



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)



2024

Interim Report



CONTENTS

2	Corporate Information
4	Management Discussion and Analysis
11	Corporate Governance and Other Information
17	Report on Review of Interim Financial Report
18	Consolidated Statement of Profit or Loss
19	Consolidated Statement of Profit or Loss and Other Comprehensive Income
20	Consolidated Statement of Financial Position
22	Consolidated Statement of Changes in Equity
23	Condensed Consolidated Cash Flow Statement
24	Notes to the Unaudited Interim Financial Report

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. Zisis Jason Varsamidis
(*appointed on 5 September 2024*)

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. Zisis Jason Varsamidis
(*appointed on 5 September 2024*)

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

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13th Floor, Park Sun Building
97-107 Wo Yi Hop Road
Kwai Chung
New Territories
Hong Kong

COMPANY'S LEGAL ADVISER

As to Hong Kong law
Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
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

The board (the “Board”) of directors (the “Directors”) of the Company announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 (the “Reporting Period”). The relevant financial figures for the corresponding period in 2023 (the “1H2023”) or other dates/periods are also set out in this report for comparative purposes.

Overview

The Group primarily engages in the provision of comprehensive logistics services, comprising air freight forwarding services, ocean freight forwarding services, distribution and logistics services as well as cruise logistics services, with a primary focus on high-end fashion (including luxury and affordable luxury products). The Group maintains long-term relationships with esteemed clients, including globally renowned premium and luxury brands, as well as a diverse array of other apparel companies.

The Group operates 21 local offices across 15 countries and regions, including the People’s Republic of China (“PRC” or “China”), Hong Kong, Taiwan, Italy, Japan, the United States of America (“USA”), Macau, Thailand, Vietnam, South Korea, France, Switzerland, Indonesia, Netherlands and Cambodia. Furthermore, the Group has formed partnerships with a number of business associates, extending its reach to more than 100 countries and regions worldwide.

The global logistics industry demonstrated a notable growth in the first half of 2024, driven by a resurgence in traditional shipping patterns and increased demand across various sectors. The industry is projected to grow by 3.8% in 2024, supported by rising industrial production and consumer demand, particularly in the PRC, USA and India. Resilience remained a key focus, as geopolitical tensions, labor strikes, and environmental challenges persisted. Despite some economic uncertainties, the logistics sector has been stabilizing, with ocean and air transportation capacities resuming to pre-pandemic levels. In the first half of 2024, the Group saw a gradual rebound in business volume and orders, with its revenue increased period-on-period by 20.4% to HK1,223.6 million (1H2023: HK\$1,016.7 million). Due to stringent control on the Group’s expenses, the net profit attributable to the equity shareholders increased by 41.7% to HK\$18.6 million (1H2023: HK\$13.1 million).

Regional Analysis — Greater China

During the Reporting Period, the revenue contributed by the Group’s PRC office increased by 12.2% to HK\$252.6 million (1H2023: HK\$225.2 million), of which approximately HK\$72.5 million was contributed by the eCommerce business handled by CN Express International Limited (“CN Express”), as a result of the gradual recovery of China’s manufacturing industry, the growth of the Group’s eCommerce business, the rebound in handling volumes commissioned by customers, and the increase in freight rates.

Although China’s economic recovery has not met the initial expectations, the Group has observed improvement in sentiment in recent months, with customer confidence on a rise. As a trusted partner of luxury brands and high-end fashion retailers, the Group continues to seek innovative solutions to enhance customer loyalty and operational efficiency, including the introduction of smart robotic warehouses.

Regional Analysis — Europe

During the Reporting Period, the revenue contributed by the Group’s Italy office increased by 20.4% to HK\$303.9 million (1H2023: HK\$252.3 million), as a result of an increase in the handling volume due to the increase in the demand for freight forwarding services of the existing customers, in particular from the high-end fashion industry and tyre industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Europe remained the key market for the Group and the largest revenue contributor. In the first half of 2024, Europe's economy regained growth momentum, overcoming the stagnation experienced in the latter half of 2023. This economic revival boosted consumer confidence and sustained robust retail growth. During the Reporting Period, the Group has strengthened its relationships with key clients, successfully securing more logistics orders, leading to a rebound in business performance. The improved economic conditions and strategic client engagement have been pivotal in driving the Group's success in Europe.

Regional Analysis — Southeast Asia

The Group continued to tap into the Southeast Asian market to establish a new growth engine. Under the backdrop of the implementation of Regional Comprehensive Economic Partnership, the Group witnessed more business opportunities as a result of continuous economic growth and improved investment sentiment. During the Reporting Period, remarkable results have been achieved in the Group's Vietnam and Indonesia offices, with a revenue increase of 54.2% and over 200%, respectively.

Meanwhile, the Group's Cambodia office, which opened in late 2023, also picked up the pace and received increasing logistics orders during the Reporting Period. The Group remains confident in the potential of Southeast Asian markets and is gradually increasing its investment in logistics infrastructure across these three countries. This strategic investment aims to enhance business scalability and achieve stronger synergies, ultimately driving greater efficiency and profitability.

FINANCIAL RESULTS

The Group recorded revenue of approximately HK\$1,223.6 million during the Reporting Period (1H2023: HK\$1,016.7 million), representing a period-on-period increase of approximately 20.4%. Gross profit of approximately HK\$228.3 million was recorded during the Reporting Period (1H2023: HK\$204.9 million), representing a period-on-period increase of 11.4%. The net profit attributable to equity shareholders of the Company was approximately HK\$18.6 million during the Reporting Period (1H2023: HK\$13.1 million), representing a period-on-period increase of approximately 41.7%.

SEGMENTAL ANALYSIS

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

Air freight forwarding services

The air freight forwarding business continued to be the largest segment of the Group, representing approximately 41.2% of the Group's total revenue during the Reporting Period (1H2023: 37.6%). The services include arranging for consignment upon receipt of booking instructions from customers, cargo pick up, obtaining cargo spaces, 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 one of the few specialists in providing freight forwarding services for the export of wine from France and the United Kingdom to Hong Kong. The Group is a member of International Air Transport Association in Hong Kong, Taiwan, Italy, France, Korea 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\$503.6 million (1H2023: HK\$381.9 million), representing an increase approximately 31.9% as compared to the corresponding period of 2023. Gross profit of the segment increased from HK\$75.9 million in the corresponding period of 2023 to approximately HK\$86.5 million during the Reporting Period. The increase in revenue and gross profit were mainly due to increase in the demand for airfreight forwarding services in all regional offices of the Group as a result of the recovery of the economic environment, leading to the increase in handling volume by 17.6% and increase in the airfreight rate compared to the corresponding period of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Distribution and logistics services

The distribution and logistics segment contributed approximately 15.1% of the total revenue of the Group during the Reporting Period (1H2023: 19.6%). The Group is one of the pioneers in the logistics supply chain industry in the PRC and Hong Kong, which provides comprehensive supply chain warehousing and logistics solutions and customised business to business distribution and logistics service solutions to meet the cost-effective needs of its customers. The Group is also one of the pioneers 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 of the Group are primarily located in Hong Kong, the PRC, Italy, Taiwan and South Korea with the PRC and Hong Kong being the two largest contributors of revenue for this segment. The Group manages and operates 35 distribution centres with a total gross floor area of approximately 1,300,000 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.

During the Reporting Period, the revenue from this segment was approximately HK\$184.7 million (1H2023: HK\$199.8 million), representing a decrease of approximately 7.6% as compared with the corresponding period of 2023 and the gross profit was approximately HK\$14.2 million (1H2023: HK\$17.1 million), representing a decrease of approximately 16.6% as compared with the corresponding period of 2023. The decrease in revenue and gross profit were mainly due to the decrease in the services provided to a major customer in the PRC as a result of the decrease in the local demand of their products.

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, Taiwan and Japan.

During the Reporting Period, the revenue from this segment was approximately HK\$308.9 million (1H2023: HK\$237.6 million), representing an increase of approximately 30.0% as compared with the corresponding period of 2023; gross profit was approximately HK\$51.9 million (1H2023: HK\$43.1 million), representing an increase of approximately 20.4% as compared with the corresponding period of 2023. The increase in revenue and gross profit were primarily due to 1) the significant increase in import shipments of luxury products and tyre products from the PRC and the Southeast Asia to Italy, 2) increase in export shipment of garments from the Group's Vietnam office to the USA, and 3) the ability of the Group's Taiwan office to source sizeable customers from different sectors, such as customers from the automotive industry for the export shipments of car parts to the USA.

Cruise logistics

In March 2022, the Group has acquired the entire issued share capital of Allport Cruise Logistics Inc. ("Allport Cruise", together with its subsidiaries, the "Allport Cruise Group"), which principally engaged in the provision of freight forwarding services to the global cruise operators from cruise industry. The services include the provision of shipments of supplies for drydock on a project basis and cruise replenishment. Cruise operators typically engage Allport Cruise 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 business of Allport Cruise Group spans multiple cities in the PRC, Europe, Australia, USA and Asia.

During the Reporting Period, the revenue from this segment was approximately HK\$226.4 million (1H2023: HK\$197.4 million), representing an increase of 14.7% as compared to the corresponding period in 2023.

The increase in revenue was primarily due to the continuous recovery of the cruise industry and the increase in drydock projects handled by the Group in the first half of 2024.

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 of 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 negative HK\$3.0 million as at 31 December 2023 to HK\$128.3 million as at 30 June 2024. The current ratio of the Group increased from approximately 1.00 times as at 31 December 2023 to approximately 1.14 times as at 30 June 2024. The increase in working capital was mainly resulted from the settlement of the consideration for the acquisition of Allport Cruise by the Group in February 2024, partly by way of issue of consideration shares, whereby an amount due to Cargo Services Group Limited of approximately HK\$148.0 million originally recorded as current liabilities as at 31 December 2023 were transferred to equity upon the completion of the issuance of the consideration shares.

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately HK\$208.5 million, which remained stable as compared to the cash and cash equivalents as at 31 December 2023. During the Reporting Period, the Group had operating cash outflow of approximately HK\$15.0 million (1H2023: operating cash inflow of approximately HK\$45.6 million). As at 30 June 2024, the Group's outstanding bank loans and overdrafts amounted to approximately HK\$352.8 million (as at 31 December 2023: approximately HK\$320.9 million). The gearing ratio of the Group increased to approximately 50.3% as at 30 June 2024 (as at 31 December 2023: 21.0%) as a result of the increase in bank loans and overdrafts and decrease in cash and cash equivalents. 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 minus goodwill and intangible assets, the Group maintained a net cash position (as at 31 December 2023: net cash position). The Group will continue to secure financing as and when the need arises.

FOREIGN EXCHANGE RISK

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 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 2024, the Group had no material capital commitment (31 December 2023: Nil) which are contracted but not provided for.

CONTINGENT LIABILITIES

As at 30 June 2024, financial guarantees are 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 2024 is the amount of the facilities drawn by the Group, being HK\$348.0 million (as at 31 December 2023: HK\$314.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE ON GROUP ASSETS

As at 30 June 2024, certain interest-bearing bank borrowings and bank guarantees were secured by pledged bank deposit amounted to approximately HK\$2.3 million (as at 31 December 2023: HK\$2.3 million).

EVENTS AFTER THE REPORTING PERIOD

On 30 August 2024, CS Logistics Holdings Ltd (“CS Holding”) transferred the entire issued share capital of Cargo Services Seafreight Limited (“CS Seafreight”) to DP World Logistics FZE (“DP World”). Upon completion of the share transfer, DP World became indirectly interested in 173,845,222 ordinary shares of US\$0.001 each in the share capital of the Company (“Shares”), representing 57.9% of the entire issued share capital of the Company, and became the controlling shareholder of the Company. For details, please refer to the announcements of the Company dated 8 April and 30 August 2024. Save as disclosed, there are no events causing material impact on the Group from the end of the Reporting Period to the date of this report.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, the Group did not have any significant investments held or any material acquisitions or disposals.

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, being an Independent Third Party. 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 2024:

	Net proceeds HK\$ million	Unutilised amount as at 1 January 2024 HK\$ million	Amount utilised during Reporting Period HK\$ million	Unutilised amount as at 30 June 2024 HK\$ million	Expected timeline for utilization
The Subscription					
Expansion of business and local presence in Hainan Province in the PRC, Southeast Asia and the United Kingdom	35.6	27.4	2.0	25.4	On or before 2 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

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, and there was no material change in the use of proceeds. The expected timeline of using the unutilised net proceeds from the Subscription has been delayed from on or before 2 June 2024 to on or before 2 June 2026 due to (i) the slowdown of the Group's business expansion in Hainan Province because of the uncertain logistics market in the PRC and (ii) the on-going negotiations with the Group's potential partners on the proposed expansion of business by setting up branch offices and joint ventures in the United Kingdom and the Southeast Asia.

PROSPECTS

Entering the second half of 2024, the Group maintains an optimistic outlook for the remainder of the year and beyond. This positive perspective is reinforced by the improving global economic landscape, with the International Monetary Fund projecting global gross domestic product growth to reach 3.2% in 2024, up from 2.8% in 2023. While the past two years presented significant challenges due to decreased freight rates and reduced business volumes, the Group is now witnessing encouraging signs of recovery. The core business segments are experiencing a gradual increase in volumes, accompanied by a stabilization of freight rates. This positive trend, combined with the Group's strategic cost optimization efforts implemented during the downturn, positions itself favourably for a strong rebound in the evolving logistics market. Looking ahead, the Group targets to expand its business in the following directions:

Enhance Global Reach to Foster Business Synergies

The Group has strategically expanded its global presence by entering high-potential regional markets. By establishing regional offices in countries such as Vietnam, Indonesia, and Cambodia, the Group is well-positioned to capitalize on local market opportunities through localized management, efficient operations, and a strong reputation. This approach has enabled the Group to achieve rapid and substantial returns shortly after setting up the offices. Looking ahead, the Group will seek opportunities in existing markets to achieve organic growth while also expanding into new regions to further enhance its global business footprint.

Further Tap into the eCommerce Sector through "CN Express"

Since the official launch of "CN Express" in late 2023, the Group has successfully earned the trust of eCommerce platforms and progressively expanded its collaborations with leading market players. Buoyed by these early successes, the Group aims to broaden its partnerships with existing customers by extending services to more countries and gradually increasing the number of chartered cargo flights. The Group is also eager to forge new business relationships with additional platforms and gradually evolve into an eCommerce-focused logistics solution provider.

Capitalise the Market Opportunities in Cruise Logistics Segment

With the rebound of global tourism, the Group will continue to seize new opportunities within the cruise market. As cruise operations fully normalize and the number of voyages increases, the Group, recognized as a dependable partner by leading cruise operators, is poised to secure more contracts for drydock and replenishment projects in the coming years. It is also worth noting that numerous new cruises are set to be launched in the near future. Market data projects that the number of cruise travellers will rise from 31.5 million in 2023 to 39.5 million in 2027, highlighting the significant demand in the cruise logistics segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Strengthen Collaboration with DP World

A pivotal development further enhancing the Group's positive outlook is the recent change in its ownership structure. The Group is delighted to announce that DP World Logistics FZE ("DP World"), a key player in the Middle East logistics sector, has officially become its major shareholder. This strategic alliance is expected to generate substantial business synergies and unlock new growth opportunities for the Group. With the support of DP World as a major shareholder, the Group will have a much easier path to enter into the Middle East market. This relationship will leverage DP World's extensive logistics network, deep regional knowledge, and established relationships in the area. By tapping into these resources, the Group can effectively expand its operations in this key market, enhancing service delivery and capturing new business opportunities.

HUMAN RESOURCES

As at 30 June 2024, the Group employed 823 employees (as at 30 June 2023: 828 employees). During the Reporting Period, employee cost, including Directors' remuneration, was approximately HK\$166,624,000 (1H2023: approximately HK\$169,240,000). Remuneration packages are generally structured to market terms, individual employee performance, qualification 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK2 cents per ordinary Share absorbing a total amount of HK\$600,978, in respect of the Reporting Period. The proposed interim dividend is expected to be paid on Friday, 1 November 2024 to all shareholders of the Company whose names to be appeared on the register of members of the Company on Friday, 18 October 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 16 October 2024 to Friday, 18 October 2024 (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 Tuesday, 15 October 2024.

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 2024, 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. Lau Shek Yau John ("Mr. Lau")	Interest of controlled corporation (Note 2)	173,845,222 Shares (L)	57.9%
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%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter “L” denotes our Directors’ long position in the shares of the Company or the relevant associated corporation.
2. The 158,480,222 Shares and 15,365,000 Shares are held by Cargo Services (Logistics) Limited (“CS Logistics”) and CS Seafreight respectively. CS Logistics is owned as to 75.0% CS Seafreight, which is in turn wholly owned by CS Holdings. CS Holdings is wholly owned by Cargo Services Group Limited (“CS Group”), which is in turn wholly owned by Hundred Honest Limited. Hundred Honest Limited is owned as to 80.0% by Mr. Lau. By virtue of the SFO, CS Seafreight, CS Holdings, CS Group, Hundred Honest Limited and Mr. Lau are deemed to be interested in the Shares held by CS Logistics. CS Holdings, CS Group, Hundred Honest Limited and Mr. Lau are also deemed to be interested in the Shares held by CS Seafreight.

(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	
Mr. Lau	CS Logistics	Interest of a controlled corporation (Note 2)	75 ordinary shares (L)	75%	
	CS Seafreight	Interest of a controlled corporation (Note 3)	50,000 ordinary shares (L)	100%	
	CS Holdings	Interest of a controlled corporation (Note 4)	20,000,000 ordinary shares (L) 2 preference shares (L)	100%	
	CS Group	Interest of a controlled corporation (Note 5)	823,333 ordinary shares (L)	100%	
	Hundred Honest Limited		Interest of a controlled corporation (Note 6)	1,000,000 ordinary shares (L)	20%
			Beneficial owner	4,000,000 ordinary shares (L)	80%
Ms. Chen	CN France (Hong Kong) Limited (“CN France HK”)	Interest of a controlled corporation (Note 7)	3,000 ordinary shares (L)	30%	
	CN Logistics France SAS (“CN France”)	Interest of a controlled corporation (Note 8)	6,400 ordinary shares (L)	16%	
	CN Logistics Limited (“CN BVI”)	Beneficial owner	1,000 ordinary shares (L)	2%	

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter “L” denotes our Directors’ long position in the shares of the Company or the relevant associated corporation.
2. These shares are held by CS Seafreight. Please refer to Note 2 of the paragraph headed “(i) Interest in the Shares” above in respect of the relationship between Mr. Lau and this associated corporation. By virtue of the SFO, Mr. Lau is deemed to be interested in the shares of CS Logistics in which CS Seafreight is interested.
3. These shares are held by CS Holdings. Please refer to Note 2 of the paragraph headed “(i) Interest in the Shares” above in respect of the relationship between Mr. Lau and this associated corporation. By virtue of the SFO, Mr. Lau is deemed to be interested in the shares of CS Seafreight in which CS Holdings is interested.
4. These shares are held by CS Group. Please refer to Note 2 of the paragraph headed “(i) Interest in the Shares” above in respect of the relationship between Mr. Lau and this associated corporation. By virtue of the SFO, Mr. Lau is deemed to be interested in the shares of CS Holdings in which CS Group is interested.
5. These shares are held by Hundred Honest Limited. Please refer to Note 2 of the paragraph headed “(i) Interest in the Shares” above in respect of the relationship between Mr. Lau and this associated corporation. By virtue of the SFO, Mr. Lau is deemed to be interested in the shares of CS Group in which Hundred Honest Limited is interested.
6. These shares are held by LLEA & Company Limited which is in turn owned as to 99.9% by Mr. Lau. By virtue of the SFO, Mr. Lau is deemed to be interested in the shares of Hundred Honest Limited in which LLEA & Company Limited is interested.
7. The 3,000 shares in CN France HK 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.
8. The 6,400 shares in CN France 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.

Save as disclosed above, as at 30 June 2024, 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), 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As of 30 June 2024, 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
CS Logistics	Beneficial owner	158,480,222 Shares (L)	52.8%
CS Seafreight	Beneficial owner	15,365,000 Shares (L)	5.1%
CS Seafreight	Interest of a controlled corporation (Note 2)	158,480,222 Shares (L)	52.8%
CS Holdings	Interest of a controlled corporation (Note 3)	173,845,222 Shares (L)	57.9%
CS Group	Interest of a controlled corporation (Note 3)	173,845,222 Shares (L)	57.9%
Hundred Honest Limited	Interest of a controlled corporation (Note 3)	173,845,222 Shares (L)	57.9%
Ms. Ngan Au Kei Yee	Interest of spouse (Note 4)	21,241,203 Shares (L)	7.1%

Notes:

- The letter "L" denotes the shareholder's long position in the Shares.
- These 158,480,222 Shares are held by CS Logistics. CS Logistics is owned as to 75.0% by CS Seafreight, which is in turn wholly owned by CS Holdings. CS Holdings is wholly owned by CS Group, which is in turn wholly owned by Hundred Honest Limited. Hundred Honest Limited is owned as to 80.0% by Mr. Lau. By virtue of the SFO, CS Seafreight, CS Holdings, CS Group, Hundred Honest Limited and Mr. Lau are deemed to be interested in the Shares held by CS Logistics.
- These 158,480,222 Shares and 15,365,000 Shares are held by CS Logistics and CS Seafreight respectively. CS Logistics is owned as to 75.0% by CS Seafreight, which is in turn wholly owned by CS Holdings. CS Holdings is wholly owned by CS Group, which is in turn wholly owned by Hundred Honest Limited. Hundred Honest Limited is owned as to 80.0% by Mr. Lau. By virtue of the SFO, CS Seafreight, CS Holdings, CS Group, Hundred Honest Limited and Mr. Lau are deemed to be interested in the Shares held by CS Logistics. Also, CS Holdings, CS Group, Hundred Honest Limited and Mr. Lau are also deemed to be interested in the Shares held by CS Seafreight.
- 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 2024, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 17 September 2020. The purpose of the Share Option Scheme is to provide incentives or rewards to selected participants who contribute to the success of the Group’s operations. 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 Main Board of the Stock Exchange (i.e. 15 October 2020). As at 1 January 2024 and 30 June 2024, 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 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. 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 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. Such 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 2024, 30 June 2024 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.

Details of the Share Award Scheme were disclosed in the Company’s announcements dated 6 May 2021.

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 AND OTHER INFORMATION

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Part 2 of in Appendix C1 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code as set out in Appendix C3 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing Directors’ securities transactions 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 with no disagreement with the accounting treatment 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, 30 August 2024

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT



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 18 to 40, which comprises the consolidated statement of financial position of CN Logistics International Holdings Limited (the “Company”) and its subsidiaries (“the Group”) as at 30 June 2024 and the related consolidated statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the 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*, issued by the HKICPA. A review of the interim financial report consists of making enquiries, 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 2024 is not prepared, in all material respects, in accordance with HKAS 34.

KPMG

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

30 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
Note		2024 \$'000	2023 \$'000
Revenue			
Cost of services	3	1,223,581 (995,331)	1,016,658 (811,781)
Gross profit		228,250	204,877
Other income		1,676	3,288
Other net gain		6,164	12,861
Administrative and other operating expenses		(186,057)	(184,935)
Profit from operations		50,033	36,091
Finance costs	4(a)	(12,983)	(10,353)
Share of profits of associates and joint ventures		2,031	1,044
Profit before taxation		39,081	26,782
Income tax	5	(18,833)	(13,329)
Profit for the period		20,248	13,453
Attributable to:			
Equity shareholders of the Company		18,610	13,137
Non-controlling interests		1,638	316
Profit for the period		20,248	13,453
Earnings per share (Hong Kong cents)			
Basic and diluted	6	6.4	4.5

The notes on pages 24 to 40 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 \$'000	2023 \$'000
Profit for the period	20,248	13,453
Other comprehensive income for the period (after taxation)		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit retirement obligations	72	(289)
Remeasurement of equity investment at fair value through other comprehensive income	10	(200)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries, associates and a joint venture outside Hong Kong	(14,233)	(9,160)
Total comprehensive income for the period	6,097	3,804
Attributable to:		
Equity shareholders of the Company	6,253	6,152
Non-controlling interests	(156)	(2,348)
Total comprehensive income for the period	6,097	3,804

The notes on pages 24 to 40 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 – unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2024 \$'000	31 December 2023 \$'000
Non-current assets			
Property, plant and equipment	7	245,489	253,546
Intangible assets		2,590	2,524
Goodwill	8	223,536	224,762
Interests in associates		13,006	11,379
Interests in joint ventures	9	—	2,925
Other financial assets		5,251	5,375
Loan receivables	10	10,401	4,988
Deferred tax assets		12,353	10,881
		512,626	516,380
Current assets			
Trade and other receivables and contract assets	11	724,957	561,333
Loan receivables	10	8,388	—
Amounts due from Cargo Services Group		29,293	20,003
Amounts due from EV Cargo Group		22,796	22,727
Amounts due from associates		1,140	1,079
Amounts due from joint ventures		—	8,278
Pledged bank deposits	12	2,258	2,323
Time deposits		25,090	22,205
Cash and cash equivalents	13	208,494	260,279
		1,022,416	898,227
Current liabilities			
Trade and other payables and contract liabilities	14	386,976	307,531
Amounts due to Cargo Services Group		77,410	217,570
Amounts due to EV Cargo Group		9,693	9,401
Amounts due to associates		1,846	197
Amounts due to joint ventures		—	448
Bank loans and overdrafts	15	349,555	307,718
Lease liabilities		56,999	50,474
Current taxation		11,684	7,934
		894,163	901,273
Net current assets/(liabilities)		128,253	(3,046)
Total assets less current liabilities		640,879	513,334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 – unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2024 \$'000	31 December 2023 \$'000
Non-current liabilities			
Bank loans	15	3,229	13,230
Lease liabilities		52,696	51,256
Defined benefit retirement obligations		11,720	11,254
Amounts due to Cargo Services Group		12,044	24,097
		79,689	99,837
NET ASSETS			
		561,190	413,497
CAPITAL AND RESERVES			
Share capital	16	2,344	2,154
Reserves		514,043	360,895
Total equity attributable to equity shareholders of the Company			
		516,387	363,049
Non-controlling interests			
		44,803	50,448
TOTAL EQUITY			
		561,190	413,497

The notes on pages 24 to 40 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024 – unaudited
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company							Sub-total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Reserve fund \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Retained profits \$'000			
	Balance at 1 January 2023	2,154	273,169	(64,323)	16,233	(19,207)	(1,048)			
Changes in equity for 2023:										
Profit for the year	–	–	–	–	–	–	48,278	48,278	(31)	48,247
Other comprehensive income	–	–	–	409	(1,850)	(305)	(873)	(2,619)	1,769	(850)
Total comprehensive income	–	–	–	409	(1,850)	(305)	47,405	45,659	1,738	47,397
Dividend paid to Shareholders	–	(34,879)	–	–	–	–	–	(34,879)	–	(34,879)
Dividend paid to non-controlling interest	–	–	–	–	–	–	–	–	(12,904)	(12,904)
Others	–	–	(2)	–	–	–	–	(2)	–	(2)
Balance at 31 December 2023	2,154	238,290	(64,325)	16,642	(21,057)	(1,353)	192,698	363,049	50,448	413,497

	Attributable to equity shareholders of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	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			
	Balance at 1 January 2024	2,154	238,290	(64,325)	16,642	(21,057)	(1,353)			
Changes in equity for 2024:										
Profit for the period	–	–	–	–	–	–	18,610	18,610	1,638	20,248
Other comprehensive income	–	–	–	–	(12,439)	10	72	(12,357)	(1,794)	(14,151)
Total comprehensive income	–	–	–	–	(12,439)	10	18,682	6,253	(156)	6,097
Dividend paid to non-controlling interest	–	–	–	–	–	–	–	–	(5,489)	(5,489)
Issue of ordinary shares	190	146,876	–	–	–	–	–	147,066	–	147,066
Others	–	–	–	–	–	–	19	19	–	19
Balance at 30 June 2024	2,344	385,166	(64,325)	16,642	(33,496)	(1,343)	211,399	516,387	44,803	561,190

The notes on pages 24 to 40 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
Note	2024 \$'000	2023 \$'000	
Operating activities			
	1,448	66,750	
	(44)	(3,280)	
	(16,430)	(17,823)	
	(15,026)	45,647	
Investing activities			
	(2,534)	(3,839)	
	—	(4,941)	
	—	25	
	2,906	—	
	(15,381)	(7,245)	
	(15,009)	(16,000)	
Financing activities			
	(5,489)	(6,425)	
	(13,975)	(29,979)	
	(19,464)	(36,404)	
	(49,499)	(6,757)	
	260,210	298,153	
	(2,294)	(2,006)	
	208,417	289,390	
13			

The notes on pages 24 to 40 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 have 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 30 August 2024.

The interim financial report have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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 17.

The financial information relating to the financial year ended 31 December 2023 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES**(i) New and amended HKFRSs**

The Group has applied the following new and amended HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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	
	2024	2023
	\$'000	\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
– Provision of air freight forwarding services	503,592	381,909
– Provision of ocean freight forwarding services	308,940	237,564
– Provision of distribution and logistics services	184,659	199,773
– Provision of cruise logistics services	226,390	197,412
	1,223,581	1,016,658

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

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 three 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT INFORMATION (Continued)**(b) Segment reporting (Continued)****(i) Segment results (Continued)**

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 2023 is set out below.

	Six months ended 30 June 2024				Total \$'000
	Air freight \$'000	Ocean freight \$'000	Cruise logistics \$'000	Distribution and logistics \$'000	
Reportable segment revenue					
— external sales	503,592	308,940	226,390	184,659	1,223,581
Reportable segment gross profit	86,508	51,860	75,702	14,180	228,250
Other income					1,676
Other net gain					6,164
Administrative and other operating expenses					(186,057)
Finance costs					(12,983)
Share of profits of associates and joint ventures					2,031
Profit before taxation					39,081

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

	Six months ended 30 June 2023				Total \$'000
	Air freight \$'000	Ocean freight \$'000	Cruise logistics \$'000	Distribution and logistics \$'000	
Reportable segment revenue					
— external sales	381,909	237,564	197,412	199,773	1,016,658
Reportable segment gross profit	75,910	43,055	68,864	17,048	204,877
Other income					3,288
Other net gain					12,861
Administrative and other operating expenses					(184,935)
Finance costs					(10,353)
Share of profits of associates and joint ventures					1,044
Profit before taxation					26,782

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(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	
	2024 \$'000	2023 \$'000
Hong Kong	258,302	213,679
Mainland China	252,615	225,183
Italy	303,858	252,336
Taiwan	59,389	43,255
USA	224,835	197,412
Other countries	124,582	84,793
	1,223,581	1,016,658

(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:

	Six months ended 30 June	
	2024 \$'000	2023 \$'000
(a) Finance costs		
Interest on bank loans and overdrafts	10,384	8,061
Interest on lease liabilities	2,599	2,292
	12,983	10,353
(b) Other items		
Depreciation charge		
— owned property, plant and equipment	14,505	14,233
— right-of-use assets	38,081	33,604
Amortisation cost of intangible assets	209	3,628
Provision for impairment loss on trade receivables	—	85

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024 \$'000	2023 \$'000
Current tax — Hong Kong Profits Tax	1,855	1,169
Current tax — Outside Hong Kong	16,499	13,347
Withholding tax on distributable profits of subsidiaries	1,981	3,171
Deferred tax	(1,502)	(4,358)
	18,833	13,329

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2023: 16.5%) of the estimated assessable profits for the six months ended 30 June 2024.

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

6 EARNINGS PER SHARE

(a) Basic earnings per share

For the six months ended 30 June 2024, the calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$18,610,000 (1H2023: \$13,137,000) and the weighted average of 292,692,000 ordinary shares (1H2023: 292,692,000 ordinary shares) in issue during the six months ended 30 June 2024, calculated as follows:

	30 June 2024 '000	30 June 2023 '000
Issued ordinary shares at 1 January	276,100	276,100
Potential issuance of consideration shares to controlling shareholder	—	24,389
Issuance of consideration shares to controlling shareholder	24,389	—
Shares purchased in respect of the Share Award Scheme	(7,797)	(7,797)
	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 2024, and therefore, diluted earnings per share is the same as basic earnings per share.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Hong Kong dollars unless otherwise indicated)***7 PROPERTY, PLANT AND EQUIPMENT****(a) Owned property, plant and equipment**

During the six months ended 30 June 2024, the Group acquired property, plant and equipment with costs of \$2,534,000 (six months ended 30 June 2023: \$4,218,000). Items of property, plant and equipment with a net book value of \$42,000 (six months ended 30 June 2023: \$nil) were disposed of during the six months ended 30 June 2024, resulting in a loss on disposal of \$42,000 (six months ended 30 June 2023: net gain of \$37,000).

(b) Right-of-use assets

During the six months ended 30 June 2024, the Group has renewed certain rental agreements relating to properties and motor vehicles, and therefore recognised the additions to right-of-use assets of \$47,751,000 (six months ended 30 June 2023: \$53,866,000).

8 GOODWILL

	30 June 2024 \$'000	31 December 2023 \$'000
At 1 January	224,762	224,559
Exchange adjustments	(1,226)	203
At the end of the period/year	223,536	224,762

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

	30 June 2024 \$'000	31 December 2023 \$'000
Airfreight forwarding business — Taiwan	21,436	22,646
Cruise logistics business — Allport Cruise Group	202,100	202,116
	223,536	224,762

9 INTERESTS IN JOINT VENTURES

During the six months ended 30 June 2024, the Group has disposed of PJF Wines Limited to Cargo Services Group and CN FM Logistics (Malaysia) Snd. Bhd to a third party at a consideration of \$1 and \$2,906,000, respectively. The total loss on disposal amounted to \$458,000.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

10 LOAN RECEIVABLES

- (a) Loans to directors of the Company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Loans made by a subsidiary of the Company

Name of borrower	Augusta Morandin	Fabio Di Nello
Relationship with the Company	Director	Director
Terms of the loan		
— duration and repayment terms	31 December 2025	31 December 2025
— loan amount	EUR 330,000	EUR 330,000
— interest rate	Main refinancing operations — Fixed rate tenders Fixed rate of European Central Bank	Main refinancing operations — Fixed rate tenders Fixed rate of European Central Bank
— security	None	None
Balance of the loan		
— at 31 December 2023 and 1 January 2024	\$2,494,000	\$2,494,000
— at 30 June 2024	\$2,563,000	\$2,563,000
Maximum balance (undiscounted) outstanding		
During the six months ended 30 June 2024	\$2,760,000	\$2,760,000
During the six months ended 30 June 2023	\$2,816,000	\$2,816,000

- (b) In addition to the above, during the six months ended 30 June 2024, a subsidiary of the Company granted a loan of USD1,750,000, equivalent to \$13,663,000, to an employee of this subsidiary, which is unsecured and interest bearing at 5% per annum. The loan is repayable in two years, of which \$5,275,000 was recorded as non-current assets at 30 June 2024 based on the repayment schedule of the loan agreement.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Hong Kong dollars unless otherwise indicated)***11 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 2024 \$'000	31 December 2023 \$'000
Within 1 month	393,242	296,931
1 to 2 months	53,572	49,749
2 to 3 months	15,925	16,915
Over 3 months	8,974	9,603
Trade receivables, net of loss allowance	471,713	373,198
Other receivables, prepayments and deposits	97,396	73,416
	569,109	446,614
Contract assets		
Arising from performance under freight forwarding contracts	39,334	11,430
Arising from performance under cruise logistics contracts	116,514	103,289
	155,848	114,719
	724,957	561,333

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, resulted from revenue recognised on these contracts using output method exceeding the amounts billed to the customers as at the end of the Reporting Period.

12 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

13 CASH AND CASH EQUIVALENTS

	30 June 2024 \$'000	31 December 2023 \$'000
Cash at bank and on hand and cash and cash equivalents in the consolidated statement of financial position	208,494	260,279
Bank overdrafts (note 15)	(77)	(69)
	208,417	260,210
Cash and cash equivalents in the condensed consolidated cash flow statement	208,417	260,210

14 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 2024 \$'000	31 December 2023 \$'000
Within 1 month	224,541	160,776
1 to 3 months	60,222	61,026
Over 3 months	19,574	14,321
	304,337	236,123
Trade payables	304,337	236,123
Other payables and accrued charges	47,850	63,613
	352,187	299,736
Contract liabilities	34,789	7,795
	386,976	307,531

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Hong Kong dollars unless otherwise indicated)***15 BANK LOANS AND OVERDRAFTS**

The bank loans and overdrafts are repayable as follows:

	30 June 2024 \$'000	31 December 2023 \$'000
Within 1 year or on demand	349,555	307,718
After 1 year but within 2 years	1,473	10,387
After 2 years but within 5 years	1,756	2,843
	352,784	320,948

The bank loans and overdrafts are analysed as follows:

	30 June 2024 \$'000	31 December 2023 \$'000
Unsecured bank overdrafts (note 13)	77	69
Unsecured bank loans	352,707	320,879
	352,784	320,948

As at 30 June 2024, the interest rates of bank loans are in the range of 1.10%–7.52% per annum (31 December 2023: 0.87%–7.32% 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 2024 and 31 December 2023, none of the covenants relating to drawn down facilities had been breached.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

As at 30 June 2024 and 31 December 2023, 50,000,000,000 ordinary shares, with par value of US\$0.001 each, are authorised for issue.

On 19 February 2024, the Company issued 24,389,000 ordinary shares to Cargo Services Seafreight Limited in relation to the settlement of the consideration payable for the Allport Cruise Group acquisition.

As at 30 June 2024, the Company has 300,489,000 ordinary shares (31 December 2023: 276,100,000 ordinary shares) in issue.

(b) Dividends

During the six months ended 30 June 2024, the Group's subsidiaries declared and paid dividends of \$5,489,000 (six months ended 30 June 2023: \$6,425,000) to non-controlling interests.

On 30 August 2024, the Company declared an interim dividend of HK2 cents per ordinary share in respect of the period ended 30 June 2024. 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 Awarded 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 2024, the Trustee has purchased 7,791,000 shares (31 December 2023: 7,791,000 shares) of the Company on the Hong Kong Stock Exchange, with an aggregate amount of approximately \$25,628,000 (31 December 2023: \$25,628,000). No shares was granted to any person under the Share Award Scheme as at 30 June 2024 and 31 December 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

17 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 2024 \$'000	Fair value measurements as at 30 June 2024 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement				
Life insurance contract	4,182	—	4,182	—
Unlisted equity securities	393	—	—	393
Listed equity securities	675	675	—	—
Purchase consideration payable classified as financial liabilities at fair value through profit or loss, included in amounts due to Cargo Services Group	24,691	—	24,691	—

	Fair value at 31 December 2023 \$'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement				
Life insurance contract	4,313	—	4,313	—
Unlisted equity securities	396	—	—	396
Listed equity securities	666	666	—	—
Purchase consideration payable classified as financial liabilities at fair value through profit or loss, included in amounts due to Cargo Services Group	185,098	—	—	185,098

During the six months ended 30 June 2024, except for purchase consideration payable, 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

17 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% (2023: 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.

Life insurance contract

Fair value has been determined by reference to the quoted price as stated in the policy statement at the reporting date. During the year ended 30 June 2024, there is no material fair value change for the insurance contract.

Purchase consideration payable

The purchase consideration payable for acquisition of Allport Cruise Group is measured at fair value through profit or loss. The current balance represented the remaining consideration payable comprised of promissory notes, after the settlement of part of the consideration payable by issuance of ordinary shares by the Company in February 2024 and by cash during the period.

(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 2024 and 31 December 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS

	Six months ended 30 June	
	2024 \$'000	2023 \$'000
Cargo Services Group (note (i))		
— Freight forwarding service income received	15,805	24,631
— Freight forwarding service fee paid	49,437	51,103
— Management fee paid	—	341
— Interest expenses on lease liabilities	120	128
EV Cargo Group (note (ii))		
— Freight forwarding service income received	415	27,280
— Freight forwarding service fee paid	2,342	21,862
Associates and joint ventures		
— Freight forwarding service income received	2,655	1,709
— Freight forwarding service fee paid	7,990	1,449
Non-controlling interests of subsidiaries		
— Freight forwarding service income received	—	717
— Freight forwarding service fee paid	4,215	3,962
Empire Transportation Company Limited		
— Trucking service expenses	5,814	5,251
Transway Logistics Company Limited		
— Trucking service expenses	1,442	1,616
Lombardi Transporti S.r.l. (a company owned by a close family member of a director of the Group)		
— Trucking services expenses	3,152	3,001
Directors		
— Loans	5,126	5,240

Notes:

- (i) Cargo Services Group consists of Cargo Services Group Limited, a company incorporated in the Cayman Islands, CS Logistics Holdings Ltd., a company incorporated in British Virgin Islands, and their subsidiaries and associates (excluding EV Cargo Group and the Group). Cargo Services Group Limited, CS Logistics Holding Ltd. and the Group are members of the same group throughout the periods ended 30 June 2024, 31 December 2023 and 30 June 2023.
- (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 2024, 31 December 2023 and 30 June 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

19 CONTINGENT LIABILITIES

As at 30 June 2024, financial guarantees are given by the Company to the banks for the banking facilities entered by certain subsidiaries of the Group (see note 15). 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 2024 is the amount of the facilities drawn down by the Group, being \$348,005,000 (31 December 2023: \$314,676,000).

20 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 16(b).