2026
Interim Report

CN LOGISTICS 嘉泓

A DP WORLD Company

CN Logistics International Holdings Limited
嘉泓物流國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2130)

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS
Mr. Lau Shek Yau John *(Chairman)*
Mr. Ngan Tim Wing *(Chief Executive Officer)*
Ms. Chen Nga Man
Ms. Augusta Morandin
Mr. Fabio Di Nello

NON-EXECUTIVE DIRECTOR
Mr. Zissis Jason Varsamidis

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Lam Hing Lun Alain
Mr. Chan Chun Hung Vincent
Mr. Chun Chi Man
Mr. Roussel Christophe Albert Jean

COMPANY SECRETARY
Mr. Tsang Chiu Ho, CPA *(practicing)*

AUTHORISED REPRESENTATIVES
(for the purpose of the Listing Rules)
Mr. Ngan Tim Wing
Mr. Tsang Chiu Ho

AUTHORISED REPRESENTATIVES
(for the purpose of the Companies Ordinance)
Mr. Tsang Chiu Ho

AUDIT COMMITTEE
Mr. Lam Hing Lun Alain *(Chairman)*
Mr. Chun Chi Man
Mr. Chan Chun Hung Vincent

REMUNERATION COMMITTEE
Mr. Chan Chun Hung Vincent *(Chairman)*
Mr. Ngan Tim Wing
Mr. Chun Chi Man
Mr. Zissis Jason Varsamidis

NOMINATION COMMITTEE
Mr. Lau Shek Yau John *(Chairman)*
Mr. Lam Hing Lun Alain
Mr. Chan Chun Hung Vincent

CORPORATE GOVERNANCE COMMITTEE
Mr. Chun Chi Man *(Chairman)*
Mr. Ngan Tim Wing
Mr. Lam Hing Lun Alain

RISK AND COMPLIANCE COMMITTEE
Mr. Ngan Tim Wing *(Chairman)*
Ms. Augusta Morandin
Mr. Lam Hing Lun Alain

REGISTERED OFFICE
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Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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COMPANY'S LEGAL ADVISER
As to Hong Kong law
Chiu & Partners
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Central
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

KPMG
Public Interest Entity Auditor
registered in accordance with the Accounting and Financial Reporting Council Ordinance

COMPANY WEBSITE

www.cnlogistics.com.hk

STOCK CODE

2130

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group principally engages in the provision of integrated logistics solutions, including air freight forwarding services, distribution and logistics services, ocean freight forwarding services and cruise logistics services, with a primary focus on high-end fashion, luxury products, fine wine and eCommerce logistics.

Leveraging its global network spanning Asia, Europe and North America, together with long-standing relationships with internationally renowned luxury brands, premium retailers and leading eCommerce platforms, the Group continues to strengthen its position as a trusted cross-border logistics partner. The Group operates local offices in 20 countries and regions. In addition, the Group has established partnerships with more than 100 business partners, covering over 100 countries across the globe. During the Reporting Period, the Group remained focused on enhancing operational efficiency, optimising its business mix and strengthening profitability amid an evolving global trade environment.

During the Reporting Period, the global logistics industry continued to operate against a backdrop of geopolitical uncertainties, changing trade policies and uneven consumer demand across major economies. According to the latest financial outlook released by the International Air Transport Association (IATA), while global air cargo revenues are projected to grow in 2026, cargo volumes are expected to remain broadly flat, reflecting a market characterised by shifting trade lanes and increasing cost pressures. Nevertheless, the sustained expansion of global eCommerce continues to generate favourable growth opportunities for the logistics industry. Demand for efficient warehousing, international transportation and last-mile delivery services continues to rise, driven by the increasing popularity of cross-border online shopping and growing adoption of digital supply chain solutions.

Against this backdrop, the Group recorded encouraging operating performance during the Reporting Period, with revenue rising period-on-period by 11.8% to HK$1,633.7 million (1H2025: HK$1,461.5 million), net profit of the Company was approximately HK$34.1 million during the Reporting Period (1H2025: HK$19.1 million), representing a period-on-period increase of approximately 78.5%. Benefiting from disciplined cost management, continuous business portfolio optimisation and enhanced operational efficiency, the Group achieved a marked improvement in both revenue and profitability compared to the corresponding period in 2025.

Regional Analysis — Greater China

According to Bain & Company's 2025 China Personal Luxury Report, China's domestic personal luxury goods market declined by approximately 3%–5% in 2025, reflecting persistently cautious consumer sentiment despite emerging signs of market recovery. The Group maintained close collaboration with its long-standing customers while continuing to enhance operational efficiency and service quality.

During the Reporting Period, revenue contributed by the Group's People's Republic of China ("**PRC**" or "**China**") and Hong Kong operations increased period-on-period by 17.6% to HK$727.2 million (1H2025: HK$618.5 million), attributable by the strong volume growth in the eCommerce business from China and Hong Kong to Africa and European countries.

Particularly, in Hong Kong, the Group continued to strengthen the efficiency of its business-to-consumer ("**B2C**") warehousing and distribution operations through process enhancements and effective cost control. In the PRC, profitability benefited from ongoing workforce optimisation and prudent expense management.

Regional Analysis — Southeast Asia

Supported by continued supply chain diversification and the relocation of export-oriented manufacturing activities, the Group maintained steady business growth across its Southeast Asian operations during the Reporting Period. Building upon its established regional network, the Group continued to strengthen its presence in Southeast Asia by supporting manufacturing customers serving the U.S. market, positioning itself to capture opportunities arising from evolving global trade flows.

Vietnam continued to deliver stable performance during the Reporting Period, supported by resilient demand from export-oriented manufacturing customers and ongoing business development. Cambodia also recorded strong business growth, reflecting the Group's continued efforts to strengthen its regional presence and diversify its customer base. During the Reporting Period, revenue contributed by the Group's offices in Vietnam and Cambodia increased by 53.5% and 190.6% to HK$80.4 million and HK$34.0 million, respectively.

Against a backdrop of evolving geopolitical and trade dynamics in the region, the Group's Japan and South Korea operations recorded improved performance during the Reporting Period. Continued business development and improving market conditions contributed positively to the overall performance of the Group's Asian operations. The Group believes that its diversified presence across Asia, together with its established customer relationships and regional network, will continue to enhance its ability to capture opportunities arising from evolving global supply chain dynamics.

Regional Analysis — Europe

Europe continued to serve as a vital gateway connecting premium Asian products with high-purchasing-power consumers. Amid continued macroeconomic uncertainties and evolving global trade dynamics, the Group implemented appropriate operational adjustments in response to changing market conditions. During the Reporting Period, revenue contributed by the Group's office in Italy amounted to HK$360.1 million (1H2025: HK$349.7 million).

Leveraging its established presence across major European markets, the Group continued to provide comprehensive logistics solutions to long-standing customers across air freight forwarding, distribution and last-mile delivery services.

CN Express — Improved Profitability through Business Optimisation

CN Express International Limited and its subsidiaries (together, "**CN Express**") were one of the Group's key strategic business initiatives during the Reporting Period, with an aim to strengthen the Group's position in the rapidly evolving cross-border eCommerce logistics market. As global eCommerce continues to reshape consumer purchasing behaviour and international trade flows, demand for efficient, technology-enabled and time-sensitive logistics solutions remained strong, providing long-term growth opportunities for the business.

During the Reporting Period, CN Express optimised its business portfolio by focusing on higher-value cross-border eCommerce logistics services, while further enhancing the quality of its operations. Leveraging its integrated logistics network, dedicated parcel management system and extensive experience in cross-border fulfilment, CN Express continued to provide one-stop logistics solutions to leading global eCommerce platforms, enabling customers to efficiently manage high-volume, time-sensitive cross-border parcel deliveries with enhanced visibility, reliability and operational efficiency.

As a result, CN Express achieved a turnaround in profitability and became an important contributor to the Group's overall earnings improvement during the Reporting Period. During the Reporting Period, CN Express recorded revenue of approximately HK$289.1 million (1H2025: HK$246.1 million), representing approximately 17.7% of the Group's total revenue. The profitability and increase in revenue from CN Express were mainly due to 1) strong volume growth in the eCommerce business from China and Hong Kong to Africa and European countries and 2) new business opportunities with sizeable eCommerce platform providers.

Cruise Logistics — Stable Amid Sector Recovery

During the Reporting Period, the Group continued to provide reliable logistics support services for major international cruise operators across key global ports. Supported by the gradual recovery of global tourism and cruise activities, demand for cruise logistics services remained broadly stable. The Group maintained long-term relationships with its existing customers and continued to provide high-quality replenishment and logistics services throughout the Reporting Period.

The cruise logistics business continued to provide stable revenue contribution, with a revenue of approximately HK$213.0 million (1H2025: HK$254.9 million), contributing around 13.0% to Group's revenue. Gross profit increased by 3.4% to approximately HK$83.2 million (1H2025: HK$80.5 million), reflecting the segment's characteristic stability.

FINANCIAL RESULTS

The Group recorded revenue of approximately HK$1,633.7 million during the Reporting Period (1H2025: HK$1,461.5 million), representing an increase of approximately 11.8% as compared to 1H2025. Gross profit amounted to approximately HK$270.5 million during the Reporting Period (1H2025: HK$241.8 million), representing an increase of approximately 11.9% as compared to 1H2025. Net profit of the Company was approximately HK$34.1 million during the Reporting Period (1H2025: HK$19.1 million), representing a period-on-period increase of approximately 78.5% as compared to 1H2025.

SEGMENTAL ANALYSIS

The Group principally involves in the provision of freight forwarding services (including air and ocean freight forwarding services), cruise logistics services, and distribution and logistics services.

Air freight forwarding services

The air freight forwarding business continued the largest segment of the Group, representing approximately 50.3% of the Group's total revenue during the Reporting Period (1H2025: 42.9%). The Group's services include arranging for consignment upon receipt of booking instructions from customers, cargo pick up, obtaining cargo space, preparation of freight documentation, arranging for customs clearance and cargo handling at origin and destination, as well as other related logistics services, such as supporting transportation for freight forwarding purposes. In addition, the Group is a member of International Air Transport Association in Hong Kong, PRC, Taiwan, Italy, France and Japan which provides access to space procurement for air cargo routes worldwide in these locations and is also capable of procuring air cargo space directly from airline carriers in the PRC.

During the Reporting Period, the air freight forwarding business recorded revenue of approximately HK$822.3 million (1H2025: HK$627.4 million), representing an increase approximately 31.1% as compared to the corresponding period of 2025. The gross profit was approximately HK$103.4 million (1H2025: HK$63.4 million), representing an increase of approximately 63.1%. The increase in revenue and gross profit were mainly due to 1) strong volume growth in the eCommerce business from China and Hong Kong to Africa and European countries and 2) increase in airfreight volume in the Group's Greater China offices.

Ocean freight forwarding services

The holistic logistics solutions of the Group also include the provision of ocean freight forwarding services to its air freight forwarding services customers as well as other customers. During the Reporting Period, revenue from the ocean freight forwarding operations of the Group was mainly generated from import shipments to Italy and shipments from and to the Southeast Asia regions such as Vietnam and Japan.

During the Reporting Period, the revenue from this segment was approximately HK$460.0 million (1H2025: HK$424.7 million). The gross profit was approximately HK$81.3 million (1H2025: HK$90.3 million). The increase in revenue was primarily due to the Group's Vietnam, Indonesia and Cambodia offices recording significant increase in the export shipments to USA for local textile companies.

Cruise logistics

Under the cruise logistics business, the Group provides freight forwarding services to the global cruise operators in the cruise industry. The services include the provision of shipments of supplies for drydock on a project basis and cruise replenishment. Cruise operators typically engage the Group to arrange delivery of parts and equipment to be used in the repair and maintenance of cruise ships and/or replenishment of supplies to their shipyards, drydock or designated ports. The cruise logistics business of the Group spans multiple cities in the PRC, Europe, Australia, the USA and Asia.

During the Reporting Period, the revenue from this segment was approximately HK$213.0 million (1H2025: HK$254.9 million). The gross profit was approximately HK$83.2 million (1H2025: HK$80.5 million), representing a growth of 3.4%.

Distribution and logistics services

The distribution and logistics segment contributed approximately 8.5% of the total revenue of the Group during the Reporting Period (1H2025: 10.6%).

The Group is one of the earliest service providers in the PRC and Hong Kong of comprehensive and customised business-to-business distribution and logistics services to meet its customers' warehousing and logistics needs with cost-effective supply chain solutions. The Group is also one of the earliest in the PRC to establish its own highly automated distribution centre to provide tailor-made logistics solutions for high-end fashion products. The distribution and logistics services operations are primarily located in Hong Kong, the PRC, Italy and Taiwan, with the PRC and Hong Kong being the two largest contributors of revenue for this segment. As at 30 June 2026, the Group managed and operated 24 distribution centres with a total gross floor area of approximately 761,000 sq.ft. This business segment involves the provision of a wide range of logistics services, such as managing vendor inventory, pick and pack finished goods, delivery, recycling, quality control and various ancillary value-added services such as supply chain management and storage services through the proprietary warehouse management system of the Group.

In addition, as one of the few specialists in providing distribution and logistics services for wine in Hong Kong, the Group's comprehensive logistics services include specialty storage, logistics and other value-added services such as branded packaging, polymorph repacking, same day local door-to-door and temperature-controlled delivery in Hong Kong to its customers.

During the Reporting Period, revenue from this segment was approximately HK$138.4 million (1H2025: HK$154.5 million). The gross profit of this segment was approximately HK$2.6 million (1H2025: HK$7.7 million), representing a decrease of approximate of 66.2% as compared with the corresponding period of 2025. The decrease in revenue was mainly due to the decrease in local demand for luxury products in PRC, thereby lowering the demand for the relevant distribution and logistics services.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations on the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available to meet its funding requirements and commitment timely.

The Group's working capital increased from approximately HK$167.2 million as at 31 December 2025 to HK$190.5 million as at 30 June 2026. The current ratio of the Group was 1.15 (31 December 2025: 1.15).

As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately HK$310.9 million (as at 31 December 2025: HK$299.6 million), which remained stable as compared to the cash and cash equivalents as at 31 December 2025. During the Reporting Period, the Group had operating cash inflow of approximately HK$87.9million (1H2025: operating cash inflow of approximately HK$49.5 million). As at 30 June 2026, the Group's outstanding bank loans and overdrafts amounted to approximately HK$418.9 million (as at 31 December 2025: approximately HK$457.2 million). The gearing ratio of the Group was approximately 25.5% as at 30 June 2026 (as at 31 December 2025: 35.6%). The gearing ratio was calculated as the net of the total of bank loans and overdrafts and cash and cash equivalents divided by total tangible net worth of the Group. The tangible net worth was calculated as total equity, excluding treasury stocks and non-controlling interests, minus goodwill and intangible assets, the Group maintained a net cash position (as at 31 December 2025: net cash position). The Group will continue to secure financing as and when the need arises.

FOREIGN EXCHANGE RISK

During the Reporting Period, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 30 June 2026, both the borrowings and the cash and cash equivalents held by the Group were mainly denominated in RMB, USD, HKD and EUR. The Group's borrowings were floating rate borrowings, and bank deposits of approximately HK$2.3 million were pledged to secure certain banking facilities for guarantees on payment to certain airline suppliers and performance bonds to customers of the Group as at 30 June 2026 (as at 31 December 2025: HK$2.3 million).

In light of the nature of the Group's business, the Group is exposed to certain foreign exchange risks in respect of depreciation or appreciation including EUR, GBP, RMB, TWD and USD among which, RMB and USD are mostly used in our business apart from HKD. Nevertheless, the Group's operations are predominately subject to the fluctuations of RMB and EUR since HKD is pegged to USD. We have, however, not maintained any specific hedging policy or foreign currency forward contracts in respect of such foreign exchange risks. The Group continued to exercise a strict control policy and did not engage in any speculative trading in debt securities or financial derivatives during the Reporting Period.

SIGNIFICANT INVESTMENT

During the Reporting Period, the Group did not hold any material investment.

CAPITAL EXPENDITURE COMMITMENTS

As at 30 June 2026, the Group had no material capital commitment which are contracted but not provided for.

CONTINGENT LIABILITIES

As at 30 June 2026, financial guarantees were given by the Company to the banks for the banking facilities entered by certain subsidiaries of the Group. The Directors do not consider it probable that a claim will be made against the Group under the banking facilities. The maximum liability of the Group under the banking facilities as at 30 June 2026 is the amount of the facilities drawn by the Group, being HK$358.3 million (as at 31 December 2025: HK$359.7 million).

As at the date of this report, the Group was not involved in any current material legal proceeding, nor was the Group aware of any pending or potential material legal proceedings involving the Group. If the Group was involved in such material legal proceedings, the Group would record any loss contingencies when, based on information then available, it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

CHARGE ON GROUP ASSETS

As at 30 June 2026, certain interest-bearing bank borrowings of the Group were secured by pledged bank deposit of the Group amounted to approximately HK$2.3 million (as at 31 December 2025: HK$2.3 million).

EVENTS AFTER THE REPORTING PERIOD

There has been no material events affecting the Group which occurred since the end of the Reporting Period to the date of this report.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisition or disposal of subsidiaries or associated companies of the Company during the Reporting Period.

USE OF PROCEEDS

Use of net proceeds from subscription of Shares

On 18 May 2021, the Company entered into a subscription agreement (the "**Subscription Agreement**") with Mr. Chan Wing Luk, an independent third party of the Company and its connected persons. Pursuant to the Subscription Agreement, the Company agreed to allot and issue and Mr. Chan Wing Luk agreed to subscribe for 5,000,000 Shares, with a nominal value of US$5,000, at a subscription price of HK$7.23 per Share (the "**Subscription**"), representing a discount of approximately 3.0% to the closing price of HK$7.45 per Share on the date of the Subscription Agreement. The Directors consider that the Subscription allowed the Company to broaden its shareholder base and represented an opportunity for the Company to strengthen its capital base and financial position without any interest burden, within a relatively short time frame and at lower costs when compared with other means of fund raising. The Subscription was completed on 3 June 2021. The net proceeds raised from the Subscription, after deduction of professional fees and other related expenses, were approximately HK$35.6 million and accordingly, the net price for the Subscription was HK$7.12 per Share. For further details of the Subscription, please refer to the Company's announcements dated 18 May and 3 June 2021.

The following table sets forth details of the use of the net proceeds from the Subscription up to 30 June 2026:

	Net proceeds HK$ million	**Unutilised amount as at 1 January 2026** HK$ million	**Amount utilised during Reporting Period** HK$ million	**Unutilised amount as at 30 June 2026** HK$ million	**Expected timeline for utilisation**
Expansion of business and local presence in Hainan Province in the PRC, Southeast Asia and the United Kingdom	35.6	5.2	3.0	2.2	On or before 2 June 2027

During the Reporting Period, the proceeds raised by the Company from the Subscription were utilised, or were proposed to be utilised, in accordance with the intentions previously disclosed by the Company. Save as the change in the expected timeline for utilisation from on or before 2 June 2026 to 2 June 2027, there was no material change or delay in the use of proceeds.

PROSPECT

Outlook

Despite persistent geopolitical tensions, shifting tariff regulations, and ongoing volatility in global trade flows, the Group maintains a cautiously optimistic outlook on the long-term prospects of the logistics industry. While the near-term operating environment is expected to remain challenging, structural drivers including continued supply chain diversification, sustained growth of cross-border eCommerce and increasing demand for integrated, value-added logistics solutions are expected to support the industry's long-term development.

In view of the prevailing market uncertainties, the Group will continue to focus on strengthening its core competencies and enhancing operational efficiency, while maintaining prudent financial and risk management. By reinforcing its business fundamentals and preserving operational flexibility, the Group will be well positioned to capitalise on opportunities as market conditions gradually recover through the following strategic initiatives:

1. ***Expanding CN Express to Capture Structural Growth in Cross-border eCommerce***

   The Group remains confident that cross-border eCommerce will continue to be a key driver of long-term logistics demand. Supported by increasing shipment volumes from leading international eCommerce platforms, continued growth in both online and offline retail channels and rising demand for international air freight services, the Group expects the eCommerce logistics segment to remain one of its principal growth engines.

   Looking ahead, the Group will continue to strengthen the strategic development of CN Express through ongoing optimisation of its business portfolio, with greater emphasis on higher-margin business opportunities and operational excellence. By continuously reviewing market trends and evolving customer requirements, the Group seeks to deepen cooperation with leading global eCommerce platforms and reinforce its position as a trusted logistics partner supporting their global expansion. Leveraging its integrated Asia-Europe logistics network and one-stop logistics solutions, the Group believes it is well positioned to benefit from the continued expansion of global cross-border eCommerce.

2. ***Deepening Southeast Asia Regional Network to Capture Emerging Supply Chain Opportunities***

   The Group believes that Southeast Asia will remain one of its key strategic growth regions as evolving geopolitical developments, changing trade dynamics and continued supply chain diversification reshape global manufacturing and sourcing patterns. Building upon its established presence in Vietnam, Cambodia and Indonesia, the Group will continue to strengthen its regional service capabilities, enabling customers to respond more effectively to the evolving international trade environment and increasingly diversified supply chain requirements.

   At the same time, the Group will further enhance connectivity and coordination across its Asian network, including Japan and South Korea, to improve operational efficiency and deliver greater value to customers. Rather than pursuing expansion into new markets, the Group will focus on maximising the competitiveness of its existing regional network, leveraging its integrated cross-border logistics capabilities and reinforcing its position to capture opportunities arising from the continued evolution of global supply chains.

HUMAN RESOURCES

As at 30 June 2026, the Group employed 901 employees (as at 30 June 2025: 883 employees). During the Reporting Period, employee costs, including Directors' remuneration, was approximately HK$176,537,000 (1H2025: approximately HK$172,021,000). Remuneration packages are generally structured to market terms and experiences. The Company has also adopted share option scheme and share award scheme for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who contribute to the success of the Group's operations. During the Reporting Period, regular in-house and external trainings have been provided to the Group's employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, there were no treasury shares being held by the Company.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK1 cent per ordinary Share absorbing a total amount of HK$3,004,890, in respect of the Reporting Period. The proposed interim dividend is expected to be paid on Friday, 30 October 2026 to all shareholders of the Company ("**Shareholders**") whose names to be appeared on the register of members of the Company on Thursday, 8 October 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Monday, 5 October 2026 to Thursday, 8 October 2026 (both days inclusive) during which period no transfer of shares will be registered. In order to be qualified for the interim dividend, all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 2 October 2026. The record date for determining the interim dividend will be Thursday, 8 October 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2026, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), which were required to be: (a) notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) as recorded in the register required to be kept under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), were as below:

(i) Interest in the Shares

Name of Director/ Chief executive of the Company	**Capacity/Nature of interest**	**Number and class of securities** (Note 1)	**Percentage of shareholding**
Mr. Ngan Tim Wing ("**Mr. Ngan**")	Beneficial owner	21,241,203 Shares (L)	7.1%
Ms. Chen Nga Man ("**Ms. Chen**")	Beneficial owner	1,256,099 Shares (L)	0.4%
Ms. Augusta Morandin	Beneficial owner	10,000,000 Shares (L)	3.3%
Mr. Fabio Di Nello	Beneficial owner	10,000,000 Shares (L)	3.3%

Notes:

1. The letter "L" denotes our Directors' long position in the shares of the Company.

2. The percentage of shareholding is calculated based on the total issued shares of the Company as at 30 June 2026, i.e. 300,489,000 Shares.

(ii) Interest in the shares of associated corporations of the Company

Name of Director/Chief executive of the Company	Name of Group member/associated corporation	Capacity/Nature of interest	Number and class of securities (Note 1)	Percentage of shareholding (Note 4)
Ms. Chen	CN FRANCE (HONG KONG) LIMITED ("**CN France HK**")	Interest of a controlled corporation (Note 2)	3,000 ordinary shares (L)	30%
	CN LOGISTICS FRANCE SAS ("**CN France**")	Interest of a controlled corporation (Note 3)	6,400 ordinary shares (L)	16%
	CN Logistics Limited ("**CN BVI**")	Beneficial owner	1,000 ordinary shares (L)	2%

Notes:

1. The letter "L" denotes our Directors' long position in the shares of the relevant associated corporation of the Company.

2. The 3,000 shares in CN France HK (an indirect non-wholly owned subsidiary of the Company) are held by Wise Pointer Limited, which is wholly owned by Ms. Chen. By virtue of the SFO, Ms. Chen is taken to be interested in the shares held by Wise Pointer Limited.

3. The 6,400 shares in CN France (an indirect non-wholly owned subsidiary of the Company) are held by Wise Pointer Limited, which is wholly owned by Ms. Chen. By virtue of the SFO, Ms. Chen is taken to be interested in the shares held by Wise Pointer Limited.

4. The percentage of shareholding is calculated based on the total issued shares of the respective associated corporation as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had any interests and/or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2026, so far as is known to the Directors, the following corporations or persons (other than a Director or the chief executives of the Company) had interest or short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Capacity/nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
DP World Limited	Interest of a controlled corporation (Note 2)	173,845,222 Shares (L)	57.9%
Chan Wing Luk	Beneficial owner	24,857,000 Shares (L)	8.3%
Ms. Ngan Au Kei Yee	Interest of spouse (Note 3)	21,241,203 Shares (L)	7.1%

Notes:

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

2. These 173,845,222 Shares are held by DP World Logistics FZE ("**DP World**"). DP World is wholly owned by DP World FZE, which is in turn wholly owned by DP World Limited. By virtue of the SFO, DP World FZE and DP World Limited are deemed to be interested in the Shares held by DP World.

3. Ms. Ngan Au Kei Yee is the spouse of Mr. Ngan. Under the SFO, Ms. Ngan Au Kei Yee is deemed to be interested in the same number of Shares in which Mr. Ngan is interested.

Save as disclosed above, as at 30 June 2026, other than the Directors and the chief executives of the Company whose interests are set out in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, no person had interest or short position in the Shares or underlying Shares which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 17 September 2020 for the purpose of providing incentives or rewards to selected participants who contribute to the success of the Group's operations. All directors, employees, suppliers of goods or services and customers of the Group, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date and will expire on 17 September 2030. As at the date of this report, the Share Option Scheme has a remaining life of approximately 4 years. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 25,000,000 Shares (the "**General Scheme Limit**"), being 10% of the Shares in issue on the date of listing of the Shares on the Stock Exchange (i.e. 15 October 2020). As at 1 January 2026 and 30 June 2026, the number of options available for grant under the Share Option Scheme was 25,000,000 Shares. The General Scheme Limit represented approximately 8.3% of the total number of Shares in issue (excluding treasury shares, if any) as at the date of this report. Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised. The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of: (i) the closing price of Shares as quoted on the Hong Kong Stock Exchange on the date of the offer of grant, which must be a business day; and (ii) the average closing price of the Shares as quoted on the Hong Kong Stock Exchange for the five business days immediately preceding the date of the offer for the grant.

No share option has been granted, exercised or cancelled by the Company under the Share Option Scheme since its adoption and up to the date of this report.

SHARE AWARD SCHEME

The Board adopted a share award scheme (the "**Share Award Scheme**") on 6 May 2021. The purposes of the Share Award Scheme are to (i) recognise and motivate contributions of the eligible persons; (ii) align the interests of the eligible persons with those of the Company and strive for the future development and expansion of the Group; and (iii) attract suitable personnel for further development of the Group through the grant of award to the eligible persons. Pursuant to the Share Award Scheme, eligible persons may include any Directors, senior managers, employees, suppliers and customers of the Group and employees of the controlling Shareholders.

Unless terminated earlier by the Board in accordance with the scheme rules, the Share Award Scheme shall be valid and effective for a term of ten years commencing on its adoption date and will expire on 6 May 2031. As at the date of this report, the remaining life of the Share Award Scheme is approximately 4.5 years. Termination of the Share Award Scheme, either earlier by the Board or upon expiry of the award period, shall not affect any subsisting rights of any selected participant in respect of any award made to him prior to such termination.

The Share Award Scheme shall be subject to the administration of the Board in accordance with the scheme rules and, where applicable, the trust deed. No consideration shall be payable by the grantees for the acceptance of an award granted under the Share Award Scheme. Subject to the rules of the Share Award Scheme, the Board shall determine from time to time the vesting criteria and conditions or periods and the exercise period for the award granted under the Share Award Scheme.

The total number of Shares to be awarded under the Share Award Scheme shall not exceed 10% of the total number of issued Shares from time to time. The maximum number of awarded shares which may be granted to a selected participant but unvested under the Share Award Scheme shall not exceed 1% of the total number of issued Shares from time to time. The Board shall regularly review the limit of the Share Award Scheme and may resolve, as it sees fit, to amend the limit of the Share Award Scheme. Any amendment of the limit of the Share Award Scheme will be promptly announced by the Company. As at 1 January 2026, 30 June 2026 and the date of this report, there was no existing scheme mandate for the issue of Shares pursuant to the awards granted under the Share Award Plan.

No award has been granted, exercised or cancelled by the Company under the Share Award Scheme since its adoption and up to the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business. The Board has adopted the code provision of the Corporate Governance Code ("**CG Code**") contained in Part 2 in Appendix C1 to the Listing Rules. The Board has reviewed the Company's corporate governance and is satisfied that, save for the deviation from code provision B.3.5, the Company has complied with the code provisions set out in the CG Code during the Reporting Period. Code provision B.3.5 was introduced by the Stock Exchange as an amendment to the CG Code with effect from 1 July 2025 which requires listed issuer to appoint at least one director of a different gender in the nomination committee. As at the date of this report, the nomination committee of the Company consisted of three male Directors, namely, Mr. Lau Shek Yau John (executive Director and chairman of the committee), Mr. Lam Hing Lun Alain and Mr. Chan Chung Hung Vincent (each an independent non-executive Director). The Company is now in the course of identifying suitable candidates of a different gender to join the nomination committee and expects that it will appoint at least one female Director on or before 31 December 2026. Key corporate governance principles and practices of the Company are summarized below.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules. Each Director has been given a copy of the Securities Dealing Code. Specific enquiry has been made of all Directors and they have confirmed their compliance with the Securities Dealing Code and the Model Code throughout the Reporting Period.

AUDIT COMMITTEE

The Company has established an audit committee which comprises three independent non-executive Directors, namely, Mr. Lam Hing Lun Alain, Mr. Chan Chun Hung Vincent and Mr. Chun Chi Man. Mr. Lam Hing Lun Alain is the chairman of the audit committee. The audit committee of the Company has discussed with the management of the Group and the Company's external auditors and reviewed the unaudited consolidated financial results of the Group for the Reporting Period, including the accounting principles and practices adopted by the Group, and discussed with the management on the financial reporting system and the risk management and internal control systems of the Company.

By order of the Board
CN Logistics International Holdings Limited

Lau Shek Yau John
Chairman and Executive Director

Hong Kong, 31 August 2026

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT

KPMG

To the Board of Directors of CN Logistics International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 19 to 42, which comprise the consolidated statement of financial position of CN Logistics International Holdings Limited (the "**Company**") as of 30 June 2026 and the related consolidated statement of profit or loss, the statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 – unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2026 $'000	2025 $'000
Revenue	3	**1,633,717**	1,461,540
Cost of services		**(1,363,227)**	(1,219,692)
Gross profit		**270,490**	241,848
Other income		**1,320**	1,670
Other net gain		**5,357**	1,430
Administrative and other operating expenses		**(211,804)**	(197,040)
Profit from operations		**65,363**	47,908
Finance costs	4(a)	**(11,766)**	(11,770)
Share of profits of associates		**2,108**	1,776
Profit before taxation	4	**55,705**	37,914
Income tax	5	**(21,642)**	(18,821)
Profit for the period		**34,063**	19,093
Attributable to:			
Equity shareholders of the Company		**25,925**	15,429
Non-controlling interests		**8,138**	3,664
Profit for the period		**34,063**	19,093
Earnings per share (Hong Kong cents)			
Basic and diluted	6	**8.9**	5.3

The notes on pages 25 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Profit for the period	**34,063**	19,093
Other comprehensive income for the period (after taxation)		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit retirement obligations	**(594)**	(139)
Remeasurement of equity investment at fair value through other comprehensive income	**19**	(105)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries and associates outside Hong Kong	**(4,421)**	27,796
Total comprehensive income for the period	**29,067**	46,645
Attributable to:		
Equity shareholders of the Company	**22,135**	41,152
Non-controlling interests	**6,932**	5,493
Total comprehensive income for the period	**29,067**	46,645

The notes on pages 25 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2026 $'000	31 December 2025 $'000
Non-current assets			
Property, plant and equipment	7	177,487	196,660
Intangible assets		5,399	3,329
Goodwill	8	224,941	223,654
Interests in associates		18,355	17,028
Other financial assets		1,067	1,044
Loan receivables	9	4,947	7,547
Deferred tax assets		16,897	16,384
		449,093	465,646
Current assets			
Trade and other receivables and contract assets	10	1,026,399	914,651
Amounts due from related companies		12,414	12,406
Amounts due from EV Cargo Group		22,227	21,643
Amounts due from DP World Group		76,353	43,293
Amounts due from associates		1,460	996
Loan receivables	9	5,961	6,255
Pledged bank deposits	11	2,312	2,326
Time deposit		3,569	19,282
Cash and cash equivalents	12	310,887	299,616
		1,461,582	1,320,468
Current liabilities			
Trade and other payables and contract liabilities	13	540,156	422,644
Amounts due to EV Cargo Group		10,616	10,885
Amounts due to DP World Group		248,783	219,864
Amounts due to associates		120	189
Bank loans and overdrafts	14(a)	418,361	456,137
Lease liabilities		37,289	37,157
Current taxation		15,766	6,355
		1,271,091	1,153,231
Net current assets		190,491	167,237
Total assets less current liabilities		639,584	632,883

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2026 $'000	31 December 2025 $'000
Non-current liabilities			
Bank loans	14(a)	587	1,107
Lease liabilities		31,053	40,735
Defined benefit retirement obligation		14,703	16,203
Deferred tax liabilities		1,477	1,477
		47,820	59,522
NET ASSETS		591,764	573,361
CAPITAL AND RESERVES	15		
Share capital		2,344	2,344
Reserves		564,164	542,029
Total equity attributable to equity shareholders of the Company		566,508	544,373
Non-controlling interests		25,256	28,988
TOTAL EQUITY		591,764	573,361

The notes on pages 25 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Reserve fund HK$'000	Exchange reserve HK$'000	Fair value reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity $'000
Balance at 1 January 2025	2,344	376,385	(64,325)	15,119	(40,073)	(1,267)	224,584	512,767	35,691	548,458
Changes in equity for 2025:										
Profit for the year	–	–	–	–	–	–	15,359	15,359	7,490	22,849
Other comprehensive income	–	–	–	1,455	20,086	(105)	629	22,065	(826)	21,239
Total comprehensive income	–	–	–	1,455	20,086	(105)	15,988	37,424	6,664	44,088
Shareholder contribution	–	–	–	–	–	–	36	36	–	36
Dividend paid to Shareholders	–	(5,854)	–	–	–	–	–	(5,854)	–	(5,854)
Dividend paid to non-controlling interest	–	–	–	–	–	–	–	–	(13,367)	(13,367)
Transfer to reserve fund	–	–	–	69	–	–	(69)	–	–	–
Balance at 31 December 2025	2,344	370,531	(64,325)	16,643	(19,987)	(1,372)	240,539	544,373	28,988	573,361
Balance at 1 January 2026	**2,344**	**370,531**	**(64,325)**	**16,643**	**(19,987)**	**(1,372)**	**240,539**	**544,373**	**28,988**	**573,361**
Changes in equity for 2026:										
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**25,925**	**25,925**	**8,138**	**34,063**
Other comprehensive income	**–**	**–**	**–**	**–**	**(3,215)**	**19**	**(594)**	**(3,790)**	**(1,206)**	**(4,996)**
Total comprehensive income	**–**	**–**	**–**	**–**	**(3,215)**	**19**	**25,331**	**22,135**	**6,932**	**29,067**
Dividend paid to non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,664)**	**(10,664)**
Balance at 30 June 2026	**2,344**	**370,531**	**(64,325)**	**16,643**	**(23,202)**	**(1,353)**	**265,870**	**566,508**	**25,256**	**591,764**

The notes on pages 25 to 42 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2026 $'000	2025 $'000
Operating activities			
Cash generated from operations		**100,089**	63,540
Hong Kong Profits Tax paid		**(800)**	(786)
Tax paid outside Hong Kong		**(11,429)**	(13,272)
Net cash generated from operating activities		**87,860**	49,482
Investing activities			
Payment for the purchase of property, plant and equipment		**(2,113)**	(2,899)
Repayment of loan from a director		**–**	2,800
Repayment of loan from an employee		**2,605**	–
Other cash flows arising from investing activities		**14,454**	5,565
Net cash generated from investing activities		**14,946**	5,466
Financing activities			
Dividend paid to non-controlling interests		**(10,664)**	(12,295)
Other cash flows arising from financing activities		**(77,557)**	(47,051)
Net cash used in financing activities		**(88,221)**	(59,346)
Net increase/(decrease) in cash and cash equivalents		**14,585**	(4,398)
Cash and cash equivalents at 1 January		**296,349**	254,936
Effect of foreign exchange rate changes		**(47)**	13,102
Cash and cash equivalents at 30 June	12	**310,887**	263,640

The notes on pages 25 to 42 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 31 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 18.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Group's statutory annual consolidated financial statements for that financial year, but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared in the interim financial report.

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

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

The principal activities of the Group are provisions of air freight forwarding services, ocean freight forwarding services, distribution and logistics services and cruise logistics services. Further details regarding the Group's principal activities are disclosed in note 3(b).

(i) Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
— Provision of air freight forwarding services	**822,254**	627,359
— Provision of ocean freight forwarding services	**460,029**	424,718
— Provision of distribution and logistics services	**138,448**	154,515
— Provision of cruise logistics services	**212,986**	254,948
	1,633,717	1,461,540

Disaggregation of revenue from contracts with customers by geographic locations is disclosed in note 3(b)(ii).

Revenue arising from the provisions of air freight forwarding services, ocean freight forwarding services and cruise logistics services is recognised over time as customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. The revenue is recognised using output method based on either time lapse or units processed.

3 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Revenue (Continued)

(i) Disaggregation of revenue (Continued)

Revenue arising from the provision of distribution and logistics services is recognised at a point in time when the relevant services are rendered.

All of the Group's revenue either have contracts with an original expected duration of one year or less or is recognised in the amount to which the Group has a right to invoice by applying the practical expedient in paragraph B16 of HKFRS 15. Accordingly, the Group has elected to apply the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the aggregate amount of transaction price allocated to the unsatisfied performance obligations in these contracts.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Air freight: this segment provides freight forwarding services by air
- Ocean freight: this segment provides freight forwarding services by ocean
- Cruise logistics: this segment provides shipment of supplies for drydock project and cruise replenishment for cruise operations
- Distribution and logistics: this segment provides cost-effective supply chain solutions

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and costs of services are allocated to the reportable segments with reference to service income generated by those segments and the direct costs incurred by those segments, including the depreciation or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

3 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

Information about reportable segments as provided to the Group's most senior executive management for resource allocation and performance assessment for the six months ended 30 June 2026 and 2025 is set out below.

	Six months ended 30 June 2026				
	Air freight $'000	Ocean freight $'000	Cruise logistics $'000	Distribution and logistics $'000	Total $'000
Reportable segment revenue — external sales	822,254	460,029	212,986	138,448	1,633,717
Reportable segment gross profit	103,357	81,340	83,193	2,600	270,490
Other income					1,320
Other net gain					5,357
Administrative and other operating expenses					(211,804)
Finance costs					(11,766)
Share of profits of associates					2,108
Profit before taxation					55,705

3 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

	Six months ended 30 June 2025				
	Air freight $'000	Ocean freight $'000	Cruise logistics $'000	Distribution and logistics $'000	Total $'000
Reportable segment revenue — external sales	627,359	424,718	254,948	154,515	1,461,540
Reportable segment gross profit	63,449	90,271	80,453	7,675	241,848
Other income					1,670
Other net gain					1,430
Administrative and other operating expenses					(197,040)
Finance costs					(11,770)
Share of profits of associates					1,776
Profit before taxation					37,914

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting (Continued)

(ii) Geographic information

The following table sets out information about the geographical locations of the Group's revenue from external customers. The geographical locations of revenue from customers are based on the locations at which the services are provided.

Revenue from external customers:

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Hong Kong	**410,925**	284,883
Chinese Mainland	**316,296**	333,627
Italy	**360,060**	349,739
Taiwan	**69,941**	64,087
USA	**197,479**	240,114
Other countries	**279,016**	189,090
	1,633,717	1,461,540

(iii) Segment assets and liabilities

No analysis of the Group's assets and liabilities by operating and reportable segment is disclosed as it is not regularly provided to the chief operating decision maker for review.

4 PROFIT BEFORE TAXATION

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

		Six months ended 30 June	
		2026	2025
		$'000	$'000
(a)	***Finance costs***		
	Interest on bank loans and overdrafts	**9,537**	9,859
	Interest on loan from DP World Group	**630**	93
	Interest on lease liabilities	**1,599**	1,818
		11,766	11,770
(b)	***Other items***		
	Depreciation charge		
	— owned property, plant and equipment	**14,496**	14,011
	— right-of-use assets	**24,343**	30,965
	Amortisation cost of intangible assets	**159**	206
	Provision for/(reversal of) expected credit loss allowance of trade receivables	**130**	(181)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Current tax — Hong Kong Profits Tax	**3,230**	2,085
Current tax — Outside Hong Kong	**17,231**	18,151
Withholding tax on distributable profits of subsidiaries	**468**	2,258
Deferred tax	**713**	(3,673)
	21,642	18,821

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026.

Taxation for subsidiaries outside Hong Kong is similarly calculated using the estimated annual effective rates of taxation that are applicable in the relevant countries.

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development. The adoption of the above amended tax laws is not expected to have a material impact on the Group.

Withholding tax is charged by tax authority of Korea, in respect of dividend income received from subsidiary incorporated in Korea at rate of 10% (six months ended 30 June 2025: 10%) for the six months ended 30 June 2026.

(Expressed in Hong Kong dollars unless otherwise indicated)

6 EARNINGS PER SHARE

(a) Basic earnings per share

For the six months ended 30 June 2026, the calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $25,925,000 (1H2025: $15,429,000) and the weighted average of 292,692,000 ordinary shares (1H2025: 292,692,000 ordinary shares) in issue during the six months ended 30 June 2026, calculated as follows:

	30 June 2026 ’000	30 June 2025 ’000
Issued ordinary shares at 1 January	**300,489**	300,489
Shares purchased in respect of the Share Award Scheme	**(7,797)**	(7,797)
Weighted average number of ordinary shares at 30 June	**292,692**	292,692

(b) Diluted earnings per share

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2026, and therefore, diluted earnings per share is the same as basic earnings per share.

7 PROPERTY, PLANT AND EQUIPMENT

(a) Owned property, plant and equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment with costs of $2,113,000 (six months ended 30 June 2025: $2,899,000). Items of property, plant and equipment with a net book value of $163,000 (six months ended 30 June 2025: $34,000) were disposed of during the six months ended 30 June 2025, resulting in a net loss on disposal of $83,000 (six months ended 30 June 2025: net loss on disposal of $10,000).

(b) Right-of-use assets

During the six months ended 30 June 2026, the Group has renewed certain rental agreements relating to properties, and therefore recognised the additions to right-of-use assets of $15,279,000 (six months ended 30 June 2025: $41,273,000).

8 GOODWILL

	30 June 2026 $'000	31 December 2025 $'000
At 1 January	**223,654**	222,224
Exchange adjustments	**1,287**	1,430
At the end of the period/year	**224,941**	223,654

Goodwill is allocated to the Group's cash generating units identified as follows:

	30 June 2026 $'000	31 December 2025 $'000
Airfreight forwarding business — Taiwan	**21,983**	22,241
Cruise logistics business — Allport Cruise Group	**202,958**	201,413
	224,941	223,654

9 LOAN RECEIVABLES

At 30 June 2026, the balance represented a loan granted from a subsidiary to an employee amounted to USD1,391,000, equivalent to $10,908,000 (31 December 2025: USD1,750,000, equivalent to $13,802,000), which is unsecured and interest bearing at 5% per annum. The loan to employee is repayable in one-fifth of the loan balance and accrued interest annually in 5 years up to 31 August 2029.

(Expressed in Hong Kong dollars unless otherwise indicated)

10 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

The ageing analysis of trade debtors (which are included in trade and other receivables and contract assets), based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 $'000	31 December 2025 $'000
Within 1 month	**471,470**	377,463
1 to 2 months	**89,884**	126,904
2 to 3 months	**39,909**	58,545
Over 3 months	**75,730**	54,098
Trade receivables, net of loss allowance	**676,993**	617,010
Other receivables, prepayments and deposits	**140,961**	120,778
	817,954	737,788
Contract assets		
Arising from performance under freight forwarding contracts	**38,967**	26,452
Arising from performance under cruise logistics contracts	**169,478**	150,411
	208,445	176,863
	1,026,399	914,651

Trade receivables are normally due within 30–60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

Contract assets represent unbilled amounts from certain freight forwarding contracts, resulting from revenue recognised on these contracts using output method exceeding the amounts billed to the customers as at the end of the Reporting Period.

11 PLEDGED BANK DEPOSITS

The deposits are either pledged to secure certain banking facilities for guarantees on payment to certain airline suppliers and performance bonds to customers of the Group.

12 CASH AND CASH EQUIVALENTS

	30 June 2026 $'000	31 December 2025 $'000
Cash at bank and on hand and cash and cash equivalents in the consolidated statement of financial position	310,887	299,616
Bank overdrafts (note 14(b))	–	(3,267)
Cash and cash equivalents in the condensed consolidated cash flow statement	310,887	296,349

13 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

The ageing analysis of trade creditors (which are included in trade and other payables and contract liabilities), based on the invoice date, is as follows:

	30 June 2026 $'000	31 December 2025 $'000
Within 1 month	368,247	248,103
1 to 3 months	42,126	67,333
Over 3 months	25,969	15,087
Trade payables	436,342	330,523
Other payables and accrued charges	73,191	77,040
	509,533	407,563
Contract liabilities	30,623	15,081
	540,156	422,644

Contract liabilities represent amounts billed to customers in advance of the service performance under certain freight forwarding contracts as at the end of the Reporting Period.

14 BANK LOANS AND OVERDRAFTS

(a) The bank loans and overdrafts are repayable as follows:

	30 June 2026 $'000	31 December 2025 $'000
Within 1 year or on demand	**418,361**	456,137
After 1 year but within 2 years	**587**	1,009
After 2 years but within 5 years	**–**	98
	418,948	457,244

(b) The bank loans and overdrafts are analysed as follows:

	30 June 2026 $'000	31 December 2025 $'000
Unsecured bank overdrafts (note 12)	**–**	3,267
Unsecured bank loans — supplier finance arrangement	**282,395**	315,976
Unsecured bank loans	**136,553**	138,001
	418,948	457,244

As at 30 June 2026, the interest rates of bank loans are in the range of 1.10%–5.95% per annum (31 December 2025: 1.25%–6.85% per annum).

The Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2026 and 31 December 2025, none of the covenants relating to drawn down facilities had been breached.

(c) Bank loans arising from supplier finance arrangements

The Group has entered into certain post-shipment buyer loan arrangements with banks, under which the Group obtained extended credit in respect of the invoiced amount owed to certain freight forwarding agents and transportation suppliers.

Under these arrangements, the banks pay suppliers the amounts owed by the Group on the original due dates, which are normally 30–60 days after the invoice date. The Group then settles with the banks between 90–120 days after the original due dates with the suppliers, with interest.

In the consolidated statement of financial position, the Group has presented the payables to the banks under these arrangements as "bank loans and overdrafts", in view of the nature and function of such liabilities when compared with the Group's trade payables to suppliers. As at 30 June 2026, the carrying amount of financial liabilities under these arrangements amounted to $282,395,000 (1 January 2026: $315,976,000), $282,395,000 of which suppliers have received payments from the banks.

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

As at 30 June 2026 and 31 December 2025, 50,000,000,000 ordinary shares, with par value of US$0.001 each, are authorised for issue.

As at 30 June 2026, the Company has 300,489,000 ordinary shares (31 December 2025: 300,489,000 ordinary shares) in issue.

(b) Dividends

During the six months ended 30 June 2026, the Group's subsidiaries declared and paid dividends of $10,664,000 (six months ended 30 June 2025: $12,295,000) to non-controlling interests.

On 31 August 2026, the Company declared an interim dividend of HK1 cent per ordinary share in respect of the period ended 30 June 2026. Such dividend has not been recognised as a liability at the end of the Reporting Period.

(c) Purchase of own shares under the Share Award Scheme

A share award scheme was adopted on 6 May 2021 (the "**Share Award Scheme**"). The Share Award Scheme is to recognise and motivate the contributions of the eligible participants to align the interests of the eligible participants with those of the Company and strive for the future development and expansion of the Group and to attract suitable personnel for further development of the Group through the Share Award Scheme to the selected participants.

The awarded shares will be subscribed for and/or purchased by an independent trustee (the "**Trustee**") from the open market by utilising the funds to be allocated by the Directors and/or authorised person of the Company out of the Company's resources. The maximum number of awarded shares to be subscribed for and/or purchased by the Trustee for the purpose of the Share Award Scheme shall not exceed 10% of the total number of issued share capital from time to time.

The Share Award Scheme shall be valid and effective for a period of 10 years commencing from 6 May 2021 but may be terminated earlier as determined by the Board.

As at 30 June 2026, the Trustee has purchased 7,791,000 shares (31 December 2025: 7,791,000 shares) of the Company on the Hong Kong Stock Exchange, with an aggregate amount of approximately $64,792,000 (31 December 2025: $64,792,000). No shares were granted to any person under the Share Award Scheme as at 30 June 2026 and 31 December 2025.

The consideration paid for the purchase of the Company's shares is reflected as a debit in capital reserve of the Company. The fair value of the employee services received in exchange for the grant of shares is recognised as staff costs in profit or loss with a corresponding increase in capital reserve, which is measured based on the grant date share price of the Company.

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which fair value is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2026	Fair value measurements as at 30 June 2026 categorised into		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Unlisted equity securities	401	–	–	401
Listed equity securities	666	666	–	–
	1,067	666	–	401

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Unlisted equity securities	397	–	–	397
Listed equity securities	647	647	–	–
	1,044	647	–	397

During the six months ended 30 June 2026 and 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets measured at fair value (Continued)

Unlisted equity securities

The significant unobservable inputs include discount rate of 15% (2025: 15%), sales price, sales volume and expected free cash flows of the investee. The fair value decreases with the increases in the discount rate, and increases with the increases in the sales price, sales volume and expected free cash flows of the investee.

The fair values of the unlisted equity securities are estimated as being the present values of future cash flows, discounted at interest rates based on the government yield curve as at the end of the reporting period plus an adequate constant credit spread, adjusted for the Group's own credit risk.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

17 MATERIAL RELATED PARTY TRANSACTIONS

	Six months ended 30 June	
	2026	2025
	$'000	$'000
DP World Group (note (i))		
— Freight forwarding service income received	**88,691**	40,935
— Freight forwarding service fee paid	**153,402**	164,298
— Loan interest expenses	**630**	92
— Interest expenses on lease liabilities	**—**	117
EV Cargo Group (note (ii))		
— Freight forwarding service income received	**79**	516
— Freight forwarding service fee paid	**2,371**	3,009
Associates		
— Freight forwarding service income received	**3,536**	2,099
— Freight forwarding service fee paid	**1,346**	1,831
Non-controlling interests of subsidiaries		
— Freight forwarding service fee paid	**—**	211
— Management fee paid	**250**	204
Empire Transportation Company Limited		
— Trucking service expenses	**5,768**	4,501
Transway Logistics Company Limited		
— Trucking service expenses	**1,445**	1,048
Lombardi Trasporti S.r.l. (a company owned by a close family member of a director of the Group)		
— Trucking services expenses	**4,597**	3,989

(Expressed in Hong Kong dollars unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Notes:

(i) DP World Group consists of DP World Limited, and its subsidiaries and associates from time to time (excluding the Group). At 30 June 2026, amounts due to DP World Group included a loan to the Group amounted to $20,223,000, which is unsecured, interest bearing at 6.54% per annum and repayable on demand. Amount of $3,171,000 had been settled during the period ended 30 June 2026.

Apart from the loan to the Group, the amounts are unsecured, interest-free and due within 30 to 60 days from the date of billing.

(ii) EV Cargo Group consists of EV Cargo Global Forwarding Limited, a company incorporated in the United Kingdom, and its subsidiaries and associates. EV Cargo Group is a non-controlling interest of a subsidiary of the Group throughout the periods ended 30 June 2026, 31 December 2025 and 30 June 2025.

The amounts are unsecured, interest-free and due within 30 to 60 days from the date of billing.

(iii) The related companies consist of CS Group and its subsidiaries and joint ventures which are indirectly controlled by Mr. Lau Shek John, an Executive Director of the Company. The amounts are unsecured, interest-free and recoverable on demand.

18 CONTINGENT LIABILITIES

As at 30 June 2026, financial guarantees are given by the Company to the banks for the banking facilities entered by certain subsidiaries of the Group (see note 14). The directors do not consider it probable that a claim will be made against the Group under the banking facilities. The maximum liability of the Group under the banking facilities as at 30 June 2026 is the amount of the facilities drawn down by the Group, being $358,319,000 (31 December 2025: $359,703,000).

19 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Directors declared an interim dividend. Further details are disclosed in note 15(b).

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning on 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of HKFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (Continued)

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of HKFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of HKFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of HKFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

(a) Structure of the statement of profit or loss

HKFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

- Dividend, and interest income, which are currently presented in the Group's other income subtotal, as well as the share of profits of associates are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";

- The Group is assessing the classification of income and expenses as currently included in the finance cost line item and expects that this line item will be disaggregated into "income and expenses on liabilities arising solely from raising of finance" and "interest expenses on other liabilities" in the financing category; and

- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort.

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (Continued)

HKFRS 18, *Presentation and disclosure in financial statements* (Continued)

(b) Management-defined performance measures ("MPM")

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. The Group is developing a process to identify its public communications and assess whether any measures reported in those communications meet the definition of an MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of HKFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

(c) Principles of aggregation and disaggregation

HKFRS 18 provides enhanced principles on how to group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has been consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

HKFRS 18 also introduces consequential amendments to HKAS 7, *Statement of cash flows*. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying HKFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.