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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 was RMB1,872.2 million.
- Profit attributable to owners of the parent for the year ended 31 December 2025 was RMB138.0 million.
- Basic earnings per share for the year ended 31 December 2025 was RMB0.24.
- Container shipping volume of cross-border logistics services for the year ended 31 December 2025 was 425,335 TEUs.

ANNUAL RESULTS

The Board is pleased to announce the consolidated annual results of the Group for the Year together with the comparative figures for the Previous Year. These annual results have been prepared in accordance with International Financial Reporting Standards and have also been reviewed and agreed by the Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	3	1,872,237	1,946,393
Cost of sales		<u>(1,697,271)</u>	<u>(1,736,303)</u>
Gross profit		<u>174,966</u>	<u>210,090</u>
Other income and gains		103,791	369,826
Selling and distribution expenses		(26,335)	(22,941)
Administrative expenses		(78,556)	(98,223)
Other expenses		(11,598)	(9,310)
Finance costs	4	(7,557)	(8,938)
Reversal of impairment/(impairment) losses on financial assets		10,873	(33,683)
Share of loss of associates		<u>(2,777)</u>	<u>(309)</u>
PROFIT BEFORE TAX	5	162,807	406,512
Income tax expense	6	<u>(2,957)</u>	<u>(5,550)</u>
PROFIT FOR THE YEAR		<u>159,850</u>	<u>400,962</u>
Attributable to:			
Owners of the parent		138,003	395,793
Non-controlling interests		<u>21,847</u>	<u>5,169</u>
		<u>159,850</u>	<u>400,962</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		<u>RMB0.24</u>	(Restated) <u>RMB0.69</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	159,850	400,962
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>(36,234)</u>	<u>17,328</u>
	(36,234)	17,328
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(36,234)</u>	<u>17,328</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	255	(532)
Income tax effect	<u>—</u>	<u>—</u>
	255	(532)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>255</u>	<u>(532)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u>(35,979)</u>	<u>16,796</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>123,871</u>	<u>417,758</u>
Attributable to:		
Owners of the parent	103,270	411,759
Non-controlling interests	<u>20,601</u>	<u>5,999</u>
	<u>123,871</u>	<u>417,758</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2025*

		31 December 2025	31 December
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Prepayments and other receivables		653,351	426,593
Property, plant and equipment		426,257	402,973
Right-of-use assets		62,474	74,258
Goodwill		8,572	8,572
Other intangible assets		1,305	1,670
Investments in associates		27,516	626
Equity investments designated at fair value through other comprehensive income		2,023	1,768
Deferred tax assets		1,115	429
		<hr/>	<hr/>
Total non-current assets		1,182,613	916,889
CURRENT ASSETS			
Inventories		8,863	6,327
Trade receivables	<i>9</i>	142,586	107,605
Due from related parties		12,704	19
Prepayments and other receivables		68,263	53,778
Income tax recoverable		–	938
Financial assets at fair value through profit or loss		58,995	58,371
Cash and bank balances		428,704	779,637
		<hr/>	<hr/>
Total current assets		720,115	1,006,675
CURRENT LIABILITIES			
Trade payables	<i>10</i>	147,459	135,438
Other payables and accruals		97,805	69,187
Interest-bearing bank and other borrowings		28,200	57,451
Tax payable		3,126	796
Lease liabilities		34,481	30,211
		<hr/>	<hr/>
Total current liabilities		311,071	293,083
NET CURRENT ASSETS		<hr/> 409,044	<hr/> 713,592
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,591,657	<hr/> 1,630,481

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	11,572	27,204
Lease liabilities	20,916	51,600
Deferred tax liabilities	114	42
	<hr/>	<hr/>
Total non-current liabilities	32,602	78,846
	<hr/>	<hr/>
Net assets	1,559,055	1,551,635
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	205	205
Reserves	1,490,778	1,503,550
	<hr/>	<hr/>
	1,490,983	1,503,755
	<hr/>	<hr/>
Non-controlling interests	68,072	47,880
	<hr/>	<hr/>
Total equity	1,559,055	1,551,635
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NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have 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. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. 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 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 financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

2. 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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	1,558,114	1,720,263
Other countries/regions	314,123	226,130
Total revenue	<u>1,872,237</u>	<u>1,946,393</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 area. 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 year (2024: Nil).

3. REVENUE

An analysis is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	1,797,400	1,868,487
Revenue from other sources		
Time charter income	74,837	77,906
Total	<u>1,872,237</u>	<u>1,946,393</u>

4. FINANCE COSTS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	3,919	3,957
Interest on lease liabilities	3,638	4,981
Total	<u>7,557</u>	<u>8,938</u>

5. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of services provided**	1,631,103	1,642,025
Cost of inventories sold	6,710	34,568
Depreciation of property, plant and equipment	55,762	48,254
Depreciation of right-of-use assets	31,411	31,042
Amortisation of intangible assets	416	407
Impairment of financial assets, net		
– Trade receivables	549	12,874
– Other receivables	(11,422)	20,809
Fair value losses on financial assets at fair value through profit or loss	9,970	2,996
Share of losses of associates	2,777	309
Government grants	(214)	(117)
Foreign exchange differences, net	(4,912)	3,281
Interest income	(19,609)	(14,852)
Investment income	(14,079)	(1,120)
Gains on disposal of property, plant and equipment	(62,440)	(353,342)
Gains on disposal of right-of-use assets	–	(156)
Auditor's remuneration	2,820	1,980
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages, salaries and other allowances	60,912	52,407
Pension scheme contributions and social welfare*	11,647	8,860
Total	<u>72,559</u>	<u>61,267</u>

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

** The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets of RMB47,936,000 (2024: RMB38,346,000), RMB25,819,000 (2024: RMB25,672,000) and RMB292,000 (2024: RMB292,000) for the year ended 31 December 2025, respectively, are recorded in "Cost of services provided" in profit or loss.

6. 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 for the year.

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 year 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.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Chinese mainland – income taxes	519	4,437
Hong Kong profits tax	–	–
Elsewhere – income taxes	3,052	481
Deferred tax	<u>(614)</u>	<u>632</u>
Total tax charge for the year	<u><u>2,957</u></u>	<u><u>5,550</u></u>

A reconciliation of tax expense applicable to profit before tax at the statutory tax 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<u>162,807</u>	<u>406,512</u>
Tax at the statutory tax rate	40,702	101,628
Effect of different tax rates applicable to subsidiaries	(18,610)	(36,211)
Expenses not deductible for tax	522	670
Income not subject to tax (a)	(24,133)	(70,111)
Tax losses and deductible temporary differences not recognised	3,807	9,497
Profits and losses attributable to associates	<u>669</u>	<u>77</u>
Tax charge at the Group's effective rate	<u><u>2,957</u></u>	<u><u>5,550</u></u>

- (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 RMB669,000 (2024: RMB77,000), is included in "Share of loss of associates" in the consolidated statement of profit or loss.

7. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final - nil (2024 : HK44 cent) per ordinary share	<u> -</u>	<u>116,281</u>

The board of directors approved the declaration and payment of a special dividend of RMB0.15 per ordinary share to shareholders, totalling approximately RMB43,000,000 in aggregate on 8 November 2024.

8. 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 ordinary shares of 572,538,312 (2024: (Restated) 572,538,312) outstanding in issue during the period, as adjusted to reflect the rights issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculations of basic and diluted earnings per share are based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent	<u>138,003</u>	<u>395,793</u>
	Number of shares	
	2025	2024 <i>(Restated)</i>
Shares		
Weighted average number of ordinary shares outstanding during the year	<u>572,538,312</u>	<u>572,538,312</u>

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 be subdivided into two subdivided shares of par value of USD0.00005 each. The share subdivision was effective on 28 July 2025.

9. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	81,641	62,696
1 to 3 months	34,704	31,657
3 to 6 months	13,206	7,887
6 to 12 months	6,136	5,365
Over 1 year	6,899	–
	<hr/>	<hr/>
Total	142,586	107,605
	<hr/> <hr/>	<hr/> <hr/>

10. TRADE PAYABLES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	127,858	123,969
Over 1 year	19,601	11,469
	<hr/>	<hr/>
Total	147,459	135,438
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The trade payables are non-interest-bearing and are normally settled on the terms of 30 to 60 days.

BUSINESS REVIEW

During the Year, 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 Year, self-operated cross-border logistics services contributed approximately 5.6% of revenue from cross-border logistics services. The Company's self-operated cross-border logistics services consisted of 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 153,821 revenue tons in the Year. The Group's average price per revenue ton of self-operated cross-border seaborne transportation was RMB656 in the Year.

During the Year, 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 425,335 TEUs in the Year, which was higher than the 321,542 TEUs in 2024, primarily due to the Company's business expansion in 2025. The Group's average price per TEU of cross-border logistics services through third party shipping carriers decreased from approximately RMB4,343 in the year ended 31 December 2024 to approximately RMB3,676 in the Year, primarily due to a 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 commenced overseas warehousing service in 2024, and continued to deepen its business footprint and operational efficiency during the Year.

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 Year, the Group chartered out four vessels and generated revenue of RMB74.8 million. The average daily charter rate was approximately RMB103,205 in the Year, which was higher than the approximately RMB77,000 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.

2026 Business Outlook

Market Environment Analysis:

In 2026, the global economy will demonstrate its new resilience in a complex and volatile landscape, with structural opportunities brought to the logistics industry by the adjustment of global supply chains and the deepening of regional trades. However, unfavorable factors such as tariff shocks, uncertainties in trade policies, geopolitical tension and increasing fiscal vulnerability will continue to affect the global economic and trade landscape.

Industry Trends:

Deep advancement in the “Belt and Road” Initiative: The continuous advancement of infrastructure construction in the countries along the route will drive robust growth in the demand for project logistics, particularly in Africa, South America, and Southeast Asia.

Rapid growth of cross-border e-commerce: The swift growth of the global cross-border e-commerce market continues to drive the demand for overseas warehouses and cross-border logistics services, with European, American, and Southeast Asian markets showing enormous growth potential.

Green shipping becoming a consensus: As the global demand for environmental protection becomes increasingly stringent, green shipping has come to be the key theme of industry development, prompting logistics companies to transition towards a low-carbon and eco-friendly development path.

Corporate Strategies and Plans:

In 2026, in face of a complex and severe global economic environment, the Company will proactively respond to challenges and seize opportunities. Leveraging on its solid experience accumulated in cross-border logistics and time charter operations, the Company will, with “organic growth” as its driving force, continue to enhance its market competitiveness and achieve sustainable business growth by optimizing operations, expanding business scopes and practising the concept of green shipping.

I. Cross-border logistics services: digital empowerment and full-chain collaboration

The Company will continue to optimize its operation management of cross-border logistics services in order to enhance service quality and efficiency. It plans to launch self-operated shipping routes at the ports along the Belt and Road through self-operation or cooperation, so as to expand its service coverage and meet customer needs for cross-border freight transportation.

The Company will step up its digital management and deepen the AI technological empowerment across all business scenarios by upgrading “Lcang.com” from a core booking engine to an open cross-border logistics collaboration platform. By relying on API (Application Programming Interface), this platform is deeply integrated with full-chain operational data from upstream and downstream partners including quality terminals, yards, fleet of trucks, customs brokers and overseas warehouses. Its front end is equipped with an AI-enabled multilingual customer service system to address all needs across the entire process 24/7 on an uninterrupted basis, such as answering inquiries from global customers, order tracking and providing feedback on anomalies. This enables intelligent Q&A, automatic work order circulation and proactive notification of abnormal events, significantly improving our responsiveness to and service experience for cross-border customers. An AI-assisted intelligent operation decision-making module is concurrently deployed in the back end. With in-depth analysis of real-time data derived across the cross-border logistics chain and algorithm modeling, we can accurately predict freight demand, optimize route planning, and achieve intelligent matching between vessel slots and capacity resources. Through the deep integration of AI technology with the cross-border logistics business, we will provide customers with one-stop, full-chain and visual digital service experiences, while comprehensively improving supply chain transparency and operation efficiency, and also ensuring the timeliness and safety of cargo transportation.

II. Project logistics: focusing on the opportunities brought by the “Belt and Road” Initiative and infrastructure in Africa

The Company will rely on the advantages of self-operated vessels and provide door-to-door EPC (Engineering Procurement Construction) project logistics solutions for international engineering customers in electric power, construction, petrochemical, rail transportation, machinery, steel and other sectors.

The Company will increase its investment in project logistics. By focusing on the fixed liner routes between Africa’s core hub ports along its east and west coasts and China’s major ports for engineering materials, the Company will proactively expand multi-modal transportation channels and improve the cargo transit efficiency and transportation timeliness. At the same time, the Company will deepen its strategic cooperation with key ports and hinterland logistics providers to establish a multi-dimensional service network, so as to further increase its market share and profitability.

III. Full-chain services encompassing overseas warehouses and cross-border e-commerce

Based on the optimistic expectations for the global cross-border e-commerce market, the Company will continue to promote the construction of overseas warehouses and offer end-to-end warehousing and delivery services. The Company will create a full-chain cross-border e-commerce logistics ecosystem which integrates seaborne transportation, warehousing and last-mile delivery, with the aim of significantly shortening the logistics cycle, providing customers with a more convenient delivery experience and enhancing its competitiveness in overseas markets.

IV. Green shipping and vessel operation: optimizing energy efficiency and planning the future

The Company will proactively put the concept of green shipping into practice by gradually introducing modern and energy-saving vessels that comply with the new environmental regulations of the International Maritime Organization (IMO) into the existing fleet of large container vessels and bulk carriers, as well as promoting the application of clean energy, enhancing waste treatment and marine protection measures and reducing carbon emissions.

For time charter business, the Company will continue to optimize its management of vessel technologies, crew management, marine survey and supply chain services, and flexibly adjust its chartering strategies with the aim of improving vessel utilization rate and profitability, ensuring safe and stable operation and further consolidating customer satisfaction.

Performance Outlook:

Revenue growth: Through the synergy of the expansion of self-operated shipping routes, the strengthening of project logistics business, the development of overseas warehouse business and vessel operation, the Company expects to achieve steady growth in its top-line performance in 2026.

Profitability: Relying on the cost advantage of self-owned fleet of vessels, the profit margins expansion of full-chain services with high added value, and the continuous optimization of refined cost control system, the Company will continue to consolidate and expand profit growth through differentiated operation and efficient management, in order to create greater value for its shareholders.

Conclusion:

In 2026, the Company will continue to identify new opportunities for business growth in the global seaborne logistics market, and constantly improve market competitiveness through innovation of business model, operation optimization and green transformation, in order to achieve continuous growth of its performance. The Company is strongly confident in its future development and remains committed to providing efficient and reliable logistics services to its customers around the world and securing a more significant role in the global logistics industry.

FINANCIAL REVIEW

Revenue

During the Year, the Group derived its revenue from (i) cross-border logistics services; and (ii) time charter services. Revenue from the trading of imported goods under the Group's supply chain solution services (classified as "Others"), which the Group conducted on a limited basis in prior years, was not recorded in 2025 as this business activity was suspended. The following table sets forth a breakdown of the Group's revenue by business line for the years indicated:

	For the year ended		Change in percentage
	31 December 2025	2024	
	RMB'000	RMB'000	
Revenue			
Cross border logistics services	1,797,400	1,833,626	-2.0%
Time charter services	74,837	77,906	-3.9%
Others	—	34,861	-100.0%
Total	1,872,237	1,946,393	-3.8%

Revenue of the Group decreased by approximately 3.8% from RMB1,946.4 million for the Previous Year to RMB1,872.2 million for the Year. This decrease was mainly attributable to a decrease in revenue generated from cross border logistics services from RMB1,833.6 million for the Previous Year to RMB1,797.4 million for the Year, including a decrease in average price per TEU cross-border logistics services provided by the Group and through third party shipping carriers from RMB4,813 for the Previous Year to RMB3,676 for the Year as a result of the decrease in market freight rates, as well as the decrease in provision of self-operated cross-border logistics services during the Year.

Cost of sales

Cost of sales decreased by approximately 2.2% from RMB1,736.3 million for the Previous Year to RMB1,697.3 million for the Year, which was generally in line with the decrease in revenue. This decrease was primarily due to the decrease in costs in relation to the Group's cross border logistics services, including bunker costs, vessel chartering costs, 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 decreased by approximately 16.7% from RMB210.1 million for the Previous Year to RMB175.0 million for the Year.

Gross profit margin decreased from 10.8% for the year ended 31 December 2024 to 9.3% for the Year as a result of the decrease in the provision of self-operated cross-border logistics services during the Year.

Other income and gains

Other income and gains primarily include gains on the disposal of vessels, interest income and foreign exchange gains. Other income and gains decreased by approximately 71.9% from RMB369.8 million for the Previous Year to RMB103.8 million for the Year, primarily due to the Group's asset optimisation in 2024, including the optimisation of the Group's investment strategy for vessel assets.

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 14.8% from RMB22.9 million for the Previous Year to RMB26.3 million for the Year, primarily due to the increase in salaries and welfare of the Group's sales and marketing team.

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 20.0% from RMB98.2 million for the Previous Year to RMB78.6 million for the Year, primarily due to the decrease in consulting fees.

Other expenses

Other expenses primarily represent fair value losses on FVTPL. Other expenses increased by approximately 24.7% from RMB9.3 million for the year ended 31 December 2024 to RMB11.6 million for the Year, primarily due to the increase in fair value losses on FVTPL.

Finance costs

Finance costs include interest expense on bank and other borrowings and interest expense on lease liabilities. Finance costs decreased from RMB8.9 million for the Previous Year to RMB7.6 million for the Year, primarily due to the decrease in interest expense on lease liabilities during the Year.

Reversal of impairment/(impairment) losses on financial assets

Impairment losses on financial assets primarily consist of impairment on trade receivables and other receivables. The Group recorded impairment losses on financial assets of RMB33.7 million for the previous year and reversal of impairment losses of RMB10.9 million for the year, primarily due to the recovery of long outstanding trade receivables during the Year.

Share of loss of associates

Share of loss of associates are related to Lecang International Logistics (Wuxi) Co., Ltd, in which the Group held a 40.0% equity interest, Bal Shipbroking Pte. Ltd, in which the Group held a 40.0% equity interest, and Lcang (Shanghai) Investment Management Co., Ltd, in which the Group held a 40.0% equity interest. Share of loss of associates increased from RMB0.3 million for the year ended 31 December 2024 to RMB2.8 million for the Year.

Profit before tax

As a result of the foregoing, profit before tax decreased by approximately 60.0% from RMB406.5 million for the year ended 31 December 2024 to RMB162.8 million for the Year.

Income tax expense

Income tax expense primarily consists of PRC corporate income tax, Hong Kong profits tax, New Jersey corporation business tax and Madagascar comprehensive tax. The Group's income tax expense was RMB5.6 million and RMB3.0 million for the Previous Year and the Year, respectively.

Profit for the Year

As a result of the foregoing, the Group's profit for the year decreased by approximately 60.1% from RMB401.0 million for the Previous Year to RMB159.9 million for the Year.

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 the Listing 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 31 December 2025, the Group's net current assets amounted to RMB409.0 million (31 December 2024: RMB713.6 million). Specifically, the Group's total current assets decreased by approximately 28.5% from RMB1,006.7 million as at 31 December 2024 to RMB720.1 million as at 31 December 2025. The Group's total current liabilities were RMB293.1 million and RMB311.1 million as at 31 December 2024 and 2025, respectively.

Cash position

As at 31 December 2025, the Group had cash and bank balances of RMB428.7 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 31 December 2025:

	As at 31 December 2025 RMB'000
Denominated in RMB	27,545
Denominated in USD	373,198
Denominated in Malagasy ariary	11,445
Denominated in Hong Kong dollars	16,420
Denominated in Singapore dollars	96
	<hr/>
Total cash and bank balances	428,704
	<hr/> <hr/>

Borrowings

As at 31 December 2025, the Group had borrowings of RMB39.8 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 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Bank loans and overdraft repayable:		
– Within one year	13,000	41,595
Other borrowings repayable:		
– On demand or within a period not exceeding one year	15,200	15,856
– Within a period of more than one year but not exceeding two years	11,572	15,545
– Within a period of more than two years but not exceeding five years	–	11,659
	<hr/>	<hr/>
Subtotal	26,772	43,060
	<hr/>	<hr/>
Total	39,772	84,655
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, except for the borrowings in the amounts of RMB26.8 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 interest rates ranging from 2.75% to 7.71% as at 31 December 2025 (31 December 2024: 2.85% to 9.62%).

Borrowing costs

The Group's interest on bank and other borrowings remained relatively stable at RMB4.0 million and RMB3.9 million for the years ended 31 December 2024 and 2025, respectively.

Pledge of assets

As at 31 December 2025, the Group had mortgaged the dry bulk vessel with carrying amounts of RMB49.9 million (31 December 2024: RMB56.1 million) to secure bank and other borrowings amounting to RMB26.8 million (31 December 2024: RMB43.1 million).

As at 31 December 2025, the Group had pledged deposits of RMB10.4 million (31 December 2024: RMB11.2 million, as security for letters of credit) 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 a related party, 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 a related party, 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 expects 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 expects the credit risk associated with non-trade-related amounts due from a related party to be low, since it has 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 31 December 2025, the current ratio of the Group, being the current assets divided by the current liabilities, was 2.3 times (31 December 2024: 3.4 times).

The Group monitors its capital using a gearing ratio, which is interest-bearing borrowings divided by total equity. The Group's policy is to maintain a healthy gearing ratio. As at 31 December 2025, the gearing ratio of the Group was 2.6% (31 December 2024: 5.5%). The decrease of the Group's gearing ratio was mainly attributable to the decrease of interest-bearing borrowings during the Year.

Contingent Liabilities

As at 31 December 2025, the Group had no significant contingent liabilities.

Commitments

As at 31 December 2025, the Group had capital commitments of RMB712.4 million (31 December 2024: RMB1,721.2 million). The amount as at 31 December 2025 was related to purchase of container vessels as disclosed in the announcement and circular of the Company dated 2 September 2024 and 23 September 2024 respectively.

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

During the Year, 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 Year.

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. Furthermore, as disclosed in the announcement of the Company dated 27 February 2026, the Company entered into two shipbuilding agreements to acquire two vessels at a total consideration of USD236 million.

Save as disclosed, the Company did not have any other future plans for material investments or capital assets as of the date of this announcement.

USE OF PROCEEDS FROM THE LISTING

The Company raised net proceeds from the Global Offering (including the proceeds from the partial exercise of the Over-allotment Option (as defined in the Prospectus)) in the amount of approximately HK\$95.1 million. 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 the Net Proceeds as at 31 December 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	Actual use of the Net Proceeds from 1 January 2025 and up to 31 December 2025	Unutilized Net Proceeds as at 31 December 2025	Expected timeframe of full utilization of the Net Proceeds
		<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
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	9.7	-	-
Expanding the business coverage and global network	4.0%	-	-	-	-
Adopting digital technologies and upgrading internet service systems in providing integrated cross-border logistics services	7.0%	5.2	2.5	2.7	2026
Strategic investments and/or acquisitions in businesses or assets that complement the Group's business	20.0%	3.5	3.5	-	-
Establishing a trucking service matching platform	7.0%	6.7	-	6.7	2026
General corporate purposes and working capital needs	10.0%	-	-	-	-
Total	100.0%	25.1	15.7	9.4	

As at 31 December 2025, the Directors are not aware of any material change in the planned use of the Net Proceeds. The remaining Net Proceeds which had not been utilized were placed in short-term demand deposits with licensed financial institution. The unutilised Net Proceeds and the above timeline of intended utilization will be applied in the manners disclosed by the Company. However, the expected timeline for the unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 331 full-time employees. For the year ended 31 December 2025, the staff cost relating to the Group's own employees recognized as expenses amounted to RMB76.7 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 Year, 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

On 30 December 2025, Lehang Boundless entered into (i) a heads of agreement with Blue Anchor Oceanway Limited; and (ii) a novation agreement with Blue Anchor Oceanway Limited, China Shipbuilding Trading Co., Ltd. and Jiangnan Shipyard (Group) Co., Ltd. (for the vessel with Hull No. 2872) in relation to the novation of all rights and obligations under the shipbuilding agreement dated 6 June 2024. Further details are set out in the announcement of the Company dated 30 December 2025 and the circular of the Company dated 20 January 2026.

On 27 February 2026, the Company entered into two shipbuilding agreements with Shanghai Waigaoqiao Shipbuilding Co., Ltd. (上海外高橋造船有限公司) and China Shipbuilding Trading Co., Ltd. (中國船舶工業貿易有限公司) to acquire two vessels at a total consideration of USD236 million. Further details are set out in the announcement of the Company dated 27 February 2026.

Save as disclosed above, there has been no other material events affecting the Company since 31 December 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 or transfer of treasury shares) during the Year. As at 31 December 2025, the Company did not hold any treasury shares.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK\$0.44 per Share).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be convened and held on Friday, 15 May 2026. A notice convening the AGM will be published on the websites of the Company and the Hong Kong Exchanges and Clearing Limited and despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course. For the purpose of determination of eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026 (both days inclusive), during which period no transfer of Shares will be effected. The record date is Friday, 15 May 2026. In order to be entitled to attend and vote at the forthcoming AGM to be held on Friday, 15 May 2026, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, 11 May 2026.

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 as set out in the Part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance throughout the Year.

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 through the functioning 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 Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted 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 throughout the Year.

REVIEW OF THE ANNUAL 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 annual results of the Group for the year ended 31 December 2025. The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the year ended 31 December 2025.

The Audit Committee has reviewed and discussed the annual results for the year ended 31 December 2025. The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the announcement have been agreed with the auditor of the Company, Ernst & Young, Certified Public Accountants of Hong Kong. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual 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 annual report of the Company for the year ended 31 December 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings below:

“AGM”	the 2025 annual general meeting of the Company
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China
“Company”	LC Logistics, Inc. (乐舱物流股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“Corporate Governance Code”	the corporate governance code set out in Part 2 to Appendix C1 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Global Offering”	the offer of the Shares for subscription by the public as described in the Prospectus
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lehang Boundless”	Lehang Boundless Limited, a company incorporated in the British Virgin Islands and is a wholly owned subsidiary of the Company
“Listing”	the listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Net Proceeds”	the aggregate net proceeds from the Listing and the exercise of the Over-allotment Option (as defined in the Prospectus)
“RMB”	Renminbi, the lawful currency of the PRC
“Previous Year”	the year ended 31 December 2024
“Prospectus”	the prospectus of the Company dated 13 September 2023

“Share(s)”	shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“Year”	the year ended 31 December 2025
“%”	per cent.

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

Hong Kong, 16 March 2026

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.