services was break bulk cargo transportation services. The break bulk cargo shipping route was between China and Africa. The Group's service volume of self-operated cross-border seaborne transportation was 50,733 revenue tons in the six months ended 30 June 2025. The Group's average price per revenue ton of self-operated cross-border seaborne transportation was RMB836.5 in the six months ended 30 June 2025.

During the Period, the Group provided mainly cross-border logistics services through third party shipping carriers covering destinations across the globe. The Group's service volume of cross-border seaborne transportation provided by third parties was 197,195 TEUs during the Period, which was higher than the 138,335 TEUs in the same period in 2024, primarily due to the Company's business expansion during the Period. The Group's average price per TEU of cross-border seaborne transportation provided by third parties decreased from approximately RMB4,129.8 in the six months ended 30 June 2024 to approximately RMB3,774.9 during the Period, primarily due to an decrease in market freight rates.

In order to further expand its capacity in respect of cargo pick-up and sorting, customs clearance, warehouse transit and last-mile delivery, the Group provided overseas warehousing services during the Period.

Time charter services

The Group has flexible business plans to utilize its shipping capacity in time charter services with reference to market conditions and charter rates. During the Period, the Group chartered out three vessels and generated revenue of RMB43.8 million. The average daily charter rate was approximately RMB101,262.7 during the Period, which was higher than that of approximately RMB81,865.7 in the same period in 2024, primarily due to the disposal of two vessels with lower daily charter rate in 2024. The time charter rate charged by the Group is affected by the overall market rate and demand at the time when the Group contracted with the customers and will therefore often fluctuate.

Business Outlook

Amid the slowdown in global economic growth and the continuous restructuring of supply chains, the Company, in the second half of 2025, will continue to leverage on its strengths in cross-border logistics and time charter and achieve steady development through the following strategic initiatives:

In terms of market expansion, we will focus on capturing three major opportunities: firstly, to deepen our presence in the infrastructure projects in the countries along the “Belt and Road” with a focus on developing the engineering logistics market in Africa; secondly, to expand our cross-border e-commerce business with an aim of establishing a full-chain cross-border e-commerce logistics ecosystem featuring “seaborne transportation + warehousing + delivery”; thirdly, to accelerate our deployment of overseas warehouses in order to enhance our regional service capabilities.

In terms of operation upgrade, we will devote our efforts in promoting two key initiatives: firstly, to optimize the operating efficiency of our self-owned fleet of feeder vessels so as to provide industrial customers with more competitive logistics solutions; secondly, to implement refined management and control in costs and continuously improve our asset utilization rate.

Based on the above strategic layout, in the second half of 2025, we expect to maintain a steady revenue growth by relying on the expansion of cross-border e-commerce business, the strengthening of engineering logistics business and the development of overseas warehouse business; and in terms of profitability, we expect to sustain our comparatively industry-leading profit level through differentiated operation and efficiency optimization.

Looking forward, the Company will continue to innovate its business model, in an effort to consolidate its industry position in a complex and volatile economic environment and create long-term stable investment returns for its shareholders.

FINANCIAL REVIEW

Revenue

During the Period, the Group derived its revenue from (i) cross-border logistics services; (ii) time charter services; and (iii) others, being the trading of imported goods under the Group’s supply chain solution services commenced in February 2023. The following table sets forth a breakdown of the Group’s revenue by business line for the periods indicated:

	For the six months ended 30 June		Change in percentage
	2025	2024	
	RMB’000	RMB’000	
Revenue			
Cross border logistics services ¹	861,156	689,020	25.0%
Time charter services	43,828	40,343	8.6%
Others	—	24,875	-100.0%
Total	<u>904,984</u>	<u>754,238</u>	20.0%

Note¹: including the overseas warehousing business commenced during the Period.

Revenue of the Group increased by approximately 20.0% from RMB754.2 million for the six months ended 30 June 2024 to RMB905.0 million during the Period. This increase was mainly attributable to an increase in revenue generated from cross border logistics services from RMB689.0 million for the six months ended 30 June 2024 to RMB861.2 million during the Period, due to (a) an increase in service volume from 140,355 TEUs for the six months ended 30 June 2024 to 197,195 TEUs during the Period; and (b) the increase of the overseas warehousing business. The Company suspended the trading of imported goods under the Group’s supply chain solution services in 2025 in view of the changes in the external market and its own strategies.

Cost of sales

Cost of sales increased by approximately 19.9% from RMB686.1 million for the six months ended 30 June 2024 to RMB822.6 million during the Period. This increase was primarily due to the increase in costs in relation to the Group's cross border logistics services, including freight fees, port charges etc.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, gross profit increased by approximately 21.0% from RMB68.1 million for the six months ended 30 June 2024 to RMB82.4 million during the Period.

Gross profit margin remained relatively stable at 9.0% and 9.1% for the six months ended 30 June 2024 and 2025, respectively.

Other income and gains

Other income and gains primarily include gains on the disposal of vessels, interest income and government grants. Other income and gains increased by approximately 1,722.0% from RMB5.0 million for the six months ended 30 June 2024 to RMB91.1 million during the Period, primarily due to the Group's asset optimisation, including the optimisation of the Group's investment strategy for vessel assets resulting in non-recurring gains of approximately RMB62.6 million.

Selling and distribution expenses

Selling and distribution expenses primarily include salaries and welfare of the Group's sales and marketing team and travel expenses. Selling and distribution expenses increased by approximately 33.0% from RMB9.1 million for the six months ended 30 June 2024 to RMB12.1 million during the Period, primarily due to the increase in salaries and welfare expenses.

Administrative expenses

Administrative expenses primarily include (i) salaries and welfare of the Group's administrative staff; (ii) consulting fees; (iii) depreciation and amortization; and (iv) office expenses and travel expenses. Administrative expenses decreased by approximately 21.9% from RMB45.7 million for the six months ended 30 June 2024 to RMB35.7 million during the Period, primarily due to the decrease in consulting fees.

Other expenses

Other expenses primarily represent miscellaneous expenses. Other expenses decreased by approximately 84.9% from RMB5.3 million for the six months ended 30 June 2024 to RMB0.8 million during the Period, primarily due to the decrease in losses on disposal of non-current assets in relation to the disposal of containers of the Group.

Finance costs

Finance costs include interest expense on bank and other borrowings and interest expense on lease liabilities. Finance costs increased from RMB4.2 million for the six months ended 30 June 2024 to RMB5.2 million during the Period, primarily due to the increase in monthly average borrowing balance during the Period.

Reversal of impairment losses on financial assets, net

Reversal of impairment losses on financial assets primarily consist of reversal of impairment losses on trade receivables and other receivables. The Group recorded reversal of impairment losses on financial assets of RMB4.2 million for the six months ended 30 June 2024 and reversal of impairment losses of RMB8.6 million during the Period, primarily due to the recovery of long outstanding trade receivables during the Period.

Share of losses of associates

Share of loss of associates are related to Lecang International Logistics (Wuxi) Co., Ltd, in which the Group held an approximately 40.0% equity interest, and Lcang (Shanghai) Investment Management Co., Ltd, in which the Group held an approximately 40.0% equity interest. The Group recorded share of losses of associates of RMB0.2 million during the Period.

Profit before tax

As a result of the foregoing, profit before tax increased by approximately 885.4% from RMB13.0 million for the six months ended 30 June 2024 to RMB128.1 million during the Period.

Income tax expense

Income tax expense primarily consists of PRC corporate income tax and Hong Kong profits tax. The Group recorded income tax expense of RMB0.2 million for the six months ended 30 June 2024 and income tax expense of RMB0.2 million during the Period.

Profit for the Period

As a result of the foregoing, the Group's profit for the period increased by approximately 898.4% from RMB12.8 million for the six months ended 30 June 2024 to RMB127.8 million during the Period.

Liquidity, Financial and Capital Resources

The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with proceeds from its listing (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and cash generated from operations. The Group plans to obtain additional bank borrowings and other borrowings for working capital purposes and will continue to evaluate potential financing opportunities based on its need for capital resources and market conditions.

Net current assets

As at 30 June 2025, the Group's net current assets amounted to RMB576.7 million (31 December 2024: RMB713.6 million). Specifically, the Group's total current assets decreased by approximately 3.7% from RMB1,006.7 million as at 31 December 2024 to RMB969.8 million as at 30 June 2025. The Group's total current liabilities increased by approximately 34.1% from RMB293.1 million as at 31 December 2024 to RMB393.1 million as at 30 June 2025.

Cash position

As at 30 June 2025, the Group had cash and bank balances of RMB572.0 million (31 December 2024: RMB779.6 million). The following table sets forth the currencies in which the Group's cash and bank balances were denominated as at 30 June 2025:

	As at 30 June 2025 RMB'000
Denominated in RMB	50,152
Denominated in United States dollars ("USD")	502,630
Denominated in Malagasy ariaries	8,581
Denominated in Hong Kong dollars	10,610
Denominated in Euro	6
Denominated in Singapore Dollars	26
	<hr/>
Total cash and bank balances	572,005
	<hr/> <hr/>

Borrowings

As at 30 June 2025, the Group had borrowings of RMB68.1 million (31 December 2024: RMB84.7 million), which comprised interest-bearing bank and other borrowings.

The following table sets forth the maturity profiles of the Group's interest-bearing bank and other borrowings as at the dates indicated:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Bank loans and overdraft repayable:		
– Within one year	32,952	41,595
Other borrowings repayable:		
– On demand or within a period not exceeding one year	15,481	15,856
– Within a period of more than one year but not exceeding two years	15,734	15,545
– Within a period of more than two years but not exceeding five years	3,906	11,659
	<hr/>	<hr/>
Subtotal	35,121	43,060
	<hr/>	<hr/>
Total	68,073	84,655
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2025, except for the borrowings in the amounts of RMB35.1 million denominated in USD (31 December 2024: RMB43.1 million), the remaining borrowings of the Group were denominated in RMB. All of the Group's bank and other borrowings bear interest at fixed interest rates ranging from 2.85% to 7.16% as at 30 June 2025 (31 December 2024: 2.85% to 9.62%).

Borrowing costs

The Group's interest on bank and other borrowings increased from RMB1.5 million for the six months ended 30 June 2024 to RMB2.9 million during the Period, primarily due to the increase in monthly average borrowing balance.

Pledge of assets

As at 30 June 2025, the Group had mortgaged the container vessels with carrying amounts of RMB53.5 million (31 December 2024: RMB56.1 million) to secure bank and other borrowings amounting to RMB35.1 million (31 December 2024: RMB43.1 million).

As at 30 June 2025, the Group had pledged deposits of RMB11.2 million (31 December 2024: RMB11.2 million) as security for the bank's payment guarantee.

Financial risks

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.

Interest rate risk

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

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.

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. 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.

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.

Key Financial Ratios

As at 30 June 2025, the current ratio of the Group, being the current assets divided by the current liabilities, was 2.5 times (31 December 2024: 3.4 times).

The Group monitors its capital using a gearing ratio, which is sum of interest-bearing borrowings and due to a related party divided by total equity. The Group's policy is to maintain a healthy gearing ratio. As at 30 June 2025, the gearing ratio of the Group was 6.1% (31 December 2024: 5.5%). The increase of the Group's gearing ratio was mainly attributable to the increase of the balance due to a related party during the Period.

Contingent Liabilities

As at 30 June 2025, the Group had no significant contingent liabilities.

Commitments

As at 30 June 2025, the Group had capital commitments of RMB1,554.8 million (31 December 2024: RMB1,721.2 million). The amount as at 30 June 2025 was related to the purchase of container vessels.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES COMPANIES AND JOINT VENTURES

During the Period, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group did not have any significant investments held during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to utilize the net proceeds from the Listing in accordance with the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 13 September 2023 (the "**Prospectus**"). Save as disclosed, the Company did not have any other future plans for material investments or capital assets as of 30 June 2025.

USE OF PROCEEDS FROM THE LISTING

The aggregate net proceeds from the Listing (involving the issue of a total of 28,390,000 ordinary shares (the "**Shares**") of the Company at the offer price of HK\$5.13 per Share and the issue of 2,336,000 additional Shares pursuant to the Over-allotment Option (as defined in the Prospectus) at the offer price of HK\$5.13 per Share), after deducting related underwriting fees and other expenses in connection with the Listing, were approximately HK\$95.1 million (the "**Net Proceeds**"). The Net Proceeds will be utilized for the purposes as set out in the Prospectus. The following table sets forth the status of the use of proceeds as at 30 June 2025:

Use	Percentage of the Net Proceeds as stated in the Prospectus	Net Proceeds as at 31 December 2024 taking into account the partial exercise of the Over-Allotment Option <i>HK\$ million</i>	Actual use of the Net Proceeds from 1 January 2025 and up to 30 June 2025 <i>HK\$ million</i>	Unutilized Net Proceeds as at 30 June 2025 <i>HK\$ million</i>	Expected timeframe of full utilization of the Net Proceeds
Setting up logistics facilities, including warehouses and container yards, purchasing trucks and investing in software systems for warehouse, order and transportation management	52.0%	9.7	4.1	5.6	2025
Expanding the business coverage and global network	4.0%	–	–	–	2025
Adopting digital technologies and upgrading internet service systems in providing integrated cross-border logistics services	7.0%	5.2	1.2	4.0	2025
Strategic investments and/or acquisitions in businesses or assets that complement the Group's business	20.0%	3.5	–	3.5	2025
Establishing a trucking service matching platform	7.0%	6.7	–	6.7	2025
General corporate purposes and working capital needs	10.0%	–	–	–	2025
Total	100.0%	25.1	5.3	19.8	

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 367 full-time employees. During the Period, the staff cost relating to the Group's own employees recognized as expenses amounted to RMB34.6 million.

The Group offers its own employees remuneration packages that include a fixed salary, allowances and a performance-based bonus. In general, the Group determines an employee's salary based on each employee's qualifications, experience and capability as well as the prevailing market remuneration rate. The Group is required to make contributions to mandatory social insurance funds for its employees to provide retirement, medical, work-related injury, maternity and unemployment benefits, as well as housing provident funds, under the applicable PRC laws and regulations. During the Period, there was no labour union established by the Group's employees and the Group had not experienced any significant disputes with its employees or any disruption to its operations due to labour disputes nor had we experienced any difficulties in the recruitment and retention of experienced staff or skilled personnel.

The Group provides orientation training to its newly recruited employees to help them understand the corporate culture of the Company. The Group also organizes a mentorship program where its more experienced employees would help its newly recruited employees to enhance their skills and knowledge in relation to the daily operation. From time to time, the Group also holds training meetings to enhance the skills of its employees.

SUBSEQUENT EVENTS

Share subdivision

The Company implemented the share subdivision on the basis that each existing share of par value of USD0.0001 each in the share capital of the Company was subdivided into two (2) subdivided shares of par value of USD0.00005 each. The share subdivision became effective on 28 July 2025.

Change in board lot size

The board lot size for trading on the Stock Exchange has been changed from 200 existing shares to 300 subdivided shares, effective from 28 July 2025.

Further details of the above are set out in the Company's announcement dated 4 July 2025 and the Company's circular dated 8 July 2025.

Saved as disclosed above, there has been no other material events affecting the Company since 30 June 2025 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sale of treasury shares) during the Period. As at 30 June 2025, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to achieving high standards of corporate governance practices to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company had adopted the corporate governance code (the “**Corporate Governance Code**”) as set out in the Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code on corporate governance.

Under code provision C.2.1 of Part 2 of the Corporate Governance Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. The role of chairman of the Board and chief executive officer of the Company are both performed by Mr. Xu Xin. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in Mr. Xu would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Xu's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Xu continues to act as both the chairman of the Board and chief executive officer after Listing, and the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors and independent non-executive Directors.

Save as disclosed above, the Board considered that the Company has complied with all applicable code provisions set out in the Corporate Governance Code during the Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the guidelines for the Directors’ dealings in the securities of the Company. After making specific enquiries to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code during the Period.

REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Dr. Yang Kequan (chairman), Dr. Gu Lin and Mr. Qi Yinliang. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025. The Audit Committee and the Company’s management have also reviewed the accounting principles and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the unaudited interim results of the Group for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.lcang.com). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be despatched (if requested) to the Shareholders and made available for review on the same websites in due course.

By Order of the Board
LC Logistics, Inc.
Mr. Xu Xin
Chairman of the Board

Hong Kong, 22 August 2025

As at the date of this announcement, the Board comprises Mr. Xu Xin, Ms. Li Yan, Ms. Zhu Jiali and Mr. Yu Zhenrong as executive Directors, and Dr. Gu Lin, Dr. Yang Kequan and Mr. Qi Yinliang as independent non-executive Directors.